

MANHATTAN TOWNHOMES OWNER'S
ASSOCIATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025



BASHOR & LEGENDRE, LLP
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors

Manhattan Townhomes Owner's Association, Inc.
Tampa, FL

We have reviewed the accompanying financial statements of Manhattan Townhomes Owner's Association, Inc., which comprise the balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Manhattan Townhomes Owner's Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

To the Board of Directors
Manhattan Townhomes Owner's Association, Inc.

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 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 be presented to supplement the basic financial statements. 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

BASHOR & LEGENDRE, LLP
Certified Public Accountants
Tampa, Florida

March 21, 2026

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2025

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 53,006	\$ 231,829	\$ 284,835
Assessments receivable	9,940	-	9,940
Prepaid expenses	41,916	-	41,916
Total Assets	\$ 104,862	\$ 231,829	\$ 336,691
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable	\$ 28,411	\$ -	\$ 28,411
Taxes payable	575	-	575
Prepaid assessments	7,873	-	7,873
Contract liabilities (Assessments received in advance-replacement fund)	-	216,102	216,102
Note payable	27,479	-	27,479
Total Liabilities	64,338	216,102	280,440
Fund Balances	40,524	15,727	56,251
Total Liabilities and Fund Balances	\$ 104,862	\$ 231,829	\$ 336,691

See accompanying notes and independent accountant's review report.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Regular assessments	\$ 331,394	\$ 23,881	\$ 355,275
Other income	6,583	-	6,583
Interest income	-	4,189	4,189
Total Revenues	<u>337,977</u>	<u>28,070</u>	<u>366,047</u>
<u>EXPENSES</u>			
General and administrative	30,951	-	30,951
Insurance	115,472	-	115,472
Interest	3,556	-	3,556
Repairs and maintenance	67,811	-	67,811
Taxes	575	-	575
Utilities	121,077	-	121,077
Replacement expenses	-	23,881	23,881
Total Expenses	<u>339,442</u>	<u>23,881</u>	<u>363,323</u>
<u>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</u>			
	(1,465)	4,189	2,724
<u>BEGINNING FUND BALANCES</u>			
	<u>41,989</u>	<u>11,538</u>	<u>53,527</u>
<u>ENDING FUND BALANCES</u>			
	<u>\$ 40,524</u>	<u>\$ 15,727</u>	<u>\$ 56,251</u>

See accompanying notes and independent accountant's review report.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Excess/(Deficit) of Revenues over Expenses	\$ (1,465)	\$ 4,189	\$ 2,724
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash from operating activities:			
(Increase) Decrease in:			
Assessments receivable	4,321	-	4,321
Prepaid expenses	85,177	-	85,177
Increase (Decrease) in:			
Accounts payable	18,934	-	18,934
Taxes payable	(488)	-	(488)
Prepaid assessments	3,714	-	3,714
Contract liabilities (Assessments received in advance-replacement fund)	-	45,214	45,214
Net Cash from Operating Activities	110,193	49,403	159,596
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Principal payments on notes	(85,264)	-	(85,264)
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	24,929	49,403	74,332
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	28,077	182,426	210,503
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 53,006</u>	<u>\$ 231,829</u>	<u>\$ 284,835</u>

See accompanying notes and independent accountant's review report.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	\$ 3,556
Cash paid during the year for taxes	\$ 1,063

Noncash financing activities:

Insurance premiums financed through note payable	\$ 74,111
Less: Note payable balance	27,479
Principal payments on note	\$ 46,632

See accompanying notes and independent accountant's review report.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - NATURE OF ORGANIZATION

Description of Business

Manhattan Townhomes Owner's Association, Inc. ("Association") was incorporated on August 17, 1998 as a corporation, not-for-profit, under the terms and provisions of Chapter 617, Florida Statutes. The Association, which operates under Florida Statute 720, is responsible for the operation and maintenance of the common property within the development. The development consists of 94 residential units located in Tampa, FL.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 21, 2026, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for carrying out its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements.

