

**WIMBLEDON PARK – ORLANDO NO. I, INC.,
A CONDOMINIUM**

**FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT,
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Wimbledon Park – Orlando No. I, Inc., a Condominium

Opinion

We have audited the accompanying financial statements of Wimbledon Park – Orlando No. I, Inc., a Condominium, which comprise the balance sheet as of December 31, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wimbledon Park – Orlando No. I, Inc., a Condominium as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Wimbledon Park – Orlando No. I, Inc., a Condominium and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Future Major Repairs and Replacements

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 4 and in the supplementary information on future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wimbledon Park – Orlando No. I, Inc., a Condominium's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wimbledon Park – Orlando No. I, Inc., a Condominium’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wimbledon Park – Orlando No. I, Inc., a Condominium’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Tampa, Florida
March 26, 2024

**WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
BALANCE SHEET
DECEMBER 31, 2023**

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
ASSETS				
Cash and cash equivalents	\$ 84,286	\$ 585,187	\$ -	\$ 669,473
Assessments receivable	4,190	-	-	4,190
Other receivables	3,417	-	-	3,417
Prepaid insurance	51,573	-	-	51,573
Total assets	<u>\$ 143,466</u>	<u>\$ 585,187</u>	<u>\$ -</u>	<u>\$ 728,653</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 8,506	\$ 2,354	\$ -	\$ 10,860
Prepaid assessments	22,294	-	-	22,294
Loan payable	-	-	6,444	6,444
Interfund borrowings	6,444	-	(6,444)	-
Performance obligations	-	570,755	-	570,755
Total liabilities	37,244	573,109	-	610,353
FUND BALANCES	<u>106,222</u>	<u>12,078</u>	<u>-</u>	<u>118,300</u>
Total liabilities and fund balances	<u>\$ 143,466</u>	<u>\$ 585,187</u>	<u>\$ -</u>	<u>\$ 728,653</u>

See independent auditor's report and accompanying notes to the financial statements.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
REVENUES				
Owner assessments	\$ 416,739	\$ 35,663	\$ 52,411	\$ 504,813
Laundry	11,517	-	-	11,517
Interest	41	12,078	-	12,119
Other	2,058	-	-	2,058
Total revenues	430,355	47,741	52,411	530,507
EXPENSES				
Insurance	135,356	-	-	135,356
Repairs & maintenance	31,738	35,663	30,622	98,023
Landscaping	93,541	-	-	93,541
Utilities	67,391	-	-	67,391
Payroll	49,414	-	-	49,414
Management	29,064	-	-	29,064
Professional	8,368	-	-	8,368
Security	4,200	-	-	4,200
General & administrative	5,492	-	-	5,492
Credit losses	4,232	-	-	4,232
Interest	-	-	1,963	1,963
Total expenses	428,796	35,663	32,585	497,044
EXCESS OF REVENUES OVER EXPENSES	1,559	12,078	19,826	33,463
Fund Balances - beginning of year	84,837	-	-	84,837
Fund transfer	19,826	-	(19,826)	19,826
FUND BALANCES - END OF YEAR	\$ 106,222	\$ 12,078	\$ -	\$ 138,126

See independent auditor's report and accompanying notes to the financial statements.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 1,559	\$ 12,078	\$ 19,826	\$ 33,463
Adjustments to reconcile excess of revenues over expenses to net cash from operating activities:				
Fund transfer	19,826	-	(19,826)	-
Credit losses	4,232	-		4,232
Change in:				
Assessments receivable	3,473	-	78,871	82,344
Other receivables	(533)	-	-	(533)
Prepaid insurance	(18,205)	-	-	(18,205)
Accounts payable and accrued expenses	(1,818)	2,354	-	536
Prepaid assessments	(4,942)	-	(4,451)	(9,393)
Deferred revenue	-	-	(52,426)	(52,426)
Performance obligations	-	116,368	-	116,368
Net cash provided by operating activities	3,592	130,800	21,994	156,386
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interfund borrowings	(54,310)	-	54,310	-
Principal payments on loan	-	-	(76,304)	(76,304)
Net cash used in financing activities	(54,310)	-	(21,994)	(76,304)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(50,718)	130,800	-	80,082
Cash and cash equivalents - beginning of year	135,004	454,387	-	589,391
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 84,286	\$ 585,187	\$ -	\$ 669,473

See independent auditor's report and accompanying notes to the financial statements.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 NATURE OF ORGANIZATION

Wimbledon Park – Orlando No. I, Inc., a Condominium (the "Association") was incorporated on May 21, 1980, as a corporation, not-for-profit, under the terms and provisions of Section 617, Florida Statutes. The Association operates under Section 718, Florida Statutes, and is responsible for operating and maintaining the common property within the development, which consists of 202 residential condominium units located in Orange County, Florida.

The Association's operations are administered by its duly elected Board of Directors (the "Board").

