Estates at Turtle Run Homeowners' Association, Inc.

Financial Statements

Year Ended December 31, 2024

FF&B | CPAs

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Certified Public Accountants. Count on us.

To the Board of Directors and Members
Estates at Turtle Run Homeowners' Association, Inc.

Management is responsible for the accompanying financial statements of Estates at Turtle Run Homeowners' Association, Inc., which comprise the balance sheet as of December 31, 2024, 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 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.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Feldman, Feldman & Baratz, P.A.

Boca Raton, FL

April 4, 2025

Estates at Turtle Run Homeowners' Association, Inc.

Balance Sheet

December 31, 2024

	Operating Fund	Replacement Fund	Total
Assets			
Cash	$ 217,831	$ -	$ 217,831
Maintenance assessments receivable, net of $1,140 allowance for credit losses	5,856	-	5,856
Prepaid insurance	12,682	-	12,682
Total assets	$ 236,369	$ -	$ 236,369
Liabilities & fund balances			
Prepaid maintenance assessments	57,769	-	57,769
Deferred incentives	24,999	-	24,999
Total liabilities	82,768	-	82,768
Fund balances (deficit)	153,601	-	153,601
Total liabilities & fund balances	$ 236,369	$ -	$ 236,369

See accompanying notes and independent accountants' compilation report.

Estates at Turtle Run Homeowners' Association, Inc.

Statement of Revenues, Expenses, and Changes in Fund Balances

For the year ended December 31, 2024

	Operating Fund	Replacement Fund	Total
Revenues			
Maintenance assessments	$ 195,123	$ -	$ 195,123
Recovery of credit losses	5,860	-	5,860
Incentive income	5,618	-	5,618
Interest income	1,028	-	1,028
Other income	84	-	84
Total revenues	207,713	-	207,713
Expenses			
Administrative	6,108	-	6,108
Common area maintenance	20,625	-	20,625
Insurance	25,539	-	25,539
Management	29,808	-	29,808
Master association fees	25,478	-	25,478
Professional fees	31,681	-	31,681
Repairs and maintenance	60,544	-	60,544
Tree trimming	44,150	-	44,150
Total expenses	243,933	-	243,933
Excess (deficiency) of revenues over expenses	(36,220)	-	(36,220)
Beginning fund balances (deficit)	189,821	-	189,821
Ending fund balances (deficit)	$ 153,601	$ -	$ 153,601

See accompanying notes and independent accountants' compilation report.

Estates at Turtle Run Homeowners' Association, Inc.

Statement of Cash Flows

For the year ended December 31, 2024

	Operating Fund	Replacement Fund	Total
Cash flows from operating activities			
Excess (deficiency) of revenues over expenses	$ (36,220)	$ -	$ (36,220)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:			
Decrease (increase) in assets:			
Maintenance assessments receivable	1,476	-	1,476
Prepaid insurance	(2,125)	-	(2,125)
Increase (decrease) in liabilities:			
Prepaid maintenance assessments	46,395	-	46,395
Deferred blue stream incentive	(5,619)	-	(5,619)
Net cash provided (used) by operating activities	3,907	-	3,907
Net increase (decrease) in cash	3,907	-	3,907
Cash at beginning of year	213,924	-	213,924
Cash at end of year	$ 217,831	$ -	$ 217,831

See accompanying notes and independent accountants' compilation report.

Notes to the Financial Statements

Estates at Turtle Run Homeowners' Association, Inc.

Notes to the Financial Statements

For the year ended December 31, 2024

1. Nature of organization

Estates at Turtle Run Homeowners' Association, Inc. (“the Association”) was incorporated as a not-for-profit corporation in the State of Florida on September 25, 1987. The Association consists of 253 residential units and is responsible for the operation and maintenance of the common property located in Coral Springs, Florida.

2. Date of management's review

The Association has evaluated subsequent events through April 4, 2025, the date which the financial statements were available to be issued.

3. Summary of significant accounting policies

a. Basis of presentation

The accompanying financial statements include the assets, liabilities, fund balances, revenue, and expenses as determined using the accrual basis of accounting.

b. Fund accounting

The Association is a not-for-profit organization which employs the fund method of accounting in order to properly account for restrictions on the expenditures resulting from actions of the Board of Directors, the Association voting membership, or applicable Florida Statutes. The financial statements segregate the accounting for such funds as either operating or replacement funds.

The operating fund is used to account for financial resources available for the general operations of the Association. Disbursements from the operating fund are generally at the discretion of the Board of Directors.