Cash and Cash Equivalents

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

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transactions amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are seriously delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. At December 31, 2025, the Association had net assessments receivable of \$9,940. It is the opinion of the Board that an allowance for doubtful accounts is not necessary at December 31, 2025 to cover anticipated losses from doubtful accounts.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balances of net assessments receivable as of the beginning and end of the year are \$14,261 and \$9,940, respectively.

Property and Equipment

In conformity with industry practice, the Association's policy for recognizing common property as assets in its balance sheet is to recognize (a) common property and (b) real property to which it has title and that the Board can dispose of for cash while retaining the proceeds for the Association or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

The Association holds title to common real property consisting of roads, gates, landscaping, sidewalks, and a perimeter wall. This common property cannot be disposed of by the Board for cash while retaining the proceeds for the Association nor is it used to generate significant cash flows from members on the basis of usage or from nonmembers and is not recognized as an asset.

The disposition and use of common property are restricted by the Association's governing documents.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Interest Earned

The Association's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

Fair Value of Financial Instruments

The Association's financial instruments consist primarily of cash and cash equivalents, assessments receivable, accounts payable, taxes payable, contract liabilities and a note payable. The carrying amounts of such financial instruments approximate their respective estimated fair values due to the short-term maturities and approximate market interest rates of these instruments. The estimated fair values are not necessarily indicative of the amounts the Association would realize in a current market exchange or from future earnings or cash flows.

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.

Contract Liabilities (Assessments received in advance-replacement fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance-replacement fund) as of the beginning and end of the year are \$170,888 and \$216,102, respectively.

NOTE 4 - NOTE PAYABLE

In May 2025, the Association obtained a loan of \$74,111 to finance insurance premiums. The loan was borrowed from an entity with bearing interest of 8.99%. Principal and interest of approximately \$7,069 are due monthly through April 2026. As of December 31, 2025, total interest expense amounted to \$2,849 with an ending balance on the loan of \$27,479

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents provide certain guidelines for governing its financial activities. The Association maintains an operating fund available for general operations and a replacement fund designated for future major repair and replacements. Replacement funds are presented on the accompanying balance sheet as contract liabilities (assessments received in advance-replacement fund) and replacement fund balance which are held in separate bank accounts and generally are not available for expenditures for normal operations.

During the last quarter of the year, the Board, in conjunction with management and vendors, estimated the remaining useful lives and the replacement costs of the components of common property. At this time, the Board has not conducted an independent formal study of all the common property components which results may differ. The table included in the supplementary information on Future Major Repairs and Replacements is based on the informal study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. The reserve funding per the reserve schedule for 2026 is \$64,312.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available.

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 6 - OWNERS' ASSESSMENTS

Monthly assessments to owners were approximately \$355 for 2025. Of these amounts, approximately \$61 was designated for the replacement fund.

The annual budget and assessments of owners are determined by the Board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Association maintains accounts with financial institutions. Accounts at each institution are insured subject to FDIC limits. At December 31, 2025, the Association's uninsured cash balances total \$34,195.

SUPPLEMENTARY INFORMATION

MANHATTAN TOWNHOMES OWNER'S ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

During the last quarter of the year, the Board, in conjunction with management and vendors, estimated the remaining useful lives and the replacement costs of the components of common property. At this time, the Board has not conducted an independent formal study of all the common property components which results may differ. The table included in the supplementary information on Future Major Repairs and Replacements is based on the informal study

<u>Components</u>	<u>Estimated Remaining Useful Lives (years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Replacement Fund at Year End</u>
<u>Contract liability</u>			
Reserves - Painting	6	\$ 95,000	\$ 14,359
Reserves - Paving/Seal Coat	3	83,600	36,699
Reserves - Roofing	13	355,000	95,071
Reserves - Pool	2	36,000	17,307
Reserves Deferred			52,666
<u>Fund Balance</u>			-
Interest		-	15,727
		<u>\$ 569,600</u>	<u>\$ 231,829</u>