Indigo Pines Condominiums Management Association, Inc.

Reviewed Financial Statements

May 31, 2026

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Table of Contents

Independent Accountant's Review Report 1-2

Reviewed Financial Statements

Balance Sheet 3

Statement of Revenues, Expenses, and Changes in Fund Balances 4

Statement of Cash Flows 5

Notes to the Financial Statements 6-11

Supplementary Information

Exhibit I - Supplementary Information on Future Repairs and Replacements (Unaudited) 12

Exhibit II – Statement of Operating Fund Revenues and Expenses – Budget and Actual 13

Turnstone Consulting
Leaving No Stone Unturned.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Management
Indigo Pines Condominiums Management Association, Inc.
Daytona Beach, FL 32114

I have reviewed the accompanying financial statements of Indigo Pines Condominiums Management Association, Inc., a Florida not-for-profit corporation, which comprise the balance sheet as of May 31, 2026, and the related statements of revenues, expenses, and changes in fund balance, 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 entity 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, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Indigo Pines Condominiums Management Association, Inc. and to meet my ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Association of International Certified Professional Accountants
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intuit ProAdvisor QuickBooks
FICPA Florida Institute of Certified Public Accountants

Accountant's Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on pages 12 and 13 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information, and do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The supplementary information on pages 14 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 and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Except for the parts marked "Unaudited", the supplementary information has been subjected to the review procedures applied in my review of the basic financial statements. I am not aware of any material modifications that should be made to the supplementary information. I have not audited the supplementary information and do not express an opinion on such information.

Turnstone Consulting, PA

Daytona Beach, Florida
November 9, 2026

Indigo Pines Condominiums Management Association, Inc.

Balance Sheet

May 31, 2026

	Operating Fund	Special Assessment Fund	Reserve & Replacement Fund	Total
Assets				
Cash and cash equivalents	$ 18,407	$ -	$ 132,160	$ 150,567
Maintenance fees receivable	2,869	-	-	2,869
Special assessment fees receivable	-	33,572	-	33,572
Prepaid expenses - insurance	57,112	-	-	57,112
Due from other fund	-	-	-	-
Total assets	$ 78,388	$ 33,572	$ 132,160	$ 244,120
Liabilities and fund balance				
Liabilities				
Accounts payable and accruals	$ 441	$ -	$ -	$ 441
Due to other fund	-	-	-	-
Prepaid assessments	10,239	-	-	10,239
Loan payable - SBA	-	32,494	-	32,494
Contract liabilities - assessments received in advance - reserve & replacement fund	-	-	132,160	132,160
Total liabilities	10,680	32,494	132,160	175,334
Fund Balance	67,708	1,078	-	68,786
Total liabilities and fund balance	$ 78,388	$ 33,572	$ 132,160	$ 244,120

See accountant's review report.

Indigo Pines Condominiums Management Association, Inc.

Statement of Revenues and Expenses and Changes in Fund Balances

For the Year Ended May 31, 2026

	Operating Fund	Special Assessment Fund	Reserve & Replacement Fund	Total
Revenues				
Assessments	$ 310,374	$ -	$ 54,000	$ 364,374
Miscellaneous income	653	-	-	653
City services	43,012	-	-	43,012
Interest income	-	1,064	1,201	2,265
Reclassed to contract liabilities	-	-	(1,214)	(1,214)
Total revenues	354,039	1,064	53,987	409,090
Expenses				
General & administrative	6,104	-	-	6,104
Grounds and facilities	69,816	-	-	69,816
Insurance expense	59,871	-	-	59,871
Interest expense	-	250	-	250
Professional fees	4,441	-	-	4,441
Property management fees	26,243	-	-	26,243
Repairs and maintenance	15,356	-	-	15,356
Reserve study	4,500	-	-	4,500
Utilities	165,023	-	-	165,023
Reserve expenditures	-	-	53,987	53,987
Total expenses	351,354	250	53,987	405,591
Excess of revenues over expenses	2,685	814	-	3,499
Fund balance as of June 1, 2025	65,023	264	-	65,287
Fund balance as of May 31, 2026	$ 67,708	$ 1,078	$ -	$ 68,786

See accountant's review report.

Indigo Pines Condominiums Management Association, Inc.

