

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**

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**FINANCIAL STATEMENTS**

**FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

## **C O N T E N T S**

	Page
<hr/>	
INDEX	1
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenue, Expenses and Changes in Fund Balance	4 - 5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 12
Supplemental Information	13 - 15

## **INDEPENDENT AUDITORS' REPORT**

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Board of Directors  
Greynolds Park Club Association, Inc.

We have audited the accompanying balance sheet of Greynolds Park Club Association, Inc. as of December 31, 2023, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greynolds Park Club Association, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States.

**Greg K. Gonzalez, CPA, PA**  
**7900 Oak Lane Suite 400**  
**Miami Lakes, Fl. 33016**

*Greg K. Gonzalez, CPA, P.A.*

April 3, 2024

# GREYNOLDS PARK CLUB ASSOCIATION, INC.

## BALANCE SHEET

DECEMBER 31, 2023

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	Operating Fund	Replacement Fund	Total 2023
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,440,554	\$ 144,906	\$ 3,585,460
Accounts Receivable	16,282	-	16,282
Special Assessment Receivable	1,098	-	1,098
Other Receivable	6,910	-	6,910
Prepaid Expense	1,135	-	1,135
Prepaid Insurance	229,263	-	229,263
<b>Total Assets</b>	<u>3,695,242</u>	<u>144,906</u>	<u>3,840,147</u>
<b>LIABILITIES</b>			
Accounts Payable	3,075,616	4,520	3,080,136
Accrued Expenses	15,609	-	15,609
Insurance Payable	229,262	-	229,262
Prepaid Maintenance Fees	21,376	-	21,376
Security Deposits	26,400	-	26,400
Deferred Reserve Funds	-	140,386	140,386
Special Assessment Deferred Revenue	46,117	-	46,117
Insurance Claim Liability	268,123	-	268,123
<b>Total Liabilities</b>	<u>3,682,504</u>	<u>144,906</u>	<u>3,827,409</u>
<b>MEMBERS' EQUITY</b>			
Fund Balance	12,738	-	12,738
<b>Total Liabilities and Members' Equity</b>	<u>\$ 3,695,242</u>	<u>\$ 144,906</u>	<u>\$ 3,840,147</u>

**GREYNOLDS PARK CLUB ASSOCIATION, INC.****STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

	Operating Fund	Replacement Fund	Total 2023	Total 2022
<b>REVENUES</b>				
Maintenance Assessments	\$ 942,863	\$ 121,350	\$ 1,064,213	\$ 750,527
Laundry Income	6,441	-	6,441	14,681
Club House Rental Income	530	-	530	610
Interest Income	109,029	-	109,029	61
Screening/Application Fees	1,051	-	1,051	806
Late Fee Interest	1,590	-	1,590	2,265
Key FOB Income	1,045	-	1,045	1,395
Misc Income	11,251	-	11,251	8,982
<b>Total Revenues</b>	<b>1,073,799</b>	<b>121,350</b>	<b>1,195,149</b>	<b>779,327</b>
<b>EXPENSES</b>				
Accounting	1,950	-	1,950	1,950
Bad Debts	15	-	15	163
Bank Charges	971	-	971	1,077
Electricity	33,481	-	33,481	58,377
Gas	558	-	558	539
Elevator	6,840	-	6,840	12,840
Insurance	383,917	-	383,917	301,929
Landscaping Maintenance	18,650	-	18,650	18,000
Legal Fees	9,769	-	9,769	2,088
Licenses, Taxes and Fees	8,955	-	8,955	5,795
Management Service	22,770	-	22,770	20,856
Misc. Expenses	2,088	-	2,088	195
Office Expense and Supplies	5,476	-	5,476	2,412
Pest Control	5,324	-	5,324	7,505
Repairs and Maintenance	245,673	-	245,673	114,926
Salaries	106,476	-	106,476	121,266
Janitorial	27,411	-	27,411	-
Pool Maintenance	5,040	-	5,040	5,040

**GREYNOLDS PARK CLUB ASSOCIATION, INC.****STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023****EXPENSES - Continued**

	Operating Fund	Replacement Fund	Total 2023	Total 2022
Telephone	4,642	-	4,642	3,324
Trash Removal	23,030	-	23,030	31,587
Security	46,365	-	46,365	42,442
Water and Sewer	112,452	-	112,452	123,933
Sewer Lift Pump Station	1,800	-	1,800	1,800
Fire Alarm	336	-	336	412
	1,073,988	-	1,073,988	878,455
Excess (Deficiency) of Revenues over Expenses	(189)	121,350	121,161	(99,128)
Fund Balance - Beginning of year	109,910	-	109,910	87,731
Deferred Reserve Funds	-	(121,350)	(121,350)	-
Transfer	(96,983)	-	(96,983)	(15,000)
Prior Period Adjustment	-	-	-	136,307
Fund Balance - End of year	\$ 12,738	\$ 0	\$ 12,739	\$ 109,910

