

**THE VILLAGE OF TUXFORD
HOME OWNER ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024**

THE VILLAGE OF TUXFORD
HOME OWNER ASSOCIATION, INC.

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COBB & ASSOCIATES PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
and Management
The Village of Tuxford
Home Owner Association, Inc.
Louisville, Kentucky

We have reviewed the accompanying financial statements of The Village of Tuxford Home Owner Association, Inc., which comprise the balance sheet as of December 31, 2024, and the related statement 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 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 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

Our 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 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 The Village of Tuxford Home Owner Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion on the Financial Statements

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 on page 12 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 is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on it.

Cobb & Associates PLLC

COBB & ASSOCIATES PLLC
Louisville, Kentucky

June 4, 2025

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2024

	2024		
	Operating Fund	Replacement Fund	Total
<u>ASSETS</u>			
Cash and cash equivalents- undesignated	\$ 31,889	\$ -	\$ 31,889
Cash and cash equivalents- designated	-	136,578	136,578
Investment in debt securities- designated	-	449,851	449,851
Prepaid insurance	45,471	-	45,471
Assessments receivable	1,603	-	1,603
Prepaid taxes	6,534	-	6,534
Due from operating fund	-	31,365	31,365
	<u>-</u>	<u>31,365</u>	<u>31,365</u>
Total Assets	\$ <u>85,497</u>	\$ <u>617,794</u>	\$ <u>703,291</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 488	\$ 21,921	\$ 22,409
Accrued income tax	46	-	46
Due to reserve fund	31,365	-	31,365
Assessments received in advance- operating fund	5,030	-	5,030
Contract liabilities (assessments received in advance- replacement fund)	-	595,873	595,873
	<u>36,929</u>	<u>617,794</u>	<u>654,723</u>
Total Liabilities	<u>36,929</u>	<u>617,794</u>	<u>654,723</u>
Fund Balance:			
Unrealized gain/(loss)	2,198	-	2,198
Fund Balance	46,370	-	46,370
	<u>48,568</u>	<u>-</u>	<u>48,568</u>
Total Fund Balance	<u>48,568</u>	<u>-</u>	<u>48,568</u>
Total Liabilities and Fund Balance	\$ <u>85,497</u>	\$ <u>617,794</u>	\$ <u>703,291</u>

See accompanying notes and independent accountant's review report.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		
	Operating Fund	Replacement Fund	Total
Revenues:			
Condominium fees	\$ 180,850	\$ 243,842	\$ 424,692
Late fees	94	-	94
Interest income	35,804	-	35,804
Miscellaneous	100	-	100
Legal fee recovery	135	-	135
Total Revenues	216,983	243,842	460,825
Expenses:			
Property management	17,646	-	17,646
Landscape contract	83,745	-	83,745
Landscape repair	9,775	15,460	25,235
Repairs and maintenance	11,374	-	11,374
Pest control	4,950	-	4,950
MSD drainage expense	6,746	-	6,746
Insurance	69,727	-	69,727
Legal and professional fees	6,821	300	7,121
CPA services and reports	2,000	-	2,000
Taxes and licenses	207	-	207
Committee expenses	934	-	934
Miscellaneous and office expense	2,557	-	2,557
Gutters	-	193,042	193,042
Paving	-	35,040	35,040
Total Expenses	216,482	243,842	460,324
Excess of Revenues over Expenses	501	-	501
Fund Balances-Beginning of Year	45,869	-	45,869
Fund Balances- End of Year	\$ 46,370	\$ -	\$ 46,370

See accompanying notes and independent accountant's review report.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2024

