

# **Miles Grant Condominium Two, Inc**

Financial Statements

December 31, 2024

( Read Accountant's Audit Report )

# **Miles Grant Condominium Two, Inc**

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**December 31, 2024**

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Accountants' Audit Report

To the Board of Directors and Members  
Miles Grant Condominium Two, Inc.  
Stuart, Florida

We have audited the accompanying balance sheet of Miles Grant Condominium Two, Inc. ( a condominium association ) as of December 31, 2024, and the related statements of owners' support, revenue and expense and changes in fund balances, and cash flows for the fiscal year then ended and the accompanying supplementary information which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Miles Grant Condominium Two, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 Miles Grant Condominium Two, Inc. as of December 31, 2024 and the results of its operations and its cash flows for the fiscal year then ended in conformity with generally accepted accounting principles.

The supplementary information presented in the supplemental schedules are not a required part of the basic financial statements and are presented for the purpose of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements. The supplementary information was compiled from information that is the representation of management. Accordingly, I do not express an opinion or any other assurance on the supplementary information.

 CPA

Leon P. Wilde, CPA  
Stuart, Florida  
April 30, 2025

Miles Grant Condominium Two, Inc.  
Balance Sheet  
December 31, 2024  
( Read Accountant's Audit Report )

	<u>Assets</u>		
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total Funds</u>
<u>Current Assets</u>			
Cash and cash equivalents	\$176,489	\$647,475	\$823,964
Assessments Receivable, net of allow. for doubtful accounts of \$49,853	15,093	0	15,093
Prepaid Insurance	11,492	0	11,492
	-----	-----	-----
Total Assets	\$203,074	\$647,475	\$850,549
	=====	=====	=====

Liabilities and Fund Balance

<u>Current Liabilities</u>			
Accounts Payable	\$9,506	\$0	\$9,506
Accrued Expenses	3,196	0	3,196
Security Deposits	7,078	0	7,078
Cable Rebate	21,600	0	21,600
Prepaid Assessments	22,502	0	22,502
	-----	-----	-----
Total Current Liabilities	63,882	0	63,882
	-----	-----	-----
Fund Balances	139,192	647,475	786,667
	-----	-----	-----
Total Liabilities and Fund Balances	\$203,074	\$647,475	\$850,549
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Miles Grant Condominium Two, Inc.  
Statement of Owners' Support, Revenue, and Expenses  
and Changes in Fund Balances  
December 31, 2024  
( Read Accountant's Audit Report )

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total Funds</u>
<u>Owners' Support and Revenue</u>			
Owner Assessments	\$900,826	\$105,000	\$1,005,826
Insurance Proceeds	66,550	0	66,550
Interest Income	3,242	3,258	6,500
Late Fees	2,650	0	2,650
Application Fees and Other Revenue	5,432	0	5,432
	-----	-----	-----
Total Owners Support and Revenue	978,700	108,258	1,086,958
	-----	-----	-----
<u>Expenses</u>			
Administrative Expenses	167,987	0	167,987
Insurance	534,415	0	534,415
Utilities	161,998	0	161,998
Contracts	90,622	0	90,622
Repairs and Maintenance	31,877	0	31,877
Reserve Expenditures	0	48,610	48,610
	-----	-----	-----
Total Expenses	986,899	48,610	1,035,509
	-----	-----	-----
Excess of Owners Support, and Revenue Over Expenses	(8,199)	59,648	51,449
Prior Period Adjustment	1,620	(5,044)	(3,424)
Fund Balance, Beginning of Year	145,771	592,871	738,642
	-----	-----	-----
Fund Balance, End of Year	\$139,192	\$647,475	\$786,667
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Miles Grant Condominium Two, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

