
Miles Grant Condominium Two, Inc

Financial Statements

December 31, 2025

(Read Accountant's Audit Report)

Miles Grant Condominium Two, Inc

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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, 2025, 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, 2025 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
August 21, 2026

Miles Grant Condominium Two, Inc.
Balance Sheet
December 31, 2025
(Read Accountant's Audit Report)

	<u>Assets</u>		
	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>Current Assets</u>			
Cash and cash equivalents	\$244,234	\$800,765	\$1,044,999
Assessments Receivable, net of allow. for doubtful accounts of \$6,885	0	0	0
Prepaid Insurance	455,651	0	455,651
Prepaid Expenses	1,314	0	1,314
	-----	-----	-----
Total Assets	\$701,199	\$800,765	\$1,501,964
	=====	=====	=====

Liabilities and Fund Balance

<u>Current Liabilities</u>			
Accounts Payable	\$6,665	\$0	\$6,665
Accrued Expenses	9,100	0	9,100
Insurance Payable	443,978	0	443,978
Security Deposits	7,478	0	7,478
Cable Rebate	32,400	0	32,400
Prepaid Assessments	16,599	0	16,599
	-----	-----	-----
Total Current Liabilities	516,220	0	516,220
	-----	-----	-----
Fund Balances	184,979	800,765	985,744
	-----	-----	-----
Total Liabilities and Fund Balances	\$701,199	\$800,765	\$1,501,964
	=====	=====	=====

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, 2025
(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	\$984,384	\$105,000	\$1,089,384
Application Fees	3,400	0	3,400
Bad Debt Recovery	16,432	0	16,432
Cable Door Rebate Income	21,600	0	21,600
Interest Income	0	26,118	26,118
Late Fees	10,690	0	10,690
Other Revenue	9,937	0	9,937
	-----	-----	-----
Total Owners Support and Revenue	1,046,443	131,118	1,177,561
	-----	-----	-----
<u>Expenses</u>			
Administrative Expenses	180,405	0	180,405
Insurance	538,327	0	538,327
Utilities	169,945	0	169,945
Contracts	88,984	0	88,984
Repairs and Maintenance	12,513	0	12,513
Reserve Expenditures	0	1,540	1,540
	-----	-----	-----
Total Expenses	990,174	1,540	991,714
	-----	-----	-----
Excess of Owners Support, and Revenue Over Expenses	56,269	129,578	185,847
Prior Period Adjustment	(10,482)	23,712	13,230
Fund Balance, Beginning of Year	139,192	647,475	786,667
	-----	-----	-----
Fund Balance, End of Year	\$184,979	\$800,765	\$985,744
	=====	=====	=====

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, 2025
(Read Accountant's Audit Report)

	Operating <u>Fund</u>	Replacement <u>Fund</u>
Cash Flows From Operating Activities		
Cash Received From Unit Owners	\$984,384	\$105,000
Application Fees	3,400	0
Bad Debt Recovery	16,432	0
Cable Rebate Income	21,600	0
Interest Income	0	26,118
Late Fees	10,690	0
Other Revenue	9,937	0
Prior Period Adjustment	(10,482)	23,712
Cash Paid for Services and Suppliers	(968,216)	(1,540)
	-----	-----
Net Cash Provided (Used) by Operations	67,745	153,290
	-----	-----
Net Increase (Decrease) Cash	67,745	153,290
Cash - Beginning of Year	176,489	647,475
	-----	-----
Cash - End of Year	\$244,234	\$800,765
	=====	=====
Reconciliation of Excess or Revenues Over Expenses to Net Cash Provided by Operations	\$56,269	\$129,578
Adjustments to Reconcile Excess of Owners' Support and Revenue to Net Cash		
Changes in Assets and Liabilities		
(Increase)Decrease		
Assessments Receivable	15,093	
Prepaid Insurance	(444,159)	
Prepaid Expenses	(1,314)	
Increase(Decrease)		
Accounts Payable	(2,841)	
Accrued Expenses	5,904	
Insurance Payable	443,978	
Security Deposits	400	
Cable Rebate	10,800	
Prepaid Assessments	(5,903)	
Prior Period Adjustment	(10,482)	23,712
	-----	-----
Net Cash Provided by Operations	\$67,745	\$153,290
	=====	=====

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, 2025
(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, 2025
(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 owners' percentage of common area ownership as provided in the condominium documents.

Note 3 - Reserve Funding Program

The December 31, 2025 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 years 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, 2025, the Board of Directors determined an allowance for doubtful accounts of \$6,885.

Miles Grant Condominium Two, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2025
(Read Accountant's Audit Report)

Note 5 - Prior Period Adjustment

A prior period adjustment in the amount of \$10,482 was made decreasing the operating fund and \$23,712 increasing 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, 2025, 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, 2025
(Read Accountant's Audit Report)

	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable) <u>Variance</u>
<u>Administrative Expenses</u>			
Management Fees	\$36,856	\$37,000	\$144
Association Fees	37,062	30,000	(7,062)
Maintenance Staff	68,990	69,000	10
Accounting	2,600	2,600	0
Office Supplies	10,122	9,201	(921)
Legal & Professional	10,098	12,000	1,902
Annual Condo Fee	864	900	36
Other Licenses	587	700	113
Bad Debt	12,000	12,000	0
Bank Fees	38	35	(3)
Website Tech	1,188	0	(1,188)
	-----	-----	-----
Total Administrative Expenses	180,405	173,436	(6,969)
	-----	-----	-----
<u>Insurance Expense</u>			
Insurance	536,927	535,000	(1,927)
Insurance Appraisal	1,400	0	(1,400)
	-----	-----	-----
Total Administrative Expenses	538,327	535,000	(3,327)
	-----	-----	-----
<u>Utilities</u>			
Electric	16,461	19,000	2,539
Water & Sewer	1,182	1,600	418
Trash Collection	25,371	26,000	629
Cable TV	122,648	122,000	(648)
Telephone	4,282	2,900	(1,382)
	-----	-----	-----
Total Utilities	169,944	171,500	1,556
	-----	-----	-----

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	57,186	60,000	2,814
Landscape Extras	1,257	0	(1,257)
Landscape Fertilization	12,485	2,000	(10,485)
Landscape Tree Trimming	7,125	7,000	(125)
Pest Control Contract	2,411	14,000	11,589
Irrigation Contract	0	2,000	2,000
Janitorial Supplies	1,926	0	(1,926)
Pool Contract	5,820	7,000	1,180
Pool Repairs	775	0	(775)
	-----	-----	-----
Total Contracts	88,985	92,000	3,015
	-----	-----	-----
<u>Repairs and Maintenance</u>			
Building Maint. & Repairs	772	12,400	11,628
General Maint. & supplies	11,260	21,000	9,740
Painting	481	0	(481)
	-----	-----	-----
Total Repairs and Maintenance	12,513	33,400	20,887
	-----	-----	-----
 Total Budgeted Expenses	 990,174	 1,005,336	 15,162
	=====	=====	=====

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, 2025
(Read Accountant's Audit Report)

Reserve Component	Fund Balance 12/31/2024	Funded by Assessment	Interest Additions	Prior Period Adjsutment	Funds Expensed	Fund Balance 12/31/2025
Pooled Reserve	\$642,054	\$105,000	\$5,421	\$23,712	\$1,540	\$774,647
Interest Income	5,421	\$0	\$20,697	\$0	\$0	\$26,118
Total Funds	\$647,475	\$105,000	\$26,118	\$23,712	\$1,540	\$800,765

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.