

**ON TOP OF THE WORLD
CONDOMINIUM ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION –
BUILDING 38**

JUNE 30, 2024

**ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
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, 2024, 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, 2024, 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 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 14 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 15 and 16, 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.

CS&L CPAs

CS&L CPAs, P.A.

October 31, 2024
Bradenton, FL

ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 276,780
Due from Parkway Maintenance and Management Pinellas, LLC	151,798
Assessments receivable	156,069
Allowance for credit losses	(54,000)
Assessments receivable, net	<u>102,069</u>
Prepaid expense	221,190
TOTAL CURRENT ASSETS	<u><u>751,837</u></u>
 TOTAL ASSETS	 <u><u>\$ 751,837</u></u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable	\$ 707,049
Due to SCA Pinellas Amenities, LLC	203,688
Due to SCA Pinellas Utilities, LLC	119,232
Assessments received in advance	23,745
TOTAL LIABILITIES	<u>1,053,714</u>
 FUND BALANCE (DEFICIT)	 <u>(301,877)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 751,837</u></u>

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, 2024**

REVENUES	
Monthly assessments	\$ 21,416,263
Laundry-licensing revenue	180,114
Interest income	13,598
Late fees	14,484
	21,624,459
 TOTAL REVENUES	
 EXPENSES	
Bulk service agreement: for TV and internet	1,458,147
Management fees	715,392
Maintenance	
Janitorial and grounds maintenance services	6,914,354
Landscape services	374,568
Building maintenance and repair	939,672
Remediation and special projects	135,485
Elevator services	133,151
Electrical services	47,280
Inspection services	33,682
Operating	
Property and casualty insurance	2,797,743
Gate operations	568,524
Pinellas utility potable water	954,523
Recreation amenities	2,444,256
Wastewater and irrigation	1,430,784
Waste management trash and recycle	388,113
Association audit fee	45,135
Association tax return	950
Association legal expenses	93,651
General and administrative	56,441
Fees payable to the division	19,868
Utilities	308,389
Capital expenditures and deferred maintenance	
Deferred maintenance	852,227
Roof replacement	1,043,564
Building painting & waterproofing	714,470
Elevator cab replacement	167,998
Paving	77,572
	22,715,939
 TOTAL EXPENSES	
 EXCESS OF REVENUES OVER (UNDER) EXPENSES	
	(1,091,480)
 FUND BALANCE, Beginning of year	
	789,603
 FUND BALANCE (DEFICIT), End of year	
	\$ (301,877)

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, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from members	\$ 20,587,726
Interest income	13,598
Cash paid for operating expenses	(22,380,155)
Income taxes paid	(30,000)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(1,808,831)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,808,831)
CASH AND CASH EQUIVALENTS –Beginning of year	<u>2,085,611</u>
CASH AND CASH EQUIVALENTS –End of year	<u><u>\$ 276,780</u></u>
RECONCILIATION OF EXCESS OF REVENUES OVER (UNDER) EXPENSES TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES:	
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ (1,091,480)
Adjustments to reconcile excess of revenues over (under) expenses to net cash (used) provided by operating activities:	
(Increase)/Decrease in operating assets:	
Due from Parkway Maintenance and Management Pinellas, LLC	(645,095)
Assessments receivable, net	13,263
Prepaid expense	157,805
Increase/(Decrease) in operating liabilities:	
Accounts payable	444,581
Income taxes payable	(30,000)
Due to SCA Pinellas Amenities, LLC	259,261
Due to SCA Pinellas Utilities, LLC	119,232
Assessments received in advance	<u>(1,036,398)</u>
Net cash (used) provided by operating activities	<u><u>\$ (1,808,831)</u></u>

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

**ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
NOTES TO 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, 2024, 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 general 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, 2024. 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, 2024, the amount to fully fund all future reserve costs would require \$31,926,571. The 2025 total reserve assessment would need to be \$6,472,515 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.

Revenue Recognition

The Association records revenue from contracts with customers based on a five-step model: identify the contract, identify performance obligations, determine the transaction price, allocate contract transaction price to performance obligations, and recognize the revenue when control of goods or services is transferred to customers.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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, 2024 and June 30, 2023, assessments receivable from current owners totaled \$156,069 and \$166,332, respectively for amounts due, but not received prior to year-end. An allowance for credit losses has been established in the amount of \$54,000, which increased \$3,000 from the prior year, which had an established allowance of \$51,000. The Association's allowance for credit losses is based on review of the current status of existing receivables and management's estimate as to their collectability, as well as evaluation of current conditions, and reasonable and supportable forecasts of future losses to determine estimated credit losses. Assessments receivable are written-off when such receivables are deemed to be uncollectible.

Assessments are billed to unit owners at the beginning of the month to which they apply. Payments received in advance of the period to which they apply are recorded as assessments received in advance and total \$23,745 at June 30, 2024, and were \$14,936 at June 30, 2023. In addition, at June 30, 2023 the Association had \$1,045,207 of assessments received in advance pertaining to internet services, which were recognized in the year ended June 30, 2024.

