

**THE TOWNHOMES AT GLENBROOK
HOMEOWNERS' ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
The Townhomes at Glenbrook Homeowners' Association, Inc.

Management is responsible for the accompanying financial statements of The Townhomes at Glenbrook Homeowners' Association, Inc. (the 'Association'), which comprise the balance sheet as of December 31, 2025, 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 American Institute of Certified Public Accounting. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying supplementary information contained in the schedule of revenues and expenses - budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Omission of Required Supplementary Information

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, 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.

Marsocci, Appleby & Company, P.A.

Marsocci, Appleby & Company, P. A.
Tampa, Florida
April 3, 2026

THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2025

	Operating Fund	Replacement Fund	Total
ASSETS			
Cash and cash equivalents	\$ 10,523	\$ 171,734	\$ 182,257
Assessments receivable	1,450	-	1,450
Prepaid expenses and other assets	392	-	392
TOTAL ASSETS	\$ 12,365	\$ 171,734	\$ 184,099
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Prepaid assessments	\$ 6,903	\$ -	\$ 6,903
Contract liabilities (assessments received in advance - replacement fund)	-	171,734	171,734
TOTAL LIABILITIES	6,903	171,734	178,637
Fund balances	5,462	-	5,462
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,365	\$ 171,734	\$ 184,099

See independent accountants' compilation report and notes to the financial statements.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUE:			
Members' assessments	\$ 191,040	\$ 15,129	\$ 206,169
Interest income	-	2,865	2,865
Other income	400	-	400
TOTAL REVENUES	<u>191,440</u>	<u>17,994</u>	<u>209,434</u>
EXPENSES:			
Administrative	103,529	-	103,529
Operating	99,472	17,994	117,466
TOTAL EXPENSES	<u>203,001</u>	<u>17,994</u>	<u>220,995</u>
CHANGES IN FUND BALANCES	(11,561)	-	(11,561)
FUND BALANCES, beginning of year	<u>17,023</u>	<u>-</u>	<u>17,023</u>
FUND BALANCES, end of year	<u>\$ 5,462</u>	<u>\$ -</u>	<u>\$ 5,462</u>

See independent accountants' compilation report and notes to the financial statements.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Changes in fund balances	\$ (11,561)	\$ -	\$ (11,561)
Adjustments to reconcile changes in fund balances to net cash (used in) provided by operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	2,973	-	2,973
Prepaid assessments	3,222	-	3,222
Contract liabilities (assessments received in advance-replacement fund)	-	25,402	25,402
	(5,366)	25,402	20,036
Net cash (used in) provided by operating activities	(5,366)	25,402	20,036
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,366)	25,402	20,036
CASH AND CASH EQUIVALENTS, beginning of year	15,889	146,332	162,221
CASH AND CASH EQUIVALENTS, end of year	\$ 10,523	\$ 171,734	\$ 182,257

See independent accountants' compilation report and notes to the financial statements.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

NOTE A - NATURE OF ORGANIZATION:

The Townhomes at Glenbrook Homeowners' Association, Inc. (The 'Association') was incorporated as a non-profit, under the terms and provisions of Florida Statutes. The Association, which operates under Florida Statute 720, is responsible for the operation and maintenance of the common property within the Association. The Association consists of 39 units located in Palm Harbor, Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting whereby all revenues are recorded when earned and all expenses recorded when incurred.

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 repair and replacements.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

Homeowners associations may be taxed either as homeowners associations or as regular corporations. For the year ended December 31, 2025, the Association elected to be taxed as a homeowners association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings. Exempt function income, which consists primarily of member assessments, is not taxable.

The Association has no uncertain tax positions that it has taken and believes that it can defend its tax return in any jurisdiction. With few exceptions, the Association is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for years before 2022.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fair Value of Financial Instruments

The Association estimates that the fair value of all financial instruments as of December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Assessments Receivable

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are seriously delinquent. As of December 31, 2025, the Association had net assessments receivable of \$1,450. It is the opinion of the Board that a balance of \$1,000 for allowance for doubtful accounts is needed at December 31, 2025 to cover anticipated losses from doubtful accounts.

Interest Income

Interest income is allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund.