	2024		
	Operating Fund	Replacement Fund	Total
Cash Flows from Operating Activities:			
Excess of Revenues over Expenses	\$ 501	\$ -	\$ 501
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Decrease (Increase) in Unrealized gain/(loss)	(4,771)	-	(4,771)
Changes in Assets and Liabilities:			-
Decrease (Increase) in Assessments Receivable	(723)	-	(723)
Decrease (Increase) in Prepaid Insurance	1,521	-	1,521
Decrease (Increase) in Prepaid Taxes	(6,534)	-	(6,534)
Decrease (Increase) in Due From Operating Fund	-	(31,365)	(31,365)
Increase (Decrease) in Accounts Payable	38	(369)	(331)
Increase (Decrease) in Accrued Expenses	(6,687)	-	(6,687)
Increase (Decrease) in Due To Reserve Fund	31,365	-	31,365
Increase (Decrease) in Assessments received in advance- operating fund	(2,006)	-	(2,006)
Increase (Decrease) in Contract liabilities (assessments received in advance- replacement fund)	-	(94,212)	(94,212)
Net Cash Provided (Used) By Operating Activities	<u>12,704</u>	<u>(125,946)</u>	<u>(113,242)</u>
Cash Flows from Investing Activities:			
Redemption of Securities	-	1,399,000	1,399,000
Purchase of Securities	-	(1,190,680)	(1,190,680)
Reinvested gains	-	(28,713)	(28,713)
Net Cash Provided (Used) By Investing Activities	<u>-</u>	<u>179,607</u>	<u>179,607</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,704	53,661	66,365
Cash & Cash Equivalents at Beginning of Year	<u>19,185</u>	<u>82,917</u>	<u>102,102</u>
Cash & Cash Equivalents at End of Year	<u>\$ 31,889</u>	<u>\$ 136,578</u>	<u>\$ 168,467</u>

Note: Cash and Cash Equivalents include cash and other highly liquid investments with a maturity date of 90 days or less.

Note: The Association paid \$192 in income tax for the year ending December 31, 2024.

Note: The Association did not pay any interest expense during the year ending December 31, 2024.

See accompanying notes and independent accountant's review report.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A- NATURE OF ORGANIZATION

The Village of Tuxford Home Owner Association, Inc. (the Association) is a statutory condominium association organized as a nonstock, not-for-profit Corporation under the provisions of the Kentucky Condominium Property Law. The purpose of the Association, in accordance with the Master Deed, the Article of Incorporation, and the By-laws, and through its officers, and through the board of directors of the Association, is for the operation and administration, and to govern the affairs of the condominium for its harmonious use. The Articles of Incorporation were filed in December 1996. The Association consists of 102 residential units located in Jefferson County, Kentucky.

The Association uses a property management company to manage the daily operations of the facility and to provide accounting services.

NOTE B- DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 4, 2025, the date that the financial statements were available to be issued.

NOTE C- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the corporation are maintained using the accrual method of accounting. Under this method, revenues and expenses are identified with specific periods of time and are recorded as incurred, along with assets acquired, without regard to the date of receipt or payment of cash.

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 designated for future major repairs and replacements and other contingencies.

See independent accountant's review report.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE C- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and other highly liquid investments with a maturity date of three months or less.

Interest Earned

The Association recognizes interest income on the operating fund and the replacement fund when earned. The Association's policy is to account for fund expenditures using fund interest income before fund assessment income.

Member Assessments and Allowance for Credit Losses

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The annual budget and members assessments are determined by the Board of Directors. Assessment revenue is recognized as the related performance obligations are satisfied at transaction 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. Assessments are due on the first of each month. Any excess assessments at year-end are retained by the Association for use in the succeeding year. The balances of assessments receivable as of the beginning and end of the year are \$880 and \$1,603, respectively.

The Association treats uncollectible assessments as credit losses. The Association evaluates the collectability of assessments receivable based on current conditions, past experience, and forecasts of future events. Based on these factors, the Association believes that all of its assessments receivable are collectible. Accordingly, no allowance for credit losses at the beginning and end of the year is deemed necessary.

