JUPITER LAKES VILLAS
CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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To the Board of Directors
Jupiter Lakes Villas Condominium Association, Inc.
Jupiter, Florida

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statement of Jupiter Lakes Villas Condominium 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jupiter Lakes Villas Condominium Association, Inc., as of December 31, 2025, 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 Jupiter Lakes Villas Condominium Association, Inc. 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 for a basis for our audit opinion.

Future Major Repairs and Replacements

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note B are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

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 Jupiter Lakes Villas Condominium Association, Inc.'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 Jupiter Lakes Villas Condominium Association, Inc.'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 Jupiter Lakes Villas Condominium Association, Inc.'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.

Omission of Required Supplementary Information about Future major Repairs and Replacements

Management has omitted the supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Leonardo & Company

Leonardo & Company
Certified Public Accountants
Boca Raton, Florida
February 2, 2026

JUPITER LAKES VILLAS CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
December 31, 2025

ASSETS	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Cash and Cash Equivalents	$ 155,955	$ 638,584	$ 13,168	$ 807,707
Member Assessments Receivable, Net of Allowance for Credit Losses of $17,000	10,416	-	9,015	19,431
Prepaid Insurance	36,287	-	-	36,287
Prepaid Expenses	2,408	-	-	2,408
Unbilled Special Assessment	-	-	87,688	87,688
Interfund Borrowings	(307)	-	307	-
TOTAL ASSETS	$ 204,759	$ 638,584	$ 110,178	$ 953,521

LIABILITIES AND FUND BALANCES

LIABILITIES	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Accounts Payable and Accrued Expenses	$ 8,233	$ -	$ -	$ 8,233
Prepaid Assessments	59,069	-	1,022	60,091
Security Deposits	1,000	-	-	1,000
Loan Payable	-	-	19,423	19,423
Contract Liabilities (Assessments Received in Advance-Replacement Fund)	-	608,439	-	608,439
Contract Liabilities (Assessments Received in Advance-Special Assessment Fund)	-	-	89,733	89,733
TOTAL LIABILITIES	68,302	608,439	110,178	786,919
FUND BALANCES	136,457	30,145	-	166,602
TOTAL LIABILITIES AND FUND BALANCES	$ 204,759	$ 638,584	$ 110,178	$ 953,521

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

JUPITER LAKES VILLAS CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2025

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
REVENUES:				
Member Assessments	$ 347,306	$ 64,166	$ -	$ 411,472
Special Assessment	-	-	1,133	1,133
Late Fees Income	4,030	-	-	4,030
Application Fee Income	2,601	-	-	2,601
Other Income	135	-	-	135
Interest Income	329	16,834	308	17,471
Total Revenues	354,401	81,000	1,441	436,842
EXPENSES:				
Administrative	50,606	-	-	50,606
Insurance	230,624	-	-	230,624
Contracts	52,750	-	-	52,750
Utilities	4,687	-	-	4,687
Repairs and Maintenance	47,178	-	-	47,178
Reserve Expenses	-	64,166		64,166
Interest Expense	-	-	1,441	1,441
Total Expenses	385,845	64,166	1,441	451,452
Excess (Deficiency) of Revenues over Expenses	(31,444)	16,834	-	(14,610)
Fund Balances - Beginning of Year	167,901	13,311	-	181,212
Fund Balances - End of Year	$ 136,457	$ 30,145	$ -	$ 166,602

