

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**WILLIAM A. JACKSON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
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William A. Jackson & Company
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Treetop Village Condominium Associations, Inc.

Management is responsible for the accompanying financial statements of Treetop Village Condominium Associations, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 7 through page 9 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

April 14, 2024

A handwritten signature in black ink that reads "William A. Jackson, CPA". The signature is written in a cursive, flowing style.

William A. Jackson & Company
Melbourne, Florida

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2023**

	Operating Fund	Replacement Fund	Total
Assets			
Cash, including interest-bearing deposits	\$ 32,612	\$ 130,679	\$ 163,291
Assessments Receivable	25	-	25
Total assets	<u>\$ 32,637</u>	<u>\$ 130,679</u>	<u>\$ 163,316</u>
Liabilities and fund balance			
Liabilities			
Accounts Payable	\$ 1,643	\$ -	\$ 1,643
Prepaid Assessments	6,455	-	6,455
Total liabilities	<u>8,098</u>	<u>-</u>	<u>8,098</u>
Fund balance	<u>24,539</u>	<u>130,679</u>	<u>155,218</u>
Total liabilities and fund balance	<u><u>\$ 32,637</u></u>	<u><u>\$ 130,679</u></u>	<u><u>\$ 163,316</u></u>

See accompanying notes and accountants compiled report.

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
BALANCE FOR THE YEAR ENDED DECEMBER 31, 2023**

	Operating Fund	Replacement Fund	Total
Revenues			
Homeowner Assessments	\$ 141,411	\$ 34,989	\$ 176,400
Special Assessment	49,840	-	49,840
Late Fees	483	-	483
Interest	17	397	414
	<hr/>	<hr/>	<hr/>
Total Revenues	191,751	35,386	227,137
	<hr/>	<hr/>	<hr/>
Expenses			
Accounting Fees	2,345	-	2,345
Insurance	93,213	-	93,213
Licenses and Permits	61	-	61
Maintenance - Building	10,474	-	10,474
Maintenance - Lawn & Grounds	12,923	-	12,923
Maintenance - Pool	3,413	-	3,413
Major Repairs and Replacements	-	31,384	31,384
Management Fees	6,230	-	6,230
Office Expense	1,039	-	1,039
Professional fees	(217)	-	(217)
Special Assessment Expenses	37,026	-	37,026
Utilities-Electric	3,950	-	3,950
Utilities -Water	17,935	-	17,935
	<hr/>	<hr/>	<hr/>
Total Expenses	188,392	31,384	219,776
	<hr/>	<hr/>	<hr/>
Excess of Expenses			
Over Revenues	3,359	4,002	7,361
	<hr/>	<hr/>	<hr/>
Fund Balance at January 1, 2023	21,180	126,677	147,857
	<hr/>	<hr/>	<hr/>
Fund Balance at December 31, 2023	24,539	130,679	155,218
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See accompanying notes and accountants compiled report.

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Cash flows from operating activities			
Excess of revenues over (under) expense	\$ 3,359	\$ 4,002	\$ 7,361
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
(Increase) or decrease in:			
Accounts receivable (net of Allowance)	1,106	-	1,106
Prepaid expenses	112	-	112
Increase or (decrease) in:			
Accounts payable	(147)	-	(147)
Prepaid assessments	(271)	-	(271)
Net cash provided by operating activities:	<u>4,159</u>	<u>4,002</u>	<u>8,161</u>
Net increase (decrease) in cash	4,159	4,002	8,161
Cash, January 1, 2023	<u>28,453</u>	<u>126,677</u>	<u>155,130</u>
Cash, December 31, 2023	<u>\$ 32,612</u>	<u>\$ 130,679</u>	<u>\$ 163,291</u>

SUPPLEMENTAL DISCLOSURE

No Federal Income tax or interest was paid in 2023.

See accompanying notes and accountants compiled report.

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – NATURE OF ORGANIZATION

Treetop Village Condominium Association, Inc. (the Association) was incorporated as a not-for-profit corporation in the State of Florida on November 27, 2017. The Association is responsible for the operation and maintenance of the common property within the development. The development is located in Melbourne Beach, Florida and, consists of 28 residential units and common area.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Association's documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using the principles of fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – this fund is used to account for the day-to-day activities of the Association, including the general management and upkeep of the common property.

Replacement Fund - this fund is used to accumulate financial resources designated for future major repairs and replacements.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Association considers all unrestricted highly liquid investments to be cash equivalents, including time deposits and certificates of deposit.