The replacement fund is generally used to account for assessments made for major repair and replacement of common property, and related expenses. Disbursements from the replacement fund may only be utilized in accordance with Florida Statutes and the purposes established by the Board of Directors and the Association membership. The Association’s membership is not funding the replacement fund.

c. Cash

The Association’s cash balance consists of checking and money market accounts.

d. Interest income

The Association recognizes interest income in the operating fund and the replacement fund when earned.

3. Summary of significant accounting policies (continued)

e. Maintenance assessments and allowance for credit losses

Association members are subject to annual maintenance assessments to provide funds for the Association’s operating expenses and major repairs and replacements. 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 Association does not have contract liabilities that would require the replacement fund assessments to defer revenue until the performance obligations related to the replacement fund assessments are satisfied. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association’s policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. As of the beginning of the year, maintenance assessment receivable, net was $7,332. As of December 31, 2024, maintenance assessments receivable totaled $14,332, less an allowance for credit losses in the amount of $1,140, for a net receivable of $5,856.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. Maintenance Assessments receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The Association had the following activity for its allowance for credit losses for maintenance assessments receivable for the year ended December 31, 2024:

Beginning balances	$	7,000
Recoveries collected		(5,860)
Ending balances	$	1,140

f. 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.

3. Summary of significant accounting policies (continued)

g. Revenue recognition

The Financial Accounting Standards Board (FASB) 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 (CIRA), 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's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. When funding the replacement fund, the performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. The performance obligations related to ancillary revenues is delivery of the underlying services. In instances where the Association's collection of fees is not probable, it cannot recognize revenue.

h. Prepaid maintenance assessments

Prepaid maintenance assessments represent amounts collected from members prior to the end of the reporting period that are attributable to subsequent periods. At December 31, 2024, the balance of prepaid maintenance assessments has been recorded as a liability in the accompanying financial statements. Revenue from these assessments is recognized as earned over the period to which they relate. The balances of prepaid maintenance assessments as of the beginning and end of the year are $11,374 and $57,769, respectively.

i. 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, 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.

j. Fair value of financial instruments

The carrying amounts of the Association's financial instruments, which primarily consist of cash, and maintenance assessments receivable, approximate their fair values due to their short-term maturities.

3. Summary of significant accounting policies (continued)

k. Income taxes

The Association filed its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528 for the current year. Under that Section, the Association is not taxed on uniform assessments to members and other income received from association members solely as a function of their membership in the Association. The Association is taxed at the rate of 30% on its nonexempt function income, which includes interest income and revenue received from nonmembers.

The Association's policy is to expense interest and penalties related to income taxes when they are assessed. The Association had no such expenses for the year ended December 31, 2024.

4. Litigation

The Association is from time-to-time a party to various legal actions normally associated with homeowner associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

5. Commitments

The Association has various contract services to maintain the common property including management services, maintenance services, and lawn maintenance. These contracts have different expiration dates and renewal terms. The Association has an obligation to the Master Association as a result of mandatory membership (see Note 6).

6. Master association

The Association is a member of Turtle Run Foundation, Inc. ("the Master Association"). The Master Association provides for maintenance and certain other services for the Association. The Association collects and remits payment to the Master Association on behalf of the unit owners.

7. Prior period adjustments

Prior period adjustments are transactions and corrections relating to prior accounting periods and are made in order to reflect the current year without distortion. This prior period adjustment is to reconcile fund balance due to prior year transactions not included in the prior accounting period.

8. Concentration of credit risk

The Association maintains its cash balances at various financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2024, the Association did not have any uninsured deposits.

The Association assesses regular and special assessments to its members. It is the Association's policy to turn over significantly past due accounts for collection and to file liens against the individual unit owners. Should the collection of any such liens be enforced by the sale of the unit, the collectability of the receivable is dependent on the quick sale market value of the unit, and the amount of any such other liens that have priority. Market value may be influenced by the real estate market in the Association's geographic area.

9. Future major repairs and replacements

The Association's governing documents do not require funds to be accumulated for future major repairs and replacements. If additional funds are needed, however, the Association has the right to increase regular assessments or levy assessments, or it may delay major repairs and replacements until funds are available.

Florida Statutes §720.303(6)(c)(1) requires the following statement:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

10. Deferred incentives

Deferred Comcast incentive

On December 21, 2019, the Association entered into a 10-year service agreement with Comcast. The Association received $25,300 as consideration for entering into this contract. This incentive will be recognized over the ten years of the contract. As of December 31, 2024, the Association has deferred $12,650 of this income.

Deferred Blue Stream incentive

On November 9, 2018, the Association entered into a 10-year service agreement with Blue Stream. The Association received $30,875 in 2019 as consideration for entering into this contract. This incentive will be recognized over the ten years of the contract. As of December 31, 2024, the Association has deferred $12,349 of this income.