	<u>Operating Fund</u>	<u>Replacement Fund</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received From Unit Owners	\$900,826	\$105,000
Insurance Proceeds	66,550	0
Interest Income Received	3,242	3,258
Late Fees	2,650	0
Application Fees and Other Revenue	5,432	0
Intrafund Transfers	(23,298)	23,298
Prior Period Adjustment	1,620	(5,044)
Cash Paid for Services and Suppliers	(979,313)	(48,610)
	-----	-----
Net Cash Provided (Used) by Operations	(22,291)	77,902
	-----	-----
Net Increase (Decrease) Cash	(22,291)	77,902
	-----	-----
Cash - Beginning of Year	198,780	569,573
	-----	-----
Cash - End of Year	\$176,489	\$647,475
	=====	=====
 Reconciliation of Excess or Revenues Over Expenses to Net Cash Provided by Operations	 (8,199)	 \$59,648
 Adjustments to Reconcile Excess of Owners' Support and Revenue to Net Cash		
Changes in Assets and Liabilities		
(Increase)Decrease		
Assessments Receivable	17,047	
Due from Operating Fund		23,298
Prepaid Insurance	(4,029)	
Prepaid Expenses	3,732	
Increase(Decrease)		
Accounts Payable	3,086	
Accrued Expenses	(15,784)	
Due from Reserve Fund	(23,298)	
Security Deposits	800	
Prepaid Assessments	2,734	
Prior Period Adjustment	1,620	(5,044)
	-----	-----
Net Cash Provided by Operations	(\$22,291)	\$77,902
	=====	=====

The accompanying notes are an integral part of these financial statements.

Miles Grant Condominium Two, Inc.  
Notes to Financial Statements  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Miles Grant Condominium Two, Inc. was incorporated on April 11, 1974 under the laws of the State of Florida as a not-for-profit corporation organized pursuant to Chapter 617 of the Florida Statutes, for the purpose of administering and operating the property located in Stuart, Florida in accordance with the provisions of the Declaration of the Condominium. The Association consists of 216 units.

The Board of Directors, elected from the unit owners, is the governing body charged with the duties of maintaining and overseeing operations of the common areas as provided by the condominium documents.

Fund Accounting

The Association's governing documents provide guidelines for conducting 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:

Operating Fund - This fund is used to account for financial resources available for the general operations and various special assessments of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements of certain common property.

Capitalization Policy and Depreciation

Real and personal property acquired by the original home owners from the developer are not capitalized on the Association's financial statements as they are owned by the individual owners in common and not the Association. Replacements and improvements to the real property are not capitalized as the improvements would also belong to the owners and not the Association.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reporting 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.

Miles Grant Condominium Two, Inc.  
Notes to Financial Statements  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

Note 2 - Owners' Assessments

The annual budget and owners' assessments are determined by the Board of Directors. Annual budgets are approved and assessments are prorated based on each owner's percentage of common area ownership as provided in the condominium documents.

Note 3 - Reserve Funding Program

The December 31, 2024 year end budget provided for \$105,000 for the reserve program with interest earned in the reserve accounts to accumulate. The reserve program is funded on an annual basis as a part of the budgeting process. Reserve funding is provided by evaluation of the reserve item as to estimated replacement cost, life expectancy of the item and the estimated remaining life to replacement. The association is providing for the reserve component items as required by Florida statute.

As noted, reserve funds are being accumulated based on current estimates of future needs for repairs and replacements. The board of directors have determined the need to setup reserves for replacement costs in next year's budget as reflected in the schedule of reserve funds. Actual future expenditure requirements may vary from the estimated requirements. Therefore, amounts accumulated in the reserve fund may not be adequate to meet all future needs for major repairs and replacement.

Note 4 - Assessments Receivable

An allowance for doubtful accounts was established based on an analysis of outstanding assessment balances over 90 days. As of December 31, 2024, the Board of Directors determined an allowance for doubtful accounts of \$49,853.

Miles Grant Condominium Two, Inc.  
Notes to Financial Statements  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

Note 5 - Prior Period Adjustment

A prior period adjustment in the amount of \$1,620 was made increasing the operating fund and \$5,044 decreasing the reserve fund.