Member Assessments

Association members are subject to assessments to provide funds for the Association's operating expenses. There is a monthly regular membership assessment. For the year ended December 31, 2023, the operating assessment was \$525 per month per unit with \$104.13 allocated to the reserve fund. The regular monthly assessment for 2024 is \$630 per month per unit with \$145.86 allocated to the reserve fund.

Late Fee Policy

The Association's policy on all accounts not paid on or before fifteen (15) days shall bear interest rate of 18% per annum from the date due until paid. All payments upon account shall be first applied to interest and the late charge then to the assessment payment due. All interest and late charges collected shall be credited to the common expense account.

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Late Fee Policy

The Association's policy on all accounts not paid on or before fifteen (15) days shall bear interest rate of 18% per annum from the date due until paid. All payments upon account shall be first applied to interest and the late charge then to the assessment payment due. All interest and late charges collected shall be credited to the common expense account.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Actual results may differ from estimated amounts.

Income Taxes

The Association may be taxed either as homeowners' association or as a regular corporation. For the year ended December 31, 2023, the Association was taxed as a homeowners' association. Under that election, the Association is taxed on non-exempt function income, such as interest earnings at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable. For the year ended December 31, 2023 no income tax was incurred.

Property & Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. As a result, improvements to the real property and common areas are expensed as incurred.

NOTE 3 – COVID-19 PANDEMIC

Subsequent to December 31, 2019, 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 4 - FASB ASC 606

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate-Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services. The Association has chosen not to adopt the new guidance. The reserves funds on December 31, 2022 totaled \$126,677, by December 31, 2023 they increased to \$130,669. These funds are restricted to major repairs and replacements.

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

In accordance with Florida Statutes, the Association's governing documents require funds to be accumulated for future major repairs and replacements if not waived at an annual meeting in which a majority of the owners agree. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The Association is funding for future major repairs and replacements using the pooling method of funding. Thus, estimates are based on historical data and recent experience. The estimates were based on future estimated replacement costs. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on that study. The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of future replacement costs and considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income 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 all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available.

Description	Balance 01/01/23	Additions	Interest	Disburse- ments	Balance 12/31/23
Painting	\$ 2,464	\$ 3,604	\$ -	\$ 19	\$ 6,049
Paving	28,085	5,416	-	-	33,501
Pool	15,099	2,300	-	6,915	10,484
Flat Roof	(50,078)	8,664	-	-	(41,414)
Mansard Roof	114,627	13,124	-	8,908	118,843
Wastewater	9,938	1,631	-	15,542	(3,973)
Contingency fund	5,000	250	-	-	5,250
Reserve Interest	1,542	-	397	-	1,939
Total Reserves	<u>\$ 126,677</u>	<u>\$ 34,989</u>	<u>\$ 397</u>	<u>\$ 31,384</u>	<u>\$ 130,679</u>

NOTE 6 – SUBSEQUENT EVENTS

The Association has evaluated its subsequent events through April 14, 2024, which was the date that the accompanying financial statements were issued. The Association had no material subsequent events requiring disclosure.

See accompanying notes and accountants compiled report.

SUPPLEMENTARY INFORMATION

**TREETOP VILLAGE
CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS (UNAUDITED)
DECEMBER 31, 2023**

The Association's Board of Directors along with management estimates the remaining useful lives and the replacement costs of the components of common property based on historical data and recent experience. However, estimated future replacement costs do not take into account the effects of inflation for the balance of the components. Thus, the following table is based on management's estimates, and presents significant information about the components of common property. Actual expenditures may vary from the estimated replacement costs and the variations may be material.

The following information is based on the study and presents significant information about the components of common property. (Estimated amounts rounded to the nearest thousand dollars)

	Average Estimated Useful Lives	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	Current Replacement Balance	2024 Proposed Budgeting Requirements
Painting	10	9	35,000	6,049	3,819
Paving	20	6	60,000	33,501	5,966
Pool	12	3	20,000	10,484	4,205
Flat Roof	35	27	175,000	(41,414)	9,020
Mansard Roof	35	2	140,000	118,843	21,429
Wastewater	10	1	12,000	(3,973)	4,045
Contingency fund	3	2	5,000	5,250	525
Interest			5,000	1,939	-
Totals			<u>\$ 452,000</u>	<u>\$ 130,679</u>	<u>\$ 49,009</u>

See accompanying notes and accountants compiled report.