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

JUPITER LAKES VILLAS CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (Deficiency) of Revenues over Expenses	$ (31,444)	$ 16,834	$ -	$ (14,610)
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by (Used in) Operating Activities:				
(Increase) Decrease in Assets:				
Assessment Receivable, net	($7,361)	-	(3,621)	(10,982)
Prepaid Insurance	12,902	-	-	12,902
Prepaid Expenses	(93)	-	-	(93)
Unbilled Special Assessment	-	-	38,018	38,018
Increase (Decrease) in Liabilities:				
Accounts Payable and Accrued Expenses	(14,605)	-	-	(14,605)
Prepaid Assessments	14,772	-	204	14,976
Security Deposit	250	-	-	250
Contract Liabilities (Assessments Received in Advance-Replacement Fund)	-	190,467	-	190,467
Contract Liabilities (Assessments Received in Advance-Special Assessment Fund)	-	-	(1,133)	(1,133)
Net Cash Provided by (Used in) Operating Activities	(25,579)	207,301	33,468	215,190
CASH FLOWS FROM FINANCING ACTIVITIES				
Insurance Payable	(22,558)	-	-	(22,558)
Interfund Borrowings	307	-	(307)	-
Principal Payments on Loan	-	-	(24,003)	(24,003)
Net Cash Provided by (Used in) Financing Activities	(22,251)	-	(24,310)	(46,561)
Net Increase (Decrease) in Cash and Cash Equivalents	(47,830)	207,301	9,158	168,629
Cash and Cash Equivalents - Beginning of Year	203,785	431,283	4,010	639,078
Cash and Cash Equivalents - End of Year	$ 155,955	$ 638,584	$ 13,168	$ 807,707
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash Paid for Interest	$ -	$ -	$ 1,441	$ 1,441
Cash Paid for Income Taxes	$ -	$ -	$ -	$ -

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

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization – Jupiter Lakes Villas Condominium Association, Inc. is a not-for-profit, non-stock Corporation organized pursuant to Chapter 718 of the Florida Statutes in 1979. The Association was formed to maintain and protect the common areas owned by the individual unit owners in common, and consists of 136 residential units located in Jupiter, Florida.

2. Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

3. Fund Accounting – The Association uses fund accounting which requires that funds, such as the operating fund, the fund designated for future major repairs and replacements and special assessment fund, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the replacement fund and special assessment fund may be made only for their designated purposes.

4. Use of Estimates in the Preparation of Financial Statements – 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.

5. Member Assessments and Allowance for Credit Losses – Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Income and expenses are allocated to each unit owner based on the approved budget. Assessment revenue is recognized as the related performance obligations that are satisfied at the transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments and special assessments are satisfied when these funds are expended for their designated purposes. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. Any excess assessments at year-end are retained by the Association for use in the succeeding year. The balances of assessments receivable, net, as of the beginning and end of the year are $3,055 and $10,416, respectively. The balances of special assessments receivable as of the beginning and end of the year are $5,394 and $9,015, respectively.

   The Association recognizes an expected allowance for credit losses, based on historical losses of aged receivables and adjusted for management's assessment of current conditions, reasonable and supportable economic forecasts, and any other factors deemed relevant by management. The Association believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Association's member base has remained relatively constant. The Association writes off receivables when the unit is sold and no possibility of recovery is determined.

6. Interest Income – The Association's policy is to allocate to the operating, replacement fund and special assessment funds all interest earned on their respective cash accounts.

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Recognition of Assets – 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 unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

8. Cash and Cash Equivalents – For purposes of the December 31, 2025 balance sheet and the statement of cash flows for the year ended December 31, 2025, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

9. Income Taxes – The Association's policy is to record interest expense or penalties related to income tax in operating expenses. For the year ended December 31, 2025, no interest or penalties were paid or accrued.

10. Concentrations of Credit Risk – Financial instruments which potentially subject the Association to concentrations of credit risk are primarily cash and cash equivalents and assessments receivable. The Association invests its excess cash and cash equivalents in both deposits and high-quality short-term liquid money market instruments with major financial institutions and the carrying value approximates market value. The Association has not experienced losses related to these investments. The Association believes it is not exposed to any significant credit risk on cash and cash equivalents and assessments receivable.

11. Fair Value of Financial Instruments – The carrying amounts of cash and cash equivalents, receivables, and payables approximate their fair values due to their short-term maturities.

12. Prepaid Assessments – Assessments received in advance for the subsequent year are recognized as prepaid assessments on the accompanying balance sheet. The balances of maintenance prepaid assessments and special assessments prepaid assessments as of the beginning and end of the year are $44,297 and $59,069 and $818 and $1,022 respectively.

13. 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 $417,972 and $608,439, respectively.

14. Contract Liabilities (Special Assessments Received in Advance – Special Assessment Fund) – The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – special assessment fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to special assessments. The balances of contract liabilities (assessments received in advance – special assessment fund) as of the beginning and end of the year are $90,866 and $89,733, respectively.