The Association's policy is to retain legal counsel, place liens and pursue foreclosure on delinquent accounts. At June 30, 2024, the Association had approximately \$121,300 of delinquent assessments receivable on lien-ed units. The Association has no foreclosed units as a result of non-payment of assessments.

Excess of revenues (assessments) over (under) expenses, and other cash income collected in a year is to be taken into account in the preparation of the annual budget for the succeeding year. The Association had a cumulative deficit of revenues over (under) expenses through June 30, 2024, which amounted to (\$301,877).

**ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Laundry-Licensing Revenue

The Association receives licensing fees for the use of common area washers and dryers equal to 90% of gross receipts, minus any agreed upon expenses. The Association recognizes laundry licensing revenue at the point in time it is collected and earned.

Interest Income

The Association recognizes interest as it is earned.

Revenues from Contract to Customers

The following table disaggregates the Association's revenue from contracts from customers, based on the timing of satisfaction of performance obligations for the year ended June 30, 2024:

Performance obligations satisfied over time	\$ 21,416,263
Performance obligations satisfied at a point in time	<u>180,114</u>
Total revenue from contracts with customers	<u>\$ 21,596,377</u>

Income Taxes

Condominium associations may be taxed either as condominium associations or as regular corporations. For the year ended June 30, 2024, 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. For the year ended June 30, 2024 there was \$193,712 of non-membership income (from interest income and laundry-licensing revenue). However, the Association's expenses exceeded revenues in the current year, and as a result, the income tax expense was \$-0-.

The Association adopted guidance issued by the Financial Accounting Standards Board on accounting for uncertainty in tax positions. Management has analyzed tax positions, and believes the Association has no uncertain tax positions, or material unrecognized income tax liabilities or benefits that should be recorded or disclosed in the financial statements. 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.

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

**ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Common Property – Continued

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 accounts at commercial banks. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 for the current year. At June 30, 2024, deposits at commercial banks exceeded FDIC limits by \$41,340.

Recently Adopted Legislation

The Florida Legislature has passed Senate Bill 154, which among other things, provides for structural inspection requirements and revised requirements for associations to fund reserves for the continued maintenance and repair of certain building components.

Regarding milestone inspection exams, the bill:

Requires condominium buildings that are three or more stories in height to have a structural inspection of a building performed by an architect or engineer when a building reaches:

30 years of age and every 10 years thereafter, or

25 years of age and every 10 years thereafter if the building is located within three miles of a coastline.

Provides that, if a milestone inspection is required and the building’s certificate of occupancy was issued on or before July 1, 1992, the building’s initial milestone inspection is to be performed before December 31, 2024.

Requires that a phase one milestone inspection must commence within 180 days after an association receives a written notice from the local enforcement agency.

Requires a phase two milestone inspection if there is evidence of “substantial structural deterioration” as determined by a phase one inspection.

Specifies the minimum contents of a milestone inspection report.

Regarding the funding of reserves for the continued maintenance and repair of condominium buildings, the bill:

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Adopted Legislation - Continued

Requires condominium associations to complete a structural integrity reserve study every 10 years for each building in an association that is three stories or higher in height.

Requires associations existing on or before July 1, 2022, that are controlled by non-developer unit owners to have a structural integrity reserve study completed by December 31, 2024.

Defines “structural integrity reserve study” as a study of the reserve funds required for future major repairs and replacement of the common elements based on a visual inspection of the common elements.

Requires the study to include a visual inspection, state the estimated remaining useful life, and the estimated replacement cost or deferred maintenance of the roof, load bearing walls or other primary structural members, fireproofing and fire protection systems, plumbing, electrical systems, waterproofing and exterior painting, windows, exterior doors and any item with a deferred maintenance or replacement cost that exceeds \$10,000, and the failure to replace or maintain such item negatively affects the items above as determined by a visual inspection.

Requires the visual inspection to be performed by a person licensed as an engineer or an architect. However, any qualified person may perform the structural integrity reserve study.

The Association completed Milestone Phase 1 and Structural Integrity Reserve Study during the year ended June 30, 2024 to comply with Florida’s Senate Bill 4D, which was passed in May 2022. The Association has budgeted for Milestone Phase 2 and Structural Integrity Reserve Study in the year ended June 30, 2025.

Adoption of New Accounting Standard

Effective July 1, 2023, the Association adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including assessments receivable.

The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for accounts (assessments) receivable at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized.

The adoption of this accounting standard update had no effect on fund balance as initially reported.

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

NOTE C – MANAGEMENT, MAINTENANCE, UTILITIES AND RECREATIONAL AGREEMENTS

The Association has contracted with Parkway Maintenance and Management Pinellas, LLC (Parkway), as an agent to perform management and administrative services on behalf of the Association as set forth in the Management and Maintenance Agreement, (the Agreement). Pursuant to the Agreement, the Association will compensate Parkway for maintenance services provided, as well as a management fee for services provided, plus reimbursable costs. The Agreement may be terminated by the Association or Parkway upon ninety (90) days written notice to the other party.

The Association has contracted with SCA Pinellas Utilities, LLC (SCA Utilities) to provide utility wastewater and reclaimed water services. The Association has agreed to purchase wastewater and reclaimed water utility services pursuant to this agreement, as the exclusive source for the Association. SCA Utilities charges a rate per unit, per month as specified in the agreement. The service rate may increase annually.