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

	Operating Fund	Replacement Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Excess (Deficiency) of Revenues over Expenses	\$ (189)	\$ 121,350	121,161
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by (Used in) Operating Activities:			
Decrease/(Increase) in:			
Accounts Receivable	(4,568)	-	(4,568)
Special Assessment Receivable	13,199	-	13,199
Other Receivable	(4,608)	-	(4,608)
Prepaid Expense	186	-	186
Prepaid Insurance	(14,067)	-	(14,067)
Unbilled Special Assessment	6,729,443	-	6,729,443
Increase/(Decrease) in:			
Accounts Payable/Accrued Expenses	(468,211)	4,520	(463,691)
Accrued Expenses	10,164	-	10,164
Insurance Payable	34,285	-	34,285
Prepaid Maintenance Fee	(3,079)	-	(3,079)
Security Deposits	1,812	-	1,812
Loan Payable	(4,185,000)	(121,350)	(4,306,350)
Insurance Proceeds Liability	268,123	-	268,123
Deferred Revenue	(3,283,004)	121,260	(3,161,744)
Transfer	(96,983)	-	(96,983)
Net Cash Provided by (Used in) Operating Activities	<u>(1,002,497)</u>	<u>125,781</u>	<u>(876,717)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,002,497)</u>	<u>125,781</u>	<u>(876,717)</u>
Cash and Cash Equivalents-Beginning of Year	<u>4,443,051</u>	<u>19,125</u>	<u>4,462,177</u>
Cash and Cash Equivalents-End of Year	<u>\$ 3,440,554</u>	<u>\$ 144,906</u>	<u>\$ 3,585,461</u>

See accompanying notes.

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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**NOTE 1. ORGANIZATION**

The Greynolds Park Club Association, Inc. (the Association) is a not-for-profit, non-stock corporation organized pursuant to the Condominium Act of the State of Florida, for the purpose of administering, maintaining, and protecting the common areas owned by the individual unit owners in common, and consists of 138 units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fund Accounting

The Association's governing 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 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 financial resources available for the general operations of the association.

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

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For presentation purposes, the Association consolidates checking, money market, and deposit accounts.

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Capitalization and Depreciation Policy

The real property and the common areas acquired from the developer as well as 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 owned by the Association.

**NOTE 3. MAINTENANCE ASSESSMENTS**

The Association Declaration provides that each unit owner is financially responsible for his or her proportionate share of common expense based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings. The Association provides an allowance for losses on receivables, where applicable.

**NOTE 4. REPLACEMENT FUND**

Florida Statutes provide that each proposed budget include provisions for replacement for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

The approved budget does include a partial provision for replacement for capital improvements and deferred maintenance. Funds are being partially accumulated based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs for major repairs and replacements. If funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

On May 26, 2022, the Governor signed into law Senate Bill 4B. The law creates a statewide building milestone inspection requirement for condominiums and cooperatives of three stories or higher 30 years after initial occupancy, or 25 years if within three miles of the coast. Additionally, it requires inspections every 10 years after a building's initial milestone inspection. It also requires condominiums and cooperatives to conduct structural integrity reserve studies every 10 years for buildings that are three stories or higher.

The provision with the largest potential impact on the Association is the prohibition of waiving the funding for certain structural reserves as defined in the law. The Association is in the process of reevaluating the means by which operations are funded and the possible need to fund future reserves.

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

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**NOTE 4. REPLACEMENT FUND (continued)**

COMPONENTS OF DEFERRED RESERVE REVENUE	BALANCE 12/31/22	ASSESSMENTS	INTEREST, DIVIDENDS & OTHERS	TRANSFERS	EXPENDITURES	BALANCE 12/31/23
Reserves Pooled Fund	\$ 19,125	\$ 24,367	\$ -	\$ 96,983	\$ -	\$ 140,475
Interest	-	-	-	-	89	(89)
<b>TOTAL DEFERRED MAINTENANCE</b>	<b>\$ 19,125</b>	<b>\$ 24,367</b>	<b>\$ -</b>	<b>\$ 96,983</b>	<b>\$ 89</b>	<b>\$ 140,386</b>

**NOTE 5. ACCOUNTS RECEIVABLE**

The unit owner receivable balance of \$16,282 and the special assessment receivable balance of \$1,098 at December 31, 2023, represent amounts due from residential unit owners. Using the reserve method to write-off uncollectible balances, the carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. On a monthly basis, management individually reviews all receivable balances and based on an assessment of current credit worthiness and historical collections, estimates the portion, if any, of the balance that will not be collected. Management believes that accounts receivable as of December 31, 2023 are stated at net realizable value.

