

Middlebrook Pines Condominium Association, Inc.

Financial Statements and
Supplementary Information

June 30, 2023

DRAFT

Cole & Associates, LLC

Certified Public Accountants

Cole & Associates, LLC

Certified Public Accountants

Dayo O. Apena, CPA
DApena@ColeCPA.com

www.colecpa.com

407-351-4730
Fax 407-654-1544

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Middlebrook Pines Condominium Association, Inc.

Opinion

We have audited the accompanying financial statements of Middlebrook Pines Condominium Association, Inc., which comprise the balance sheet as of June 30, 2023, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Middlebrook Pines Condominium Association, Inc. as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Middlebrook Pines Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism through 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 Middlebrook Pines Condominium Association, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Middlebrook Pines Condominium Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Repairs and Replacements on page 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Disclaimer of Opinion on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Comparison Statements of Operating Fund Revenues and Expenditures on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Cole & Associates, CPA, LLC
Certified Public Accountants
October 20, 2023

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

JUNE 30, 2023

| | Operating Fund | Replacement Fund | Total |
|--|---------------------------|--------------------------|---------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS: | | | |
| Cash | \$ 110,873 | \$ 113,560 | \$ 224,433 |
| Assessments receivable (Note 3) | 22,219 | - | 22,219 |
| Prepaid expenses | 39,013 | - | 39,013 |
| Investments | - | 614,030 | 614,030 |
| Due from operating fund | - | 80,788 | 80,788 |
| Other assets | 17,593 | - | 17,593 |
| TOTAL ASSETS | <u>\$ 189,698</u> | <u>\$ 808,378</u> | <u>\$ 998,076</u> |
| | | | |
| LIABILITIES: | | | |
| Accounts payable and accrued expenses | \$ 102,240 | \$ - | \$ 102,240 |
| Prepaid assessments | 51,882 | - | 51,882 |
| Contract liabilities (Assessments received in advance - Replacement: Note 2) | - | 907,709 | 907,709 |
| Due to replacement fund | 80,788 | - | 80,788 |
| Notes payable (Note 5) | 1,184,607 | - | 1,184,607 |
| TOTAL LIABILITIES | 1,419,517 | 907,709 | 2,327,226 |
| Unrealized Gain (Loss) on Investments | - | (99,331) | (99,331) |
| FUND BALANCE (Replacement: Note 2) | <u>(1,229,819)</u> | <u>-</u> | <u>(1,229,819)</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 189,698</u> | <u>\$ 808,378</u> | <u>\$ 998,076</u> |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2023

| | Operating Fund | Replacement Fund | Total |
|--|-----------------------|---------------------|-----------------------|
| REVENUE: | | | |
| Assessment income | \$ 925,196 | \$ 1,173,745 | \$ 2,098,941 |
| Contractual collections/liability adjustment | - | (9,813) | (9,813) |
| Amortized bond premium paid | - | (2,565) | (2,565) |
| Gain (loss) on sales of assets | - | (17,577) | (17,577) |
| Cable TV income | 1,092 | - | 1,092 |
| Recovery of bad debt | 6,744 | - | 6,744 |
| Interest income | 241 | 29,955 | 30,196 |
| Other income | 25,519 | - | 25,519 |
| TOTAL REVENUE | \$ 958,792 | \$ 1,173,745 | \$ 2,132,537 |
| EXPENDITURES: | | | |
| Accounting & legal | \$ 16,070 | \$ - | \$ 16,070 |
| Building repairs & maintenance | 32,371 | - | 32,371 |
| Contracts grounds maintenance | 164,045 | - | 164,045 |
| Insurance | 212,116 | - | 212,116 |
| Interest expense | 73,441 | - | 73,441 |
| Irrigation repairs | 8,156 | - | 8,156 |
| Janitorial | 4,247 | - | 4,247 |
| Licenses, permits, & taxes | 2,468 | - | 2,468 |
| Management fees | 56,705 | - | 56,705 |
| Office & other expenses | 11,593 | - | 11,593 |
| Other grounds maintenance | 156,568 | - | 156,568 |
| Other pool maintenance | 1,732 | - | 1,732 |
| Pest control | 31,835 | - | 31,835 |
| Pool maintenance | 4,700 | - | 4,700 |
| Recreation repairs & maintenance | 355 | - | 355 |
| Trash removal | 88,498 | - | 88,498 |
| Utilities | 20,335 | - | 20,335 |
| Reserves expenditures | | 1,173,745 | 1,173,745 |
| TOTAL EXPENDITURES | \$ 885,235 | \$ 1,173,745 | \$ 2,058,980 |
| REVENUE IN EXCESS OF EXPENDITURES | 73,557 | - | 73,557 |
| BEGINNING FUND BALANCE | (1,303,376) | - | (1,303,376) |
| ENDING FUND BALANCE | \$ (1,229,819) | \$ - | \$ (1,229,819) |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