Statement of Cash Flows

For the Year Ended May 31, 2026

	Operating Fund	Special Assessment Fund	Reserve & Replacement Fund	Total
Cash flows from operating activities: excess of revenues over expenses:	$ 2,685	$ 814	-	$ 3,499
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in:				
Maintenance fees receivable	(2,869)	-	-	(2,869)
Special assessment fees receivable	-	31,937	-	31,937
Prepaid expenses - insurance	(57,112)	-	-	(57,112)
Increase (decrease) in:				
Accounts payable	306	-	-	306
Prepaid assessments	(2,607)	-	-	(2,607)
Loan payable - SBA	-	-	-	-
Contract liabilities	-	-	1,214	1,214
Cash provided by (used in) operating activities	(59,597)	32,751	1,214	(25,632)
Cash flows from financing activities:				
Principal payment on long-term debt	-	(32,751)	-	(32,751)
Interfund borrowing	57,746	-	(57,746)	-
Cash provided by (used in) financing activities	57,746	(32,751)	(57,746)	(32,751)
Prior period adjustment	-	-	(4,274)	(4,274)
Net increase (decrease) in cash	(1,851)	-	(60,806)	(62,657)
Cash balances at beginning of the year	20,258	-	192,965	213,223
Cash balances at end of the year	$ 18,407	$ -	$ 132,159	$ 150,566
Cash paid for income tax	$ -	$ -	$ -	$ -
Cash paid for interest expense	$ -	$ 250	$ -	$ 250

See accountant's review report.

INDIGO PINES CONDOMINIUMS MANAGEMENT ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2026

NOTE 1 - ORGANIZATION

Indigo Pines Condominiums Management Association, Inc. (the "Association"), is incorporated as a not-for-profit in the State of Florida and began its operations in 1988. The Association is responsible for the operation and maintenance of the common property of the development, in accordance with Florida Statutes, Chapter 718, and the provisions of the Declaration of Condominium. The development is located in Daytona Beach, Florida and consists of 80 residential units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

Financial Statements – The accompanying financial statements were prepared pursuant to the requirements of Florida Statutes and in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation – The records of the Association are maintained on the accrual basis of accounting. This method of accounting recognizes revenue when earned, regardless of when received, and expenditures when incurred, regardless when paid.

Fund Accounting – The Association uses fund accounting, which requires that funds, such as operating funds, and funds designated for future major repairs and replacements ("reserves" or "replacement"), and other special purposes, be classified separately for accounting and reporting purposes.

Operating Fund – The operating fund is used to account for the day-to-day activities of the Association, including the general management and upkeep of the common property.

Reserve & Replacement Fund – The reserve & replacement fund is used to account for monies accumulated to fund capital expenditures and maintenance, major repairs and replacement of property. Disbursements from this fund generally may be made for designated purposes only.

Special Assessment Fund – The special assessment fund is used from time to time to account for a specific project that was approved by the Association's board and membership. Disbursements from this fund may be made for designated purposes only.

Member Assessments - Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Maintenance assessments are based upon a budget established by the Board. Maintenance fees receivable at the balance sheet date represents fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in future years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and expenses are allocated equally among all the owners within the Association.

Real and Common Area Property - Real and common property acquired by the Association from the Developer is not capitalized on the Association's financial statements, since it is owned by the individual owners in common and not by the Association. As a result, improvements to the real property and common areas as expensed as incurred.

Cash and Cash Equivalents - For the purposes of the accompanying statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid instruments with original maturities of twelve months or less.

Interest Earned - It is the policy of the Board of Directors to retain interest in the funds in which it is earned. Income tax liability on all interest earned is expensed from the operating fund.

Fair Value of Financial Instruments - The carrying value of cash and cash equivalents, assessments receivable and accounts payable approximates fair value based upon the short maturity of these instruments.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 9, 2026, the date that the financial statements were available to be issued.

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Association has one main source of income, which is from member assessments. The Association may place liens on the real property of those homeowners who become delinquent.

The Association had accounts with several banks and financial institutions at May 31, 2026. The cash balances in these accounts were protected by the FDIC up to $250,000. The Association did not have any balances that exceeded the FDIC coverage limit.

NOTE 5 – INCOME TAXES

The Association has the option to be taxed either as a homeowner's association or as a regular corporation. For year ended May 31, 2026, the Association filed IRS Form 1120H and elected to be taxed as a homeowners' association in accordance with Internal Revenue Code 528. Under this election, the Association is generally exempt from taxation on membership income and is taxed only on non-membership income items, such as interest earnings. The State of Florida does not require an association that files IRS Form 1120H to file a state income tax return. The Association's federal income tax returns are subject to examination by the IRS generally for three years after they are filed.

NOTE 6 – MEMBER ASSESSMENTS AND MAINTENANCE FEES RECEIVABLE

The Association's 2026 assessments per homeowner were $5,040 annually per unit or $420 per month. Of the annual assessment, approximately 13% was designated for the reserve & replacement fund.