**NOTE 6. INCOME TAXES**

The Association qualifies as a tax-exempt condominium association under Internal Revenue Code Section 528 for the year ended December 31, 2023. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from non-members, is taxed at 30%.

**NOTE 7. CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Association to concentration of credit risk are primarily cash. The Association invests its excess cash in both certificates of deposits and high quality short term liquid money market instruments with major financial institutions and its carrying value approximates market value. The Association believes it is not exposed to any significant credit risk on cash.

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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**NOTE 8. COMMITMENTS**

The Association has various contract services to maintain the common property including management services, lawn maintenance, pool service, and pest control. These contracts have different expiration dates and renewal terms.

**NOTE 9. SPECIAL ASSESSMENT**

In September 2022, the board approved a special assessment in the amount of \$7,181,762 to pay the bank loan (See Note 11). The special assessment is due in 180 monthly installments with interest or can be paid in full. The first installment was due in October 2022. The Association received insurance claim proceeds that were used to fully repay the loan in March of 2023 and then cancelled the special assessment.

**NOTE 10. INSURANCE DEDUCTIBLES**

The Association's insurance policies define deductibles and exclusions which will yield large uncovered costs if common property damage claims occur. If additional funds are needed to repair or replace common property, the Association has the right, subject to governing documents, to increase regular assessments, pass special assessments, borrow funds or delay major repairs and replacements until funds are available.

**NOTE 11. LOAN PAYABLE**

In November 2022, the Association obtained bank loan of \$4,185,000 to finance for various projects, including a new roof, generator, air conditioning and garage repair. The loan annual interest rate is 6.29% and is collateralized by an assignment of general and special assessments. The loan maturity date was December 1, 2037. The Association received insurance claim proceeds and used the funds to fully repay the loan in March of 2023.

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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**NOTE 12. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date which the financial statements were available to be issued.

**NOTE 13. LEGAL CONTINGENCIES**

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business.

No accruals have been made into the accompanying financial reports as the outcome of any litigation, favorable or unfavorable, cannot be determined as of the date of this report.

## **SUPPLEMENTAL INFORMATION**

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**

## SUPPLEMENTARY INFORMATION

## SCHEDULE OF OPERATING REVENUE AND EXPENSES BUDGET COMPARISON

FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

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	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable) (Unaudited)
Maintenance Assesments	\$ 942,863	\$ 967,230	\$ (24,367)
Laundry Income	6,441	6,001	440
Club House Rental Income	530	-	530
Interest Income	109,029	-	109,029
Screening/Application Fees	1,051	720	331
Late Fee Interest	1,590	900	690
Key FOB Income	1,045	-	1,045
Misc Income	11,251	2,100	9,151
Total Revenues	<u>\$ 1,073,799</u>	<u>\$ 976,951</u>	<u>\$ 96,848</u>

**GREYNOLDS PARK CLUB ASSOCIATION, INC.**

## SUPPLEMENTARY INFORMATION

## SCHEDULE OF OPERATING REVENUE AND EXPENSES BUDGET COMPARISON

FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable) (Unaudited)
Accounting	\$ 1,950	\$ 5,200	\$ 3,250
Bad Debts	15	2,500	2,485
Bank Charges	971	150	(821)
Electricity	33,481	59,592	26,111
Gas	558	538	(19)
Elevator	6,840	6,840	-
Insurance	383,917	423,268	39,352
Landscaping Maintenance	18,650	19,800	1,150
Legal Fees	9,769	6,000	(3,769)
Licenses, Taxes and Fees	8,955	2,700	(6,255)
Management Service	22,770	22,770	-
Misc. Expenses	2,088	-	(2,088)
Office Expense and Supplies	5,476	6,640	1,164
Pest Control	5,324	6,000	677
Repairs and Maintenance	245,673	64,799	(180,874)
Salaries	106,476	111,674	5,198
Janitorial	27,411	-	(27,411)
Pool Maintenance	5,040	5,040	-
Telephone	4,642	3,393	(1,250)
Trash Removal	23,030	29,747	6,717
Security	46,365	46,338	(28)
Water and Sewer	112,452	127,347	14,895
Sewer Lift Pump Station	1,800	1,800	-
Fire Alarm	336	449	114
Pooled Reserves	-	24,367	24,367
Total Expenses	<u>\$ 1,073,988</u>	<u>\$ 976,951</u>	<u>\$ (141,851)</u>