NOTE C - CONCENTRATION OF CREDIT RISK:

The Association maintains deposits in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Association believes that there is no significant risk with respect to these deposits. The Association has not experienced any losses on its deposits with financial institutions.

NOTE D - MEMBERS ASSESSMENTS:

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess assessments at year end are retained by the Association for use in future years.

The Association's operating assessments are recognized as revenue over time on a daily pro rata basis. The replacement fund assessments are recognized as revenue when funds are expended for their designated purpose.

Monthly assessments to members averaged approximately \$495 for 2025.

NOTE E - PROPERTY AND EQUIPMENT:

In conformity with industry practice, the Association's policy for recognizing common property as assets in its balance sheet is to recognize (a) common property and (b) real property to which it has title and that 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 non-members.

Real and common property acquired by the original members from the developer is not recognized on the Association's financial statements because it is commonly owned by individual owners and its disposition is restricted by the Board.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

NOTE F - FUTURE MAJOR REPAIRS AND REPLACEMENTS:

The Association's governing documents provide certain guidelines for governing its financial activities. The Association maintains an operating fund available for general operations and a replacement fund designated for future major repair and replacements. Replacement funds are held in separate bank accounts and generally are not available for expenditures for normal operations.

During the last quarter of each year the Board, in conjunction with management and vendors, estimated the remaining useful lives and the replacement costs of the components of common property. At this time, the Board has not conducted an independent formal study of all the common property components which results may differ.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the informal study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund 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 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, or delay major repairs and replacement until funds are available.

NOTE G - CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE - REPLACEMENT FUND):

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance-replacement fund) as of the beginning and end of the year are \$146,332 and \$171,734, respectively.

NOTE H - SCHEDULE OF CHANGES IN CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE - REPLACEMENT FUND):

The balances of the components of the contract liabilities (assessments received in advance – replacement fund) at December 31, 2025 are as follows:

Components	Balance 1/01/25	Additions	Charges	Transfers	Balance 12/31/25
Painting	\$ 17,449	\$ 3,232	\$ -	\$ -	\$ 20,681
Paving	23,785	9,493	(5,849)	-	27,429
Roofing	42,018	17,164	-	-	59,182
Pool	11,536	2,116	(750)	-	12,902
Deferred maintenance	44,049	8,526	(11,395)	-	41,180
Interest	7,495	2,865	-	-	10,360
	<u>\$ 146,332</u>	<u>\$ 43,396</u>	<u>\$ (17,994)</u>	<u>\$ -</u>	<u>\$ 171,734</u>

The Association has budgeted \$40,604 for the year ended December 31, 2026 to fund the reserves noted above.

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

NOTE I - SUBSEQUENT EVENTS:

Management has assessed subsequent events through April 3, 2026, the date on which the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no material subsequent events that require recognition or additional disclosure.

SUPPLEMENTARY INFORMATION

**THE TOWNHOMES AT GLENBROOK HOMEOWNERS' ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>(Under) Over Budget</u>
REVENUE:			
Members' assessments	\$ 231,572	\$ 206,169	\$ (25,403)
Interest income	-	2,865	2,865
Other income	-	400	400
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>\$ 231,572</u>	<u>\$ 209,434</u>	<u>\$ (22,138)</u>
ADMINISTRATIVE EXPENSES:			
Management fees	\$ 9,600	\$ 9,600	\$ -
Administrative expenses	6,546	6,967	421
Legal	1,600	569	(1,031)
Accounting	425	1,195	770
Bad debt	-	521	521
Insurance	101,000	84,677	(16,323)
	<u> </u>	<u> </u>	<u> </u>
TOTAL ADMINISTRATIVE EXPENSES	<u>119,171</u>	<u>103,529</u>	<u>(15,642)</u>
OPERATING EXPENSES:			
Utilities	17,820	21,043	3,223
Grounds	37,200	38,700	1,500
Repairs & Maintenance	16,850	39,729	22,879
Reserves	40,531	17,994	(22,537)
	<u> </u>	<u> </u>	<u> </u>
TOTAL OPERATING EXPENSES	<u>112,401</u>	<u>117,466</u>	<u>5,065</u>
TOTAL EXPENSES	<u>\$ 231,572</u>	<u>\$ 220,995</u>	<u>\$ (10,577)</u>

See independent accountants' compilation report and notes to the financial statements.