

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**

**REVIEWED FINANCIAL STATEMENTS**

**For The Year Ended  
December 31, 2023**

# GALLOWAY GLEN HOMES ASSOCIATION, INC.

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**GALLOWAY GLEN HOMES ASSOCIATION, INC.**

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**For The Year Ended  
December 31, 2023**

# VIGO & VIGO, LLP

Certified Public Accountants

5805 Blue Lagoon Dr., Suite 300. Miami, FL 33126

Tel: (305) 266-1812 Fax: (305) 266-5758

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

### **TO THE BOARD OF DIRECTORS AND MEMBERS:**

**Galloway Glen Homes Association, Inc.**

**2811 Ponce De Leon Blvd. Suite #500**

**Coral Gables, Florida 33134**

We have reviewed the accompanying financial statements of Galloway Glen Homes Association Inc (a Non-Profit Florida corporation) ("the Association"), which comprise the balance sheet as of December 31, 2023, and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

### ***Accountant's Responsibility***

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**Supplemental Information**

The accompanying supplemental information (Page 12-13) is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Association. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we are not aware of any material modifications that should be made thereto.



**Jorge A. Vigo, CPA**  
May 22, 2024

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**For The Year Ended  
December 31, 2023**

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Balance Sheet as of**  
**December 31, 2023**

	Operating Fund	Reserve Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 772	\$ 134,479	\$ 135,251
Due to (from) Funds	60,867	(60,867)	-
<b>Total Current Assets</b>	<b>61,639</b>	<b>73,612</b>	<b>135,251</b>
<b>TOTAL ASSETS</b>	<b>61,639</b>	<b>73,612</b>	<b>135,251</b>
<b>LIABILITIES &amp; FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts Payable	51,067	-	51,067
Unearned Assessments	15	-	15
<b>Total Current Liabilities</b>	<b>51,082</b>	<b>-</b>	<b>51,082</b>
<b>Other Current Liability</b>			
HO Deposit for Trooper Bonus	9,800	-	9,800
<b>Total Other Current Liabilities</b>	<b>9,800</b>	<b>-</b>	<b>9,800</b>
<b>Total Liabilities</b>	<b>60,882</b>	<b>-</b>	<b>60,882</b>
<b>Fund Balances</b>			
Operating	757	-	757
Reserve	-	73,612	73,612
<b>Total Fund Balances</b>	<b>757</b>	<b>73,612</b>	<b>74,369</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 61,639</b>	<b>\$ 73,612</b>	<b>\$ 135,251</b>

\*See accountant's review report and accompanying notes to financial statements.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Statement of Revenues and Expenses for the Year Ended**  
**December 31, 2023**

	Operating Fund	Reserve Fund	Total
<b>Revenues</b>			
Assessments	\$ 656,600	\$ -	\$ 656,600
Interest Income	6	407	413
Estoppel Letter Fees	600	-	600
<b>Total Revenues</b>	657,206	407	657,613
<b>Expenses</b>			
Accounting & Professional	23,733	-	23,733
Bank Charges	319	-	319
Insurance	11,901	-	11,901
Lawn Maintenance	30,040	-	30,040
Repairs & Maintenance	597	-	597
Security Services	521,550	-	521,550
Taxes and Licenses	61	-	61
Telephone	1,169	-	1,169
Utilities	2,613	-	2,613
<b>Total Expenses</b>	591,983	-	591,983
<b>Net Income</b>	<b>\$ 65,223</b>	<b>\$ 407</b>	<b>\$ 65,630</b>

\*See accountant's review report and accompanying notes to financial statements.



**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Statement of Changes in Fund Balances for the Year Ended**  
**December 31, 2023**

	<b>Operating Fund</b>	<b>Reserve Fund</b>	<b>Total</b>
<b>Balance at December 31, 2022</b>	1,099	\$ 7,640	\$ 8,739
<b>Excess (Deficiency) of Expenses over Revenues for year ended December 31, 2023</b>	65,223	407	65,630
<b>Transfers between funds 2023</b>	<b>(65,565)</b>	<b>65,565</b>	-
<b>Balance at December 31, 2023</b>	<b>\$ 757</b>	<b>\$ 73,612</b>	<b>\$ 74,369</b>

\*See accountant's review report and accompanying notes to financial statements.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Statement of Cash Flows for the Year Ended**  
**December 31, 2023**

