ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION – BUILDING 37

JUNE 30, 2022

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
AUDITED FINANCIAL STATEMENTS

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Independent Auditor's Report

Board of Administration
On Top of the World
Condominium Association, Inc.
Ocala, Florida

Opinion

We have audited the accompanying financial statements of On Top of the World Condominium Association, Inc. (the Association), which comprise the balance sheet as of June 30, 2022, and the related statements of revenues and expenses and changes in fund balance, 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 the Association as of June 30, 2022, 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 the Association 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.

Responsibilities of Management 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 the Association'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

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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 the Association'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 the Association'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.

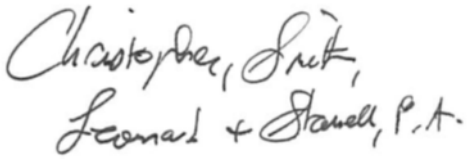
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenues and Expenses – By Building, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the budget amounts marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The budget information marked "unaudited" included on page 11 has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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, on pages 12 and 13, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.

October 21, 2022
Bradenton, Florida

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
JUNE 30, 2022

ASSETS

CURRENT ASSETS		
Cash	$	984
Assessments receivable, net		99,684
Prepaid expense		687
TOTAL CURRENT ASSETS		101,355
TOTAL ASSETS	**$**	**101,355**

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES		
Due to Parkway Maintenance and Management Pinellas, LLC - Assessments	$	101,355
TOTAL LIABILITIES		101,355
FUND BALANCE		-
TOTAL LIABILITIES AND FUND BALANCE	**$**	**101,355**

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

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	
Assessments	
Community service fees	$ 17,399,039
Late fees	26,327
TOTAL REVENUE	17,425,366
EXPENSES	
General administrative	1,019,534
Maintenance	6,703,037
Recreation and facilities	3,892,014
Insurance	2,757,469
Gate operations	315,620
Fees payable to division	19,872
Association expenses	129,108
Annual management fee simple schedule	2,588,712
TOTAL EXPENSES	17,425,366
EXCESS OF REVENUES OVER (UNDER) EXPENSES	-
FUND BALANCE, Beginning of year	-
FUND BALANCE, End of year	$ -

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

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members	$	17,436,687
Cash paid for management services and ACH fees		(17,436,563)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		124
NET CHANGE IN CASH AND CASH EQUIVALENTS		124
CASH AND CASH EQUIVALENTS - Beginning of year		860
CASH AND CASH EQUIVALENTS - End of year	**$**	**984**
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
EXCESS OF REVENUES OVER EXPENSES	$	-
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
(Increase)/Decrease in operating assets:		
Assessments receivable		12,008
Prepaid expense		(687)
Increase/(Decrease) in operating liabilities:		
Accounts payable		(11,197)
Net cash provided (used) by operating activities	**$**	**124**

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

NOTE A - NATURE OF ORGANIZATION

On Top of the World Condominium Association, Inc., (the Association), was incorporated on April 19, 1977 as a not-for-profit corporation in the State of Florida for the purpose of maintaining and administering community property and improvements, administering and enforcing the covenants and restrictions, and collecting and disbursing assessments and charges, and as successor to On Top of the World Condominium Association, an unincorporated association. The Association is a Condominium association under Chapter 718, Florida Statutes. At June 30, 2022, the development governed by the Association consisted of 4,967 residential units located in Clearwater, Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association prepares its financial statements on the accrual basis of accounting. The Association maintains its accounts using fund accounting. The Association currently utilizes an Operating Fund.

Future Major Repairs and Replacements

At its annual meeting, the unit owners of the Association voted to waive the funding of reserves for future major repairs and replacements for the year ended June 30, 2022. When funds are needed to meet future needs for major repairs and replacements, the Association, as with any Association, may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Annually, management and the Board of Administration of the Association estimate the remaining useful lives and replacement costs of the reserve components. The estimated lives and costs are based on current contract prices and specific knowledge of the buildings. Actual expenditures, however, may vary from the estimated amounts and the variations may be material.

As of June 30, 2022, the amount to fully fund all future reserve costs would require $31,562,550. The 2023 total reserve assessment would need to be $5,541,518 to fully fund the reserves per the total estimated costs. The table included in the unaudited Supplementary Information of Future Major Repairs and Replacements is based on these estimates.

Member Assessments and Revenue Recognition

Association members are subject to an annual assessment, which is payable monthly and is referred to as a community service fee (CSF), to provide for the common expenses and operation of the Association. Assessments are determined annually by the Board and approved in conjunction with the approval of the annual operating budget by the Board.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Member Assessments and Revenue Recognition-Continued

Assessments are allocated to members based on the Condominium's budget and the member's percentage of common element as stated in each Declaration. Member assessments are recognized in the period to which they apply. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to place liens on the properties of members whose assessments are greater than two months delinquent.

Member assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligation related to its operating assessments (CSF) is satisfied over time on a daily pro-rata basis using the input method. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners.

At June 30, 2022 and 2021, assessments receivable totaled $133,684 and $159,692, respectively for amounts due, but not received prior to year end. An allowance for doubtful accounts has been established in the amount of $34,000. The Association's allowance for uncollectible accounts is based on credit worthiness, past experience and specific evaluation of account balances.

Assessments are collected in the month the assessment is due. At the end of the month all assessments collected are remitted to Parkway Maintenance & Management Pinellas, LLC (Note C), which is the management company of the Association.