| | Operating Fund | Replacement Fund |
|--|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Assessment fees collected | \$ 1,017,381 | \$ 370,420 |
| Transfer fees | - | (2,565) |
| Cable TV income | 1,092 | - |
| Gain (loss) on sale | - | - |
| Recovery of bad debt | 6,744 | - |
| Interest received | 241 | 29,955 |
| Other income | 25,519 | - |
| Cash paid for operating expenses | (815,304) | - |
| Replacement expenses paid | - | (1,173,745) |
| Net cash provided (used) by operating activities: | 235,673 | (775,935) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase/sale of investments | - | 170,000 |
| Amortized bond premium | - | (2,565) |
| Gain (Loss) on investments | - | (17,577) |
| Reinvested interest/dividends | - | 9,287 |
| Net cash provided (used) by investing activities: | - | 159,145 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on debt | (219,529) | - |
| Net cash provided (used) by financing activities: | (219,529) | - |
| NET CHANGE IN CASH | 16,144 | (616,790) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | 94,729 | 730,350 |
| CASH AND CASH EQUIVALENTS - End of Year | \$ 110,873 | \$ 113,560 |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Operating Fund</u> | <u>Replacement Fund</u> |
|---|---------------------------|-----------------------------|
| RECONCILIATION OF NET REVENUES OVER EXPENDITURES TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Excess of revenues over expenditures | \$ 73,557 | \$ - |
| Adjustment to reconcile net revenues over expenditures to net cash provided by operating activities: | | |
| (Increase) decrease in: | | |
| Assessments receivable | 15,129 | - |
| Prepaid expenses | 4,156 | - |
| Prepaid income taxes | 2,625 | - |
| Due from operating fund | - | (83,136) |
| Due to reserve fund | 83,136 | - |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 63,150 | - |
| Prepaid assessments | (6,080) | - |
| Contract liabilities | - | (710,376) |
| Net cash provided (used) by operating activities: | <u>235,673</u> | <u>(793,512)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase/sale of investments | - | 170,000 |
| Amortized bond premium | - | (2,565) |
| Reinvested interest/dividends | - | 9,287 |
| Net cash provided (used) by investing activities: | <u>-</u> | <u>176,722</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on debt | (219,529) | - |
| Net cash provided (used) by financing activities: | <u>(219,529)</u> | <u>-</u> |
| NET CHANGE IN CASH | 16,144 | (616,790) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>94,729</u> | <u>730,350</u> |
| CASH AND CASH EQUIVALENTS - End of Year | <u>\$ 110,873</u> | <u>\$ 113,560</u> |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | <u>\$ 73,441</u> | |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Middlebrook Pines Condominium Association, Inc. (the "Association") is incorporated in the State of Florida. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 344 residential units located in Orange County, Florida. The Association is governed by a Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions, by-laws, and rules and regulations.