	Operating Fund	Reserve Fund	Total
<b>OPERATING ACTIVITIES</b>			
Net Income	\$ 65,223	\$ 407	\$ 65,630
Adjustments to reconcile Net Income to net cash provided by operations:			
Decrease in Due to Funds	4,825	-	4,825
Increase in Due from Funds	-	(4,825)	(4,825)
Decrease in Accounts Payable	(2,600)	-	(2,600)
Increase in Unearned Assessments	15	-	15
Decrease in HO Deposit for Trooper Bonus	(2,225)	-	(2,225)
<b>Net cash provided by (used in) Operating Activities</b>	<b>65,238</b>	<b>(4,418)</b>	<b>60,820</b>
<b>FINANCING ACTIVITIES</b>			
Net interfund transfers	(65,565)	65,565	-
<b>Net cash provided by (used in) Financing Activities</b>	<b>(65,565)</b>	<b>65,565</b>	<b>-</b>
<b>Net cash increase (decrease) for period</b>	<b>(327)</b>	<b>61,147</b>	<b>60,820</b>
Cash at beginning of period	1,099	73,332	74,431
<b>Cash at end of period</b>	<b>\$ 772</b>	<b>\$ 134,479</b>	<b>\$ 135,251</b>

\*See accountant's review report and accompanying notes to financial statements.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Year Ended  
December 31, 2023**

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**A. Nature of Activity**

Galloway Glen Homes Association, Inc., (“the Association”), was incorporated on November 9<sup>th</sup>, 1972. The Association is a Non-Profit Corporation that is responsible for the operation and maintenance of the common property within the development. The property is a condominium development located in Miami, Florida.

**B. Significant Accounting Policies**

This summary of significant accounting policies of the Association is presented to assist in understanding the Association’s financial statements. These financial statements are representations of the Association’s management who is responsible for their integrity and objectivity.

***Basis of Presentation***

The accompanying financial statements of the Association are presented in conformity with U.S. generally accepted accounting principles (US GAAP). They have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 105, *Generally Accepted Accounting Principles*, and accordingly reflect all significant receivables, payables, and other liabilities. Under the accrual basis of accounting, revenues are recorded when earned and expenses are 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.

Reserve Fund– This fund is used to accumulate financial resources to be used at the discretion of the board for any operating expense deficit as well as future major repairs and replacements.

***Cash & Cash Equivalents***

The Association considers all short-term, highly liquid investments, which are readily convertible into cash within three (3) months or less to be cash equivalents. For the purpose of these financial statements, cash consists of money held in two (2) bank accounts.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**B. Significant Accounting Policies (continued)**

***Revenue Recognition***

Homeowner assessments are budgeted annually and due annually in February into the Operating Fund. The Association recognizes revenue from homeowner assessments each month, which is considered the period the assessment is earned regardless of when the assessment is paid.

Assessments were assessed through the budgeting process at \$3,350 annually per homeowner for the fiscal year 2023. Allocation by owner is based upon the total number of homeowners, totaling 196.

The Association has the right, subject to Board approval, to levy special or supplemental fee assessments for major operating items, or capital outlays. The Association recognizes revenue in these instances when the assessment is billed. This assessment offsets the liability that will be recorded for the defect.

***Assessments Receivable***

Members of the Association are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from homeowners. The Association's Declaration provides for various collection remedies for delinquent assessments including the filing of liens and obtaining judgement in the assets of the homeowner.

In 2016, the FASB issued guidance on ASC Topic 326, *Measurement of Credit Losses on Financial Instruments*. The Association has adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses*, effective for the year ended December 31, 2023. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the ASU.

The CECL Methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans and other receivables 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 based on factors such as historical credit losses, the current economic environment, and collection on past due amounts. The methodology replaces the multiple existing impairment methods in current US GAAP, including the allowance method, which generally requires that a loss be incurred before it is recognized.

The Association feels it is in compliance with the above new standards and that the application of such will not have a material impact on the Association's financial statements. As of December 31, 2023, the amount of net assessments receivable was zero (\$0).

***Capitalization***

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual homeowners in common and not by the Association. The Association capitalizes any material, personal property to which it has title at cost, and depreciates it using the straight line and accredited methods over the useful lives of the assets.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**B. Significant Accounting Policies (continued)**

***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management 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. Accordingly, actual results could differ from those estimates.

***Concentration of Risk***

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of temporary cash investments and assessments receivable. The Association places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. As of December 31, 2023, cash accounts held at each financial institution were insured by the FDIC for up to \$250,000. These cash accounts did not include any amounts in excess of insured limits.

**C. Current Liabilities**

Current liabilities of the Association consist of accounts payable and accrued expenses incurred during the period, an overpayment of assessments which will be applied to a future period, and amounts collected on behalf of members of the Association to be subsequently gifted to security personnel. This last amount, which is merely collected and later disbursed in full, is not considered income to nor an expense of the Association.