The annual budget and members' assessments are determined by the Board of Directors unless assessments are increased year over year by more than 15%. If assessments are increased by more than 15%, an affirmative membership vote is required. Annual budgets are approved by the Board, and assessments are divided between the operating fund to meet normal operating costs and contributions to the reserve & replacement-funding program. The Association retains excess operating funds at the end of the operating year, if any, for use in the future operating period.

Maintenance fees receivable from unit owners included in the accompanying May 31, 2026, balance sheet was $2,869 for the operating fund and special assessments receivable was $33,572. There is no allowance for doubtful accounts since Management reviews the receivables periodically and adjusts bad debt accordingly throughout the year.

NOTE 7 – PROPERTY MANAGEMENT

The Association is self-managed and is responsible for keeping the books and records and overseeing operations on a daily basis.

NOTE 8 – PREPAID MEMBER ASSESSMENTS

Assessments received in advance consisted of 2027 maintenance fees received by the Association prior their due date and therefore, were not earned. The amount of prepaid member assessments was $10,239 at May 31, 2026.

NOTE 9 – DUE TO/FROM OTHER FUNDS

At May 31, 2026, no amounts were due or owed between the reserve & replacement fund and the operating fund.

NOTE 10 – FUTURE MAJOR REPAIRS & REPLACEMENTS

The Association's governing documents and Florida Statutes require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate checking and savings accounts and other investment accounts. These funds generally are not available for expenditures for normal operations.

During the fiscal year, the Association was funding major repairs and replacements according to a study developed by an independent engineering firm in 2023. The board and management review the study annually. These estimates have been scheduled and accounted for by component. The Association plans to follow this funding schedule through fiscal year 2026.

Schedule of Changes in Contract Liabilities – (Assessments Received in Advance – Reserve & Replacement Fund)

The schedule below lists the activity for the year ended May 31, 2026:

	Balance at 6/1/2025	Contributions	Interest	Expenses	Balance at 5/31/2026
Pooled	**$130,946**	**$54,000**	**$1,201**	**$(53,987)**	**$132,160**

Management has included the Supplementary Information on Future Major Repairs and Replacements that is required by accounting principles generally accepted in the United States of America to supplement the basic financial statements on page 12. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

NOTE 11 – FASB ASC 606 - ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 superseded the revenue recognition requirements in FASB ASC 972-605, *Real Estate Common Interest Realty Association, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods and services.

The Association adopted the requirements of new guidance in 2025. The adoption of the new revenue recognition guidance resulted in the following cumulative changes to the Association's financial statements at May 31, 2026:

NOTE 11 – FASB ASC 606 - ACCOUNTING GUIDANCE IMPLEMENTATION (Continued)

There is no fund balance for the reserve & replacement fund. Revenues are recognized as funds are spent or liabilities incurred, not when they are received. Reserve & replacement fund balance has been replaced with an account on the balance sheet called "Contract liabilities – (assessments received in advance – reserve & replacement fund)" and the balance at May 31, 2026 was $132,160. This represents the reserve & replacement funds accumulated by the Association in advance of actual reserve & replacement fund expenditures and are considered deferred revenue.

NOTE 12 – ROOF REPLACEMENTS

During 2023, the Association contracted with a roofing company to replace the existing roofs on all eleven buildings and the clubhouse and mailboxes with painted metal roofs. The total cost of the roof replacement, wood repairs and gutters totaled approximately $745,000.

During 2024, the Association received gross insurance proceeds of $486,625 for storm damages. An insurance adjuster was paid $48,663 from these funds. Net proceeds were $437,962 and were to be applied to the roof replacement project. The balance of the project was to be funded by a special assessment.

NOTE 13 – SPECIAL ASSESSMENT – ROOF REPLACEMENTS

During 2023, the Association approved a special assessment to fund the balance of the roofing replacements. The balance needed to fund the roofing project was determined to be $307,000 and this amount was subsequently borrowed from the Small Business Administration ("SBA"). On February 10, 2024, at the Annual Meeting, it was announced that each owner's special assessment for new roofs was $3,837. Owners could choose to finance the special assessment. Loan terms were $65 payments beginning in April 2024 and lasting 60 months at 2.375% interest. Loan balances could be paid off without penalty at any time.

NOTE 14 – SMALL BUSINESS ADMINSTRATION ("SBA") LOAN AND LOAN PAYABLE - SBA

During 2023, the Association contracted with the SBA to borrow the balance of the roofing project. Draws were received during 2023, 2024 and 2025 that equaled $307,000 which was used to pay for the costs associated with the roofing project.

Owners could pay their special assessment in one lump sum, or they could make payments as described in Note 11. The balance due from owners – special assessment fees receivable – was $33,572 on May 31, 2026.

As owners paid, the funds were used to pay down the SBA Loan. On May 31, 2026, the balance of the loan payable - SBA - was $32,494.