Financial Statements

The accompanying financial statements were prepared pursuant to the requirements of Florida Statutes and the American Institute of Certified Public Accountants.

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 Replacement Fund is composed of capital assessments paid by unit owners to fund future replacements and major repairs. Expenditures from this fund are typically restricted to those items for which assessments were specifically collected. Interest earned on replacement funds remains in the Replacement Fund and may only be expended for components previously funded.

Revenue Recognition

Regular assessments to members are recognized as revenue during the period for which they are assessed. Assessments received in advance of this period are reported as prepaid assessments on the balance sheet.

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.

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Liabilities (Assessments received in advance – Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the major repairs and replacement fund. The balances of contract liabilities as of the beginning and end of the year ended 2023 are \$1,618,085 and \$907,709, respectively.

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.

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 expenditures 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 June 30, 2023, the uninsured portion of cash balances is \$0.

The Association has obtained insurance coverage for damages covered by windstorm. The Association would be responsible for losses up to the amount of the deductible and has the right to increase regular assessments, levy a special assessment or delay repairs until adequate funds are available.

Commitments and Contingency

The Association has entered into various short-term contractual agreements with outside vendors and service providers to maintain its common property and to administer the Association. These contracts have different expiration dates and renewal terms.

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were issued.

See Note 7 for coronavirus (COVID-19) pandemic disclosure.

NOTE 2: RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS

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

Florida statutes require disclosure of the amount of annual funding required to fully fund each reserve account over the remaining useful life of the applicable assets. This calculation is presented in the Supplementary Information on Future Repairs and Replacements based upon estimates of replacement values and remaining lives as discussed below. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our engagement.

In the fall of 2023, the Association 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 replacement fund.

Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, 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.

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2: RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS (Continued)

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

| COMPONENT | BEGINNING BALANCE | FUNDING DURING YEAR | INTEREST & OTHER INCOME | CHARGES TO FUND | BALANCE 06/30/2023 |
|-----------|----------------------|---------------------------|-------------------------------|----------------------------|-----------------------|
| Pooled | \$1,618,085 | \$ 453,556 | \$ 9,813 | \$1,173,745 | \$ 907,709 |
| TOTAL | \$1,618,085 | \$ 453,556 | \$ 9,813 | \$1,173,745 | \$ 907,709 |
| | | | | Contract liability portion | 907,709 |
| | | | | Equity portion | - |
| | | | | | <u>\$ 907,709</u> |

NOTE 3: MEMBER ASSESSMENTS

Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Association expenses are allocated on a pro-rata basis per unit (1/344). Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement assessments are satisfied when these funds are expended for their designated purpose.

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 contractual collections adjustments. The allowance for uncollectible accounts is \$13,600 on June 30, 2023. The balances of assessments receivable as of the beginning and the end of the year are \$63,448 and \$35,819, respectively.

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4: INCOME TAXES

Associations may be taxed as homeowners' associations under Internal Revenue Code (IRC) 528 or as regular corporations under IRC 277. In 2023, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings, net of directly related expenses, at a rate of 30%. Income tax expense was \$0 for the year then ended.

The Association follows FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, which provides guidance on accounting for uncertainty in income taxes recognized in the Association's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. As of June 30, 2023, the Association had no uncertain tax positions that require either recognition or disclosure in the Association's financial statements. Generally, the Association's tax returns remain open for three years for federal income tax examination.