The Association's policy is to retain legal counsel, place liens and pursue foreclosure on delinquent accounts. At June 30, 2022, the Association had approximately $104,000 of delinquent assessments receivable on liened units. The Association has no foreclosed units as a result of non-payment of assessments, however additional foreclosed units may be rented in the future based on their condition and extent of repairs needed. All costs incurred to keep foreclosed units in rental condition are paid by Parkway and included in expenses of the Association.

Income Taxes

Condominium associations may be taxed either as condominium associations or as regular corporations. For the year ended June 30, 2022, the Association elected to be taxed as a regular corporation and has elected to file Form 1120. Membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income at regular federal corporate rates. There was no material non-membership income for the year ended June 30, 2022, and as a result the provision for income taxes is not material. At June 30, 2022, income tax expense was $-0-. The Association has not been informed of any pending Internal Revenue Service (IRS) audits. However, the Association's three previous fiscal years are subject to examination by the IRS.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Common Property

Real property and common areas, such as buildings, roofs and parking areas, and related improvements to such property are not recorded in the On Top of the World Condominium Association, Inc.'s financial statements because those properties are owned by the individual unit owners in common and not by the Association. The commonly owned assets are vested directly or indirectly to the unit owners and these assets are not deemed to be severable. The Association's responsibility is to preserve and maintain this common property.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Association maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Association believes that it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE C - MANAGEMENT AND MAINTENANCE

The Association has contracted with Parkway Maintenance & Management Pinellas, LLC (Parkway), as an agent to perform and carry out the ordinary functions and duties of the Association as set forth in the organizing documents of the Association, on a fixed fee basis.

The contract price is determined annually based on the amounts determined by the Board as necessary to pay the ordinary monthly common expenses of the Association as described in the management agreement. The Board of Administration adopts a budget annually, which assesses the members a community service fee. As noted in the approved budget, the community service fee remitted to Parkway pays for maintenance, recreation and facilities, insurance, gate operations, administrative fees and expenses, and management services.

All assessments collected in accordance with the budgeted annual assessment per unit, are remitted to Parkway, as they are collected on a monthly basis. Parkway's services include providing or contracting for ordinary services and maintenance on behalf of the Association, which includes maintaining the common areas and

NOTE C - MANAGEMENT AND MAINTENANCE - CONTINUED

properties as described in the management agreement and also to contract for other services such as recreational facilities, water and sewer systems, exterior lighting, solid waste collection and other ordinary services. Under the terms of the management agreement, Parkway is also responsible for procuring property and general liability insurance.

NOTE D - RELATED PARTY

Members of the Board of Administration of the Association are elected by members of the Association every two years. The Association has contracted with a management company, Parkway Maintenance & Management Pinellas, LLC (Parkway), to perform the ordinary duties and functions of the Association, (Note C). A member of the Association's Board of Administration has an interest in Parkway. In addition, certain members of the Association's Board of Administration are officers of Parkway. During the year ended June 30, 2022, the Association paid Parkway $17,313,030 for all services as described in Note C and as included in the statement of revenues and expenses and changes in fund balance. At June 30, 2022, the Association owed $101,355 to Parkway for cash, member assessments receivable, and prepaid expenses.

NOTE E - CONTINGENCIES

Management of the Association continues to evaluate the risks associated with the COVID-19 pandemic. Management of the Association continues the process of implementing risk mitigation as to the risk of impact, if any, of COVID-19 related to all aspects of the Association's business transactions with members and vendors and human interaction within and outside of the Association. However, the Association cannot at this time make a determination on the ultimate impacts of the COVID-19 pandemic.

NOTE F - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through October 21, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES -
BUILDING 37
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Annual	Actual Annual
Revenues		
Community service fee	$ 206,832	$ 205,701
Foreclosures		
Rental income	-	-
Resale income	-	-
Late fees	-	357
Total Revenues	206,832	206,058
Expenses		
General administration	13,872	14,153
Maintenance	93,624	93,107
Recreation and facilities	54,360	54,060
Insurance	38,520	38,302
Gate operation	4,404	4,384
Fees payable to division	240	240
Association expenses	1,812	1,812
Rounding	-	-
Total Expenses	206,832	206,058
Excess of revenues over expenses	$ -	$ -

The independent auditor's report should be read in connection with this supplementary schedule.

REQUIRED SUPPLEMENTARY INFORMATION

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS - TOTAL
FOR THE YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The Association's board of administration conducted an analysis in June 2022 to estimate the remaining useful lives and replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the analysis. The following information is based on the analysis and presents significant information about the components of common property and does not take into account the effects of inflation between the date of the study and the date that the components will require repair and replacements.

Component	Estimated Useful Life/Yrs	Estimated Remaining Life/Yrs	Estimated Replacement Cost
Roof replacement	20	Various	$ 20,605,000
Building painting	5	Various	4,071,550
Pavement resurfacing	25	Various	2,086,000
Elevator cab replacement	30	Various	4,800,000
			$ 31,562,550

The independent auditor's report should be read in connection with this supplementary schedule.

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
BUILDING 37
FOR THE YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The Association's board of administration conducted an analysis in June 2022 to estimate the remaining useful lives and replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the analysis. The following information is based on the analysis and presents significant information about the components of common property and does not take into account the effects of inflation between the date of the study and the date that the components will require repair and replacements.
Estimated replacement cost has been rounded to the nearest hundred.

Component	Estimated Useful Life/Yrs	Estimated Remaining Life/Yrs	Estimated Replacement Cost
Roof replacement	20	15	$ 226,400
Building painting	5	4	44,700
Pavement resurfacing	25	14	22,900
Elevator cab replacement	30	25	52,700
			$ 346,700

The independent auditors' report should be read in connection with this supplementary schedule.