**D. Income Taxes**

Associations may be taxed either as homeowner's associations or regular corporations. The Association had previously elected and continues to file as a homeowner's association using Form 1120-H under Internal Revenue Code Section 528 ("The Section"). Under The Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance and care of Association property. Net nonexempt function income, which includes interest, user fees and revenues from non-members, is taxed at a rate of thirty percent (30%). The Association's federal tax return is subject to audit by the internal Revenue Service. The tax returns for the current and prior two fiscal years remain open for examination by the IRS. In evaluation the Association's tax positions and accruals, the Association believes that its estimates are appropriate based on the current facts and circumstances.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**E. Commitment and Contingencies**

Common areas and other property (specifically the exterior wall) for which the Association is responsible is inherently at risk to structural defects resulting from faulty workmanship or wear and tear. These defects are not always immediately apparent, and quite often, replacement reserve fund balances have not been earmarked or are not sufficient to cure the defect. Although the amount of liability resulting from such situations, if any, at year end cannot be determined, the Association believes that any resulting liability, if any, should not materially affect the financial statements as of December 31, 2023. In those situations where replacement reserves are lacking, a special assessment is normally authorized to fund the amounts necessary to cure the defect.

The Association is subject to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of operations. While the outcome of these other potential claims cannot be predicted with certainty, management does not believe that the outcome of any of these other matters will have a material adverse effect on the Association's financial position or results of operations.

**F. Future Major Repairs and Replacements and Reserves**

The Association's governing documents do not require funds to be accumulated for future major repairs and replacements. Reserve funds are held in separate accounts and can be used at the discretion of the board for operating and other purposes.

The Association has not engaged an independent study to estimate the remaining useful lives and the replacement costs of the common property components (specifically the exterior wall) relative to the replacement reserve fund. A summary schedule of management's estimates has been included in a report entitled Supplemental Information on Future Major Repairs and Replacements and can be reviewed on page 12. The actual expenditures may vary from estimated amounts, and variations may be material. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the management's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Accordingly, actual future expenditures may exceed the amounts accumulated and as a result the amounts accumulated may not be adequate to meet future needs.

If additional funds are required, the Association has the right, subject to Board approval, to increase regular assessments, levy special assessments, borrow funds, or it may delay major repairs and replacements until funds are available.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**G. Statement of Cash Flows – Supplemental Information**

For the year ended December 31, 2023, the Association made no cash payments for interest. There were no other significant noncash financing or investing activities that occurred during the year ended December 31, 2023.

**H. Subsequent Events**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 22, 2024, the date the financial statements were available to be issued. No material events or transactions which would require disclosure had occurred subsequent to the end of the period.



**GALLOWAY GLEN HOMES ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION**

**For The Year Ended  
December 31, 2023**

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Schedule of Actual and Budgeted Revenues and Expenses for the Year Ended**  
**December 31, 2023**

	Actual	Yearly Budget	Favorable (Unfavorable) Variance
<b>Revenues</b>			
Assessments	\$ 656,600	\$ 656,600	\$ -
Late and NSF Fees	-	250	(250)
Interest Income	413	500	(87)
Other Income	600	750	(150)
<b>Total Revenues</b>	<b>657,613</b>	<b>658,100</b>	<b>(488)</b>
<b>Expenses</b>			
Accounting & Professional	23,733	26,500	2,767
Bank Charges	319	200	(119)
Insurance	11,901	11,500	(401)
Lawn Maintenance	30,040	31,000	960
Miscellaneous	-	1,000	1,000
Repairs & Maintenance	597	5,150	4,553
Security Services	521,550	577,320	55,770
Taxes and Licenses	61	61	-
Telephone	1,169	1,100	(69)
Utilities	2,613	3,950	1,338
<b>Total Expenses</b>	<b>591,983</b>	<b>657,781</b>	<b>65,798</b>
<b>Net Income</b>	<b>\$ 65,630</b>	<b>\$ 319</b>	<b>\$ 65,311</b>

\*See accountant's review report and accompanying notes to financial statements.

**GALLOWAY GLEN HOMES ASSOCIATION, INC.**  
**Supplementary Information on Future Major Repairs and Replacements**  
**December 31, 2023**

The following is based on The Association's best estimate of current and remaining useful lives and current replacements costs of its common property. Replacement costs are based on the anticipated costs to repair or replace the common property components at the date of these estimates. The following information is based on these preliminary estimates and presents significant information about the components of common property.

Component	Estimated Remaining Useful Life	Estimated Future Replacement Costs	Fund Balance at Year End
Exterior Wall	20	\$ 200,000	\$ 73,612
<b>Sub Total</b>		<b>\$ 200,000</b>	<b>\$ 73,612</b>

\*See accountant's review report and accompanying notes to financial statements.