The Association has contracted with SCA Pinellas Amenities, LLC (SCA) under a Recreational Use and License Agreement. Pursuant to the agreement, SCA agrees to grant a license to the Association and its members that permits the members of the Association to continue to have access, and use to the recreational property owned by SCA. SCA charges an access and user fee per month for each condominium unit. The agreement has a term of twenty five (25) years, and shall automatically renew for additional five (5) year terms unless both parties elect not to renew the agreement, and provide written notice of such election not to renew for an additional 5 year term at least ninety (90) days prior to expiration.

NOTE D – RELATED PARTIES

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 and Management Pinellas, LLC to perform management, maintenance and administrative duties and functions of the Association, (Note C). A former member of the Association's Board of Administration has an interest in Parkway. In addition, certain former members of the Association's Board of Administration are officers of Parkway. During the year ended June 30, 2024, the Association paid Parkway \$9,887,964 for all services as described in Note C, and these expenses are included in the statement of revenues and expenses and changes in fund balance. At June 30, 2024, Parkway owed \$151,798 to the Association.

The Association has contracted with SCA Pinellas Utilities, LLC to provide wastewater and reclaimed water services, (Note C). A former member of the Association's Board of Administration has an interest in SCA Utilities. During the year ended June 30, 2024, the Association paid SCA Utilities \$1,430,784 for all services as described in Note C, which are included in the statement of revenues and expenses and changes in fund balance. At June 30, 2024, the Association owed \$119,232 to SCA Utilities.

The Association has contracted with SCA Pinellas Amenities, LLC to provide operations and maintenance of certain recreational facilities, (Note C). A former member of the Association's Board of Administration has an interest in SCA. During

**ON TOP OF THE WORLD CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE D – RELATED PARTIES – CONTINUED

the year ended June 30, 2024, the Association paid SCA \$2,475,454 for all services as described in Note C, which are included in the statement of revenues and expenses and changes in fund balance. At June 30, 2024, the Association owed \$203,688 to SCA.

NOTE E – GEOGRAPHIC EXPOSURE TO CATASTROPHIC LOSS

The Association has possible exposure to catastrophic losses based on the location of the property. These catastrophes can be caused by various events, including hurricanes, windstorms, hail and flood, and the incidence and severity of catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposure by the type of event and severity of the event. The Association generally seeks to reduce its exposure to catastrophes through individual risk selection and the purchase of catastrophe insurance. In the event of such a catastrophe, significant special assessments may be necessary to provide for deductibles and retention amounts consistent with insurance policy provisions.

NOTE F – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through October 31, 2024, 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 38
FOR THE YEAR ENDED JUNE 30, 2024

	(UNAUDITED) Budget Annual	Actual Annual
Revenue		
Monthly assessments	\$ 106,808	\$ 112,082
Laundry – licensing revenue	–	943
Interest income	–	71
Late fees	–	76
Total Revenues	106,808	113,172
Expenses		
Bulk service agreement: for TV and internet	–	7,631
Management fees	3,744	3,744
Maintenance		
Janitorial and grounds maintenance services	36,192	36,186
Landscape services	1,872	1,960
Building maintenance and repair	5,928	4,918
Remediation and special projects	312	709
Elevator services	624	697
Electrical services	156	247
Inspection services	156	176
Operating		
Property and casualty insurance	10,296	14,642
Gate operations	2,808	2,975
Pinellas utility potable water	5,304	4,995
Recreation amenities	12,792	12,792
Wastewater and irrigation	7,488	7,488
Waste management trash and recycle	3,120	2,031
Association audit fee	156	236
Association tax return	156	5
Association legal expenses	312	490
Bad debt expense	312	–
General and administrative	312	295
Fees payable to the division	104	104
Utilities	–	1,614
Capital expenditures and deferred maintenance		
Deferred maintenance	2,808	4,460
Roof replacement	6,240	5,461
Building painting & waterproofing	4,056	3,739
Elevator cab replacement	1,248	879
Paving	312	406
Total Expenses	106,808	118,880
Excess of revenues over (under) expenses	\$ –	\$ (5,708)

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, 2024
(UNAUDITED)**

The Association's board of administration conducted an analysis in June 2024 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.

<u>Component</u>	<u>Estimated Useful Life/Yrs</u>	<u>Estimated Remaining Life/Yrs</u>	<u>Estimated Replacement Cost</u>
Roof replacement	20	Various	\$ 25,110,000
Building painting	5	Various	4,506,071
Pavement resurfacing	25	Various	<u>2,310,500</u>
			<u><u>\$ 31,926,571</u></u>

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 38
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

The Association's board of administration conducted an analysis in June 2024 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.

<u>Component</u>	<u>Estimated Useful Life/Yrs</u>	<u>Estimated Remaining Life/Yrs</u>	<u>Estimated Replacement Cost</u>
Roof replacement	20	8	\$ 275,900
Building painting	5	1	49,500
Pavement resurfacing	25	15	25,400
			<u>\$ 350,800</u>

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