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The financial statements of the Association are prepared on the accrual basis of accounting, which recognizes revenue when earned, regardless of when received, and expenses when incurred, regardless of when paid.

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 financial statements have been prepared 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 of the Association.

Special Assessment Fund – This fund is used to account for the special assessments paid by unit owners to meet the special assessment costs of the Association. Disbursements from this fund are generally at the discretion of the Board, subject to the special assessment budget.

Liquidity

Assets are presented in the Balance Sheet according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

WIMBLEDON PARK – ORLANDO NO. 1, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers all investments with a maturity date of three months or less when purchased to be cash equivalents.

Concentrations of Credit Risk

The Association's primary source of income is assessments paid by owners. Risk of loss is limited by the Association's ability to foreclose on property when assessments are not being paid.

Bank deposit accounts are federally insured up to certain limits. The uninsured portion of those deposits was approximately \$268,000 as of December 31, 2023. The Association has not experienced any losses on such accounts, and by managing the deposit concentration risk by placing cash with creditworthy financial institutions, management believes it is not exposed to any significant risk on bank deposit accounts.

Commonly Owned Assets

In conformity with industry practice, the Association's policy for recognizing common property on its Balance Sheet is to recognize common property to which it has title and the Board can dispose of for cash while retaining the proceeds for the Association or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

Each unit owner has an undivided interest in the real property and improvements which cannot be conveyed except together with the unit. The percentage of such undivided interest is stated in the condominium documents. Accordingly, this property is treated as being owned by the individual condominium unit owners and is not capitalized because its use and disposition by the Association's Board is restricted.

Personal Property and Equipment

The Association capitalizes common personal property owned and used by the Association in operating, preserving, maintaining, repairing, and replacing common property, or providing other services, when the cost of the property is significant, and its useful life exceeds one year.

Owner Assessments

Association owners are subject to an assessment, as determined in the Association's annual budget and payable in twelve equal monthly installments, 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 performance obligations related to the

WIMBLEDON PARK – ORLANDO NO. 1, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

replacement fund assessments are satisfied when the Association has incurred the expenses related to the fund's designated purpose.

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 homeowners whose assessments are past due.

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.

The annual budget and assessments of owners are determined by the Board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Performance Obligation

The Association recognizes revenue from owners as the related performance obligations are satisfied. A performance obligation is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement fund assessments.

Interest Earned

The Board's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

Donated Services

The Board and its officers serve without compensation. The value of such services is not recorded in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

New Accounting Pronouncements Adopted

In June 2016, the Financial Accounting Standards Board (the “FASB”) issued new guidance – accounting standards update (“ASU”) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU introduces a new impairment model, the current expected credit loss (the “CECL”) model, which applies to most assets that are measured at amortized cost and requires those assets to be presented at the net amount expected to be collected.

The CECL model expands the information the Association is required to consider when estimating credit losses and lowers the threshold for recognizing losses. Under this model, the Association measures expected credit losses (rather than probable losses) based on historical experience, current conditions, and reasonable and supportable forecasts.

ASU No. 2016-13 was adopted in the year ended December 31, 2023.

Subsequent Events

Subsequent events have been evaluated through March 26, 2024, which is the date the financial statements were available to be issued.

NOTE 3 OWNER ASSESSMENTS

Monthly assessment installments to owners ranged from \$200 to \$301 in 2023. Of these amounts, approximately \$53 to \$80 was designated for the replacement fund.

The following table reconciles the 2023 budgeted assessments to the amounts recognized as assessment revenue on the Statement of Revenues, Expenses, and Changes in Fund Balances:

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Budgeted assessments from owners	\$ 416,739	\$ 152,031	\$ -	\$ 568,770
Add: reductions from deferred revenue	-	-	52,411	52,411
Less: additions to performance obligation	-	(116,368)	-	(116,368)
Total assessment revenue	<u>\$ 416,739</u>	<u>\$ 35,663</u>	<u>\$ 52,411</u>	<u>\$ 504,813</u>

WIMBLEDON PARK – ORLANDO NO. 1, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes offer specific rules and requirements regarding the Association's accumulation of funds for future major repairs and replacements. These funds are reported in the replacement fund. The replacement fund is utilized to accumulate funds for capital expenditures and deferred maintenance by an allocation of the maintenance fee assessment charged to each unit owner specifically designated for the fund in the annual budget. The total amount of these funds that have been accumulated and have not been spent as of December 31, 2023 are presented on the Balance Sheet as a performance obligation. Deductions from the fund are recorded as costs as incurred to meet the objective for which the fund was established. Replacement funds are held in separate bank accounts and generally are not available for expenditures for normal operations.

During the last quarter of 2016, the Association obtained a professional reserve study to estimate the remaining useful lives and replacement costs of the common property. Annually, in conjunction with the results from the professional reserve study, management performs an analysis of the reserve components to estimate the future funding requirement. This analysis is shown in the Supplementary Information on Future Major Repairs and Replacements.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components using a process known as the pooling method. The pooling method is a statutorily accepted calculation whereby annual funding amounts are calculated to provide a positive cash flow so that future expenditures will be adequately funded.