Note 6 - Corporate Income Taxes

Condominium associations are not taxed on assessments from the unit owners used for the maintenance and replacement of the common areas. However, other income received by the association does not qualify as exempt function income and may be taxed net of related expenses. The Association for the period ending December 31, 2024, elected to be taxed as a Condominium Association under Section 528 of the Internal Revenue Code.

## SUPPLEMENTAL INFORMATION

Miles Grant Condominium Two, Inc.  
Schedule of Operating Fund Expenses Comparative to Budget  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

	<u>Actual</u>	<u>Budget</u>	Favorable ( Unfavorable ) <u>Variance</u>
<u>Administrative Expenses</u>			
Management Fees	\$27,957	\$21,600	(\$6,357)
Association Fees	36,080	30,000	(6,080)
Maintenance Staff	71,451	66,000	(5,451)
Accounting	2,400	2,400	0
Office Supplies	9,869	14,000	4,131
Legal & Professional	5,896	12,000	6,104
Annual Condo Fee	864	900	36
Other Licenses	387	700	313
Bad Debt	12,000	12,000	0
Bank Fees	93	0	(93)
Website Tech	990	0	(990)
	-----	-----	-----
Total Administrative Expenses	167,987	159,600	(8,387)
	-----	-----	-----
<u>Insurance Expense</u>			
Insurance	534,415	522,900	(11,515)
	-----	-----	-----
Total Administrative Expenses	534,415	522,900	(11,515)
	-----	-----	-----
<u>Utilities</u>			
Electric	15,717	17,000	1,283
Water & Sewer	1,200	1,400	200
Trash Collection	24,256	24,000	(256)
Cable TV	117,561	118,000	439
Telephone	3,106	2,800	(306)
Gas Other	158	0	(158)
	-----	-----	-----
Total Utilities	161,998	163,200	1,202
	-----	-----	-----

The accompanying notes are an integral part of these financial statements.

Miles Grant Condominium Two, Inc.  
Schedule of Operating Fund Expenses Comparative to Budget  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

	<u>Actual</u>	<u>Budget</u>	Favorable ( Unfavorable ) <u>Variance</u>
<u>Contracts</u>			
Landscape Contract	57,096	57,000	(96)
Landscape Extras	929	0	(929)
Landscape Fertilization	5,626	2,000	(3,626)
Landscape Mulch	665	0	(665)
Landscape Tree Trimming	7,560	7,000	(560)
Pest Control Contract	9,797	13,000	3,203
Irrigation Contract	0	2,000	2,000
Janitorial Supplies	1,353	0	(1,353)
Pool Contract	5,298	7,000	1,702
Pool Repairs	2,298	0	(2,298)
	-----	-----	-----
Total Contracts	90,622	88,000	(2,622)
	-----	-----	-----
<u>Repairs and Maintenance</u>			
R&M Building	18,475	12,400	(6,075)
R&M General	13,402	21,000	7,598
	-----	-----	-----
Total Repairs and Maintenance	31,877	33,400	1,523
	-----	-----	-----
 Total Budgeted Expenses	 986,899	 967,100	 (19,799)
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Miles Grant Condominium Two, Inc.  
Schedule of Reserve Funds  
For the Year Ended December 31, 2024  
( Read Accountant's Audit Report )

Reserve Component	Fund Balance 12/31/2023	Funded by Assessment	Interest Additions	Prior Period Adjstment	Funds Expensed	Fund Balance 12/31/2024
Pooled Reserve	\$590,708	\$105,000	\$0	(\$5,044)	\$48,610	\$642,054
Interest Income	2,163	\$0	\$3,258	\$0	\$0	\$5,421
Total Funds	\$592,871	\$105,000	\$3,258	(\$5,044)	\$48,610	\$647,475

The preceding replacement / repair costs and estimated remaining useful lives of each component are based on estimates by the board of directors.

The accompanying notes are an integral part of these financial statements.