NOTE 15 – AGREEMENTS

In the regular course of operations, the Association has entered into several agreements with third parties to provide services such as lawn maintenance, security services and others.

NOTE 16 – CONTINGENCIES

Hurricane Deductible – Common property of the Association is located in Central Florida, an area proven geographically prone to hurricanes. The Association's insurance policies define deductibles and exclusions which will yield uncovered costs if common property damage claims occur. The Association has not set aside funds towards covering the deductible. Accordingly, if such funds are needed to replace or repair association property, the Association has the right, subject to governing documents, to increase regular assessments, pass special assessments, utilize operating surplus, if any, borrow funds or delay repairs and replacements until funds are available.

Legal – The Association if from time to time subject to complaints and claims, including litigation, arising in the ordinary course of business. As of the date of this report, management believes that there are no claims or complaints of which it is currently aware that will materially affect its business, financial position, or future operating results.

NOTE 15 - SUBSEQUENT EVENTS

The Association contracted with an independent engineering firm to prepare a new replacement cost evaluation report. That report is dated September 28, 2026.

SUPPLEMENTARY INFORMATION

Exhibit I

Indigo Pines Condominiums Management Association, Inc.

Supplementary Information on Future
Repairs and Replacements
(Unaudited)

May 31, 2026

The Association funds for major repairs and replacements using a reserve study developed by an independent firm, Appraisers of America, dated July 2, 2025.

Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the reserve study. Current replacement costs do not consider the effects of inflation between the date of the study and the date the components will require repair or replacement. Actual expenditure may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the reserve and replacement fund may not be adequate for future needs. If additional funds are needed, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or may delay repairs until funds are available.

The following table presents significant information concerning the reserve and replacement fund components:

	Estimated Useful Life (Years)	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost	Budgeted 2027 Funding Requirement
Replacement Fund Component:				
Builders' Exterior Plaster/Stucco & Paint	40	7	$ 8,000	
Roofing	50	47	67,275	
Paint/Waterproofing Clubhouse Exterior	30	8	4,025	
Paint/Waterproof Stairs & Floors	30	8	12,200	
Roads/Paving	30	11	180,000	
Roads/Paving parking & stops	30	9	7,000	
Sidewalks/Curbs	30	9	58,000	
Wooden Bridge	15	10	26,400	
Mailboxes	20	5	16,480	
Grounds/Irrigation	40	19	16,840	
Clubhouse Interior Paint	25	3	6,400	
Clubhouse Furn-Cab-Assess	20	0	18,000	
Clubhouse Gym Equip & Sauna	25	4	22,000	
Clubhouse A/C Unit (2)	10	10	12,000	
Electrical Meter Box Replacement	40	33	36,000	
Plumbing Meter Box Replacement	40	34	14,450	
Landscaping Bldgs/Entrance/Clubhouse	15	15	20,000	
Electrical Globe Light Poles	30	9	52,500	
Electrical Driveway Illumination	30	9	13,400	
Electrical LED Breezeways	6	2	6,600	
Fencing Pool Perimeter & Gate	30	9	11,250	
Grounds - Well	25	2	3,000	
Grounds - Fountain	25	2	3,000	
Grounds - Concrete Stair Treads	25	21	11,200	
Pool	30	8	56,000	
Spa	30	8	29,000	
Pool Heater	10	6	3,500	
Pool Lights	10	5	7,500	
Pool Lounges & Chairs	15	4	8,400	
Grounds Benches & Tables	50	29	3,000	
Reserve contributions to be allocated to components in 2027				54,000
Total			$ 733,420	$ 54,000

See accountant's review report.

Exhibit II

Indigo Pines Condominiums Management Association, Inc.

Statement of Operating Fund Revenues and Expenses - Budget and Actual

For the Year Ended May 31, 2026

	Operating Fund	Budget (Unaudited)	Favorable (Unfavorable)
Revenues			
Assessments	$ 310,374	$ 310,800	$ (426)
Miscellaneous income	653	-	653
City services	43,012	38,400	4,612
Interest income	-	-	-
Total revenues	354,039	349,200	4,839
Expenses			
General & administrative	6,104	5,040	(1,064)
Grounds and facilities	69,816	57,485	(12,331)
Insurance expense	59,871	63,764	3,893
Professional fees	4,441	11,350	6,909
Property management fees	26,243	25,650	(593)
Repairs and maintenance	15,356	14,400	(956)
Reserve study	4,500	4,500	-
Utilities	165,023	165,931	(908)
Total expenses	351,354	348,120	(5,050)
Excess of revenues over expenses	$ 2,685	$ 1,080	$ (211)

See accountant's review report.