The Board has elected to allocate interest earned to the replacement fund's pooled accounts. These funds can be used to offset expenditures of any pooled 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 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, borrow (with certain restrictions), or delay major repairs and replacement until funds are available.

WIMBLEDON PARK – ORLANDO NO. 1, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

The following is a table of the current year's activity in the replacement fund, by component:

	January 1, 2023	Additions	Charges	Transfers	December 31, 2023
Pooled reserves	\$ 454,387	\$ 152,031	\$ (35,663)	\$ -	\$ 570,755
Interest	-	12,078	-	-	12,078
	<u>\$ 454,387</u>	<u>\$ 164,109</u>	<u>\$ (35,663)</u>	<u>\$ -</u>	<u>\$ 582,833</u>

NOTE 5 ASSESSMENTS RECEIVABLE

As of December 31, 2023, there were approximately \$4,000 of delinquent owner assessments. It is the opinion of the Board that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for credit losses is deemed necessary.

NOTE 6 PREPAID ASSESSMENTS

Prepaid assessments totaling approximately \$23,000 at December 31, 2023, consist of the first monthly installment of the 2024 assessments received by the Association prior to January 1, 2024.

NOTE 7 PERFORMANCE OBLIGATIONS

Performance obligations totaling approximately \$571,000 at December 31, 2023, consist of replacement fund assessments levied by the Association prior to January 1, 2024 that had not yet been expended for their designated purpose.

NOTE 8 INCOME TAXES

The Association has elected to file as a homeowner's association in accordance with Internal Revenue Code 528, using Form 1120-H. The Association's investment income and other nonexempt income are subject to tax. The Association has evaluated its tax position and concluded that the Association has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Tax Topic of the FASB ASC. With few exceptions, the Association is subject to income tax examinations by the U.S. federal or state tax authorities for three years after the tax returns are filed. The Association recorded no income tax expense in 2022.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 LOAN PAYABLE

In January 2022, the Association obtained a loan with a financial institution in the amount of \$150,000 to fund the re-piping project. Monthly principal and interest payments are \$6,578 based on 2-year amortization, at the interest rate of 4.00% per annum until its January 2024 maturity.

The projected future minimum principal maturities are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 6,501
Less: unamortized loan costs	<u>(57)</u>
	<u>\$ 6,444</u>

NOTE 10 SPECIAL ASSESSMENT

In January 2022, the Board approved a special assessment to repay the loan in the amount of approximately \$158,000, receivable in two years.

During the year ended December 31, 2023, the Association incurred approximately \$33,000 of special assessment expense. The Board approved the transfer of the remaining approximately \$20,000 balance to the operating fund.

NOTE 11 PROPERTY MANAGEMENT

In 2023, the Association was managed by M&M Management Plus, Inc. (the "Property Manager"). The Property Manager's responsibilities included, but were not limited to, the Association's bookkeeping, budget preparation, and the coordinating of property maintenance and other administrative duties. Payments made to the Property Manager totaled approximately \$32,000 in 2023. Of these payments, approximately \$29,000 was for management fees and related costs, and \$3,000 was for general and administrative. These payments are recorded as expenses in the Statement of Revenues, Expenses, and Changes in Fund Balances.

NOTE 12 COMMITMENTS

The Association has entered into several contractual agreements, generally cancelable upon 30 days written notice, with outside vendors and service providers to maintain the common property and to help with the Association's administration.

WIMBLEDON PARK – ORLANDO NO. I, INC., A CONDOMINIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 CONTINGENCIES

The Association has obtained insurance coverage for the potential damages encountered from hurricane; however, the Association must meet a 5% deductible of the insured value of the property. Therefore, the Association would be responsible for losses up to that amount and has the right to increase regular assessments, pass special assessments, borrow (with certain restrictions), or delay major repairs and replacements until funds become available.

The Association may be periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations.

SUPPLEMENTARY INFORMATION

WIMBLEDON PARK – ORLANDO NO. 1, INC., A CONDOMINIUM
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)
DECEMBER 31, 2023

During the last quarter of 2023, the Association's management performed an analysis to estimate the remaining useful lives and replacement costs of the common property. Current replacement costs were based on the estimated costs to repair or replace the common property components. The table below shows the estimated current costs of reserves, and the Association's approved full funding of those reserves, based on the reserve analysis.

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Balance January 1, 2024	2024 Approved Funding per Budget
Roofing	14	\$ 1,001,133		
Misc. building components	8	613,407		
Misc. site improvements	5	318,376		
Paving	17	278,789		
Painting	7	159,900		
Sealcoating	1	-		
		<u>\$ 2,371,605</u>	<u>\$ 570,755</u>	<u>\$ 152,031</u>

See independent auditor's report.