NOTE B – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate to $638,584, are presented on the accompanying December 31, 2025 balance sheet as contract liabilities and replacement fund balance. These "Assessments Received in Advance – replacement fund" and the replacement fund balance are held in separate bank accounts and are generally not available for operating purposes.

In 2024, the Association had an independent reserve study conducted to estimate the remaining useful lives and the replacement costs of the components of common property. The reserve study was not utilized when preparing the 2025 and 2026 budgets. The unit owners voted to fund $254,632 for 2025 and $202,768 for 2026.

For that reason, and because actual expenditures, however, may vary from the estimated amounts and the variations may be material, therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or pass special assessments, or delay major repairs and replacements until funds are available.

Components	Balance 01/01/25	Assessments	Interest Income	Expenditures	Balance 12/31/25
Roof	$ 5,186	$ 58,470	$ -	$ -	$ 63,656
Painting	114,953	28,333	-	-	143,286
Road	143,716	13,333	-	(20,548)	136,501
Contingency	127,910	135,232	-	(38,751)	224,391
Lake	26,208	7,500	-	(4,867)	28,841
Parking Lots	-	11,764	-	-	11,764
Interest	13,311	-	16,834	-	30,145
	$ 431,284	$ 254,632	$ 16,834	$ (64,166)	$ 638,584

The following are contingency repairs:

Concrete Repairs	$ 28,500
Bathroom Leak Repairs	8,266
Landscape	1,985
	$ 38,751

NOTE C – WINDSTORM INSURANCE

The Association maintains insurance coverage for damage sustained by the common property. The insurance coverage in force includes deductible amounts which the Association would be required to fund. In addition, inasmuch as certain other expenses may be incurred by the Association in the event of a hurricane, the ultimate extent of any such a loss in excess of the aforementioned maximum deductible cannot be determined.

NOTE D – COMMITMENTS

The Association has entered into various contract services to maintain the common property and to administer the Association. The contracts have different expiration dates and renewal terms.

NOTE E – INCOME TAXES

In 2025, the Association has elected to file as a homeowners' association and file an 1120-H in accordance with Internal Revenue Code section 528. Under this section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE F – UNINSURED CASH BALANCES

The Association maintains its cash balances at two financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to $250,000 per depositor. At December 31, 2025, the Association has $556,953 funds in excess of FDIC. The Association has not incurred losses related to these investments.

NOTE G – CONTINGENCIES

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. Management believes that none of the claims and complaints of which it is currently aware will materially affect its financial position or future operating results with the exception to increase legal costs which may or may not be covered by the Association's directors' and officers' insurance, although no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

NOTE H – SPECIAL ASSESSMENTS

On August 3, 2021, the Board of Directors approved a special assessment in the amount of $890,800 to fund roof replacements. The Board of Directors (Board) provided the owners two options to pay the assessment in full at $6,550 or 40 equal installments of $204.40 beginning October 1, 2021 for ten years. On June 13, 2022, based on lower project expenses, the Board provided a credit refund. In addition, the Board changed the monthly payment terms of the special assessment to eleven (11) quarterly payments of $63 through October 2028. In 2025, special assessment expenses (interest payments) of $1,441 were recognized. At December 31, 2025, the unbilled special assessment was $87,688, and the contract liabilities (assessments received in advance – special assessment fund) was $89,733.

NOTE I – INTERFUND BORROWINGS

The operating fund owes the special assessment fund $307, based on interest income reflected in the operating fund.

NOTE J – LOAN PAYABLE

On September 18, 2021, the Association executed a loan with a financial institution in the amount of $900,000 to finance the roof replacement project with a maturity date of September 8, 2032. (See Note H). The term was for twelve (12) months consisting of interest only payments with a 3.950% per annum. Beginning October 8, 2022, the terms consisted of 119 monthly consecutive principal and interest payments of $9,115 with the interest rate fixed at 3.950% per annum. The Association paid interest of $1,441 in 2025. At December 31, 2025, the loan payable balance is $19,423. The loan is collateralized by general and special assessments.

NOTE K – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 2, 2026, the date that the financial statements were available to be issued.