NOTE 5: RESERVE FUND – INVESTMENTS

The Association has a portion of the reserve funds invested in debt and equity securities which are reported at fair market value with unrealized gains and losses reported as accumulated other comprehensive income. As of June 30, 2023, the fund investment account has an unrealized loss of \$99,331 and consists of the following:

| | Cost | Unrealized Gain/(Loss) | Market Value |
|-----------------|------------|---------------------------|--------------|
| Municipal Bonds | \$ 414,086 | \$ (93,213) | \$ 320,873 |
| CDs | \$ 299,275 | (6,118) | 293,157 |
| Total | \$ 713,361 | \$ (99,331) | \$ 614,030 |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6: NOTES PAYABLE

In 2019, the Association entered into a loan agreement with Truist Bank to finance a shingle replacement project. The principal balance of the loan, \$2,150,000 is payable in monthly installments of \$23,805.68 over 113 months. The interest rate is fixed at 5.00% for the term of the loan. The loan is collateralized by the assignment of regular assessments and lien rights. Maturities of long-term debt for each of the five years following June 30, 2023, are as follows:

| <u>Years Ended June 30</u> | <u>Outstanding Debt</u> |
|--------------------------------|-----------------------------|
| 2024 | \$ 230,775 |
| 2025 | 242,894 |
| 2026 | 255,498 |
| 2027 | 268,755 |
| Thereafter | 186,685 |
| | <u>\$ 1,184,607</u> |

NOTE 7: COVID-19 PANDEMIC

Markets have been negatively impacted by a novel strain of coronavirus (COVID-19), which was declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The continued spread of COVID-19 and the actions being taken by governments, businesses, and individuals to limit this pandemic may adversely impact operations, including, among others, increasing the credit risk of owners and collectability of owner assessments. This has resulted in significant economic uncertainty, of which the potential impact to the Association's future financial results is difficult to measure.

NOTE 8: LITIGATION

The Association is currently involved in litigation related to a slip and fall incident. A claim has been filed with the Association insurance carrier, who has assigned legal counsel. The litigation is ongoing, and any potential gain or loss is unknown at this time.

DRAFT

SUPPLEMENTARY INFORMATION

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)**

JUNE 30, 2023

In the spring of 2023, the Association estimated the remaining useful lives and current replacement costs of common property components. Estimates were based upon professional judgment, which may include contractor estimates for major components from prior years. Florida statutes require disclosure of the amount of the annual funding required to fully fund each reserve account over the remaining useful life of the applicable asset.

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

| COMPONENT | ESTIMATED REMAINING USEFUL LIFE (YEARS) | ESTIMATED CURRENT REPLACEMENT COST | REPAIRS / REPLACEMENTS 2023 | 2024 STATUTORY FUNDING REQUIRED |
|--------------------------|--|---|-----------------------------------|--|
| Pooled | - | \$ - | \$ 907,709 | \$ 583,150 |
| Roofs | 6 - 30 | 5,631,872 | - | - |
| Painting | 1 - 9 | 423,786 | - | - |
| Paving | 2 - 29 | 714,055 | - | - |
| Misc building components | 1 - 30 | 1,645,600 | - | - |
| Swimming pool facility | 1 - 29 | 86,445 | - | - |
| Courts | 1 - 5 | 33,680 | - | - |
| Clubhouse | 1 - 11 | 20,772 | - | - |
| Misc. site improvements | 1 - 16 | 109,000 | - | - |
| | | <u>\$ 8,665,210</u> | <u>\$ 907,709</u> | <u>\$ 583,150</u> |

Note: The Association has budgeted \$453,556 in reserve fund contributions for fiscal year 2024

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUES AND EXPENSES
ACTUAL TO BUDGET (UNAUDITED)**

FOR THE YEAR ENDED JUNE 30, 2023

| | Actual | Budget | Variance |
|--|---------------------|---------------------|-------------------|
| REVENUE: | | | |
| Assessment income | \$ 1,378,752 | \$ 1,377,709 | \$ 1,043 |
| Cable TV income | 1,092 | 1,900 | (808) |
| Recovery of bad debt | 6,744 | - | 6,744 |
| Interest income | 241 | - | 241 |
| Other income | 25,519 | 16,800 | 8,719 |
| TOTAL REVENUE | \$ 1,412,348 | \$ 1,396,409 | \$ 15,939 |
| EXPENDITURES: | | | |
| Accounting & legal | 16,070 | 23,350 | (7,280) |
| Building repairs & maintenance | 32,371 | 35,300 | (2,929) |
| Contracts grounds maintenance | 164,045 | 152,670 | 11,375 |
| Insurance | 212,116 | 201,114 | 11,002 |
| Interest expense | 73,441 | 288,783 | (215,342) |
| Irrigation repairs | 8,156 | 25,000 | (16,844) |
| Janitorial | 4,247 | 6,760 | (2,513) |
| Licenses, permits, & taxes | 2,468 | 1,811 | 657 |
| Management fees | 56,705 | 56,705 | - |
| Office & other expenses | 11,593 | 9,100 | 2,493 |
| Other grounds maintenance | 156,568 | 123,300 | 33,268 |
| Other pool maintenance | 1,732 | 1,500 | 232 |
| Pest control | 31,835 | 36,300 | (4,465) |
| Pool maintenance | 4,700 | 4,860 | (160) |
| Recreation repairs & maintenance | 355 | 500 | (145) |
| Trash removal | 88,498 | 72,000 | 16,498 |
| Utilities | 20,335 | 29,700 | (9,365) |
| Reserve funding | 453,556 | 453,556 | - |
| TOTAL EXPENDITURES | 1,338,791 | 1,522,309 | (183,518) |
| REVENUE IN EXCESS OF EXPENDITURES | \$ 73,557 | \$ (125,900) | \$ 199,457 |

MIDDLEBROOK PINES CONDOMINIUM ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUES AND EXPENSES
ACTUAL TO PRIOR YEAR (UNAUDITED)**

FOR THE YEAR ENDED JUNE 30, 2023

| | 2023 | 2022 | Variance |
|--|---------------------|---------------------|---------------------|
| REVENUE: | | | |
| Assessment income | \$ 1,378,752 | \$ 1,287,936 | \$ 90,816 |
| Contractual collections adjustment | - | (7,900) | 7,900 |
| Insurance reimbursement | - | 9,820 | (9,820) |
| Cable TV income | 1,092 | 1,670 | (578) |
| Recovery of bad debt | 6,744 | - | 6,744 |
| Interest income | 241 | 15 | 226 |
| Other income | 25,519 | 25,740 | (221) |
| TOTAL REVENUE | \$ 1,412,348 | \$ 1,317,281 | \$ 95,067 |
| EXPENDITURES: | | | |
| Accounting & legal | 16,070 | 27,704 | (11,634) |
| Building repairs & maintenance | 32,371 | 37,086 | (4,715) |
| Consulting | - | 3,000 | (3,000) |
| Contracts grounds maintenance | 164,045 | 146,000 | 18,045 |
| Insurance | 212,116 | 178,640 | 33,476 |
| Interest expense | 73,441 | 80,617 | (7,176) |
| Irrigation repairs | 8,156 | 6,507 | 1,649 |
| Janitorial | 4,247 | 7,540 | (3,293) |
| Licenses, permits, & taxes | 2,468 | 1,841 | 627 |
| Management fees | 56,705 | 53,404 | 3,301 |
| Office & other expenses | 11,593 | 12,510 | (917) |
| Other grounds maintenance | 156,568 | 89,744 | 66,824 |
| Other pool maintenance | 1,732 | 1,277 | 455 |
| Pest control | 31,835 | 12,162 | 19,673 |
| Pool maintenance | 4,700 | 5,465 | (765) |
| Recreation repairs & maintenance | 355 | 6,170 | (5,815) |
| Trash removal | 88,498 | 81,169 | 7,329 |
| Utilities | 20,335 | 20,462 | (127) |
| Reserve funding | 453,556 | 367,654 | 85,902 |
| TOTAL EXPENDITURES | 1,338,791 | 1,138,952 | 199,839 |
| REVENUE IN EXCESS OF EXPENDITURES | \$ 73,557 | \$ 178,329 | \$ (104,772) |