Property and Equipment

Furniture, equipment and improvements are stated at cost. Depreciation is computed on straight-line and accelerated methods over the estimated useful lives of the assets. Real property acquired by the Association is capitalized when it is used to generate significant cash flows from members on the basis of usage or from nonmembers or can be disposed of for cash with the Association retaining the proceeds.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE C- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Real property acquired by the Association that does not meet these guidelines is not capitalized, and accordingly, replacements, major repairs, and improvements to this property are not capitalized; instead, they are reported as expenses. Real property that has not been capitalized includes, parking areas, sidewalks, green areas, entrance ways, roofs, and exterior walls.

The Association owns certain buildings and common areas, which were donated to the community by the developer. All expenditures for improvements have previously been expensed. The Association has not set a value for financial reporting purposes on the donated property.

Interfund Transfers and Due to/Due from

Due to and Due from accounts are used to move funds that are expended out of or received by another fund to the proper fund. As of December 31, 2024, Reserve funds of \$31,365 were due from the Operating Fund.

Assessments Received in Advance – Operating Fund

Assessments received in advance—operating fund consists of amounts received which are applicable to 2025 assessments. The balances of assessments received in advance—operating fund as of the end of the year are \$5,030.

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) are 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 \$690,085 and \$595,873, respectively.

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.

See independent accountant's review report.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE C- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, accounts receivable and accounts payable approximate their fair value due to the short-term maturities of these instruments.

NOTE D- INCOME TAXES

The Association elects to be taxed either as a homeowner's association or as a regular corporation each year. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest income, at regular federal and state corporate rates. As a homeowner's association, the Association is not taxed on income and expenses related to its exempt purpose, which is acquisition, construction, management, maintenance, and care of Association's property. For the tax year ended December 31, 2024 the Association elected to be taxed as a regular corporation and file Form 1120. As a regular corporation, the Association is taxed on its net income except that membership expenses are limited to membership income. Any excess is carried forward to the following year.

The Association has no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded.

Management analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Additionally, management believes that no accruals for tax liabilities related to uncertain income tax positions are required. Therefore, no reserves for uncertain income tax positions have been recorded. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

There have been no increases or decreases in unrecognized tax benefits for current or prior years. Further, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months.

Income taxes due and payable at December 31, 2024, were \$46, and prepaid taxes totaled \$6,534.

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE E- INVESTMENTS

The Association maintains investments in U.S. Treasury Bills. These investments are recorded at fair market value. Assets and liabilities subject to fair value measurement are valued using a hierarchy that defines three levels of input. Level 1 inputs are based on quoted prices within active markets. Level 2 inputs are based on observable market-based inputs other than quoted prices within active markets. Level 3 inputs are based on management assumptions and unobservable inputs. The Association's investments on December 31, 2024, are based on Level 1 inputs as follows:

Cost	\$	449,851
Unrealized gains		<u>2,198</u>
Total	\$	<u><u>452,049</u></u>

NOTE F- FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. The entity maintains a reserve account for this purpose. Accumulated funds, which aggregate approximately \$617,794 at December 31, 2024 are held in separate accounts and are generally not available for operating purposes. It is the Association's policy that interest earned on such funds is available for operating purposes.

The Association engaged an independent engineer who conducted a study in August 2021 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. 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 levy special assessments, or it may delay major repairs and replacements until funds are available.

NOTE G- MANAGEMENT AGREEMENT

The Association currently has a management agreement ending December 31, 2025 with Mulloy Properties, which provides on-site management and maintenance services and off site administrative and accounting services.

SUPPLEMENTARY INFORMATION

THE VILLAGE OF TUXFORD HOME OWNER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2024

The Association engaged an outside consultant to conduct a study in August 2021 to estimate the remaining useful lives and replacement costs of the components of common property. Replacement costs were based on the estimated current costs to repair and replace common property components. For the purpose of this study an annual inflation rate of 2.0% is assumed. The analyses were conducted by Reserve Advisors.

The following information is based on the study and presents significant information about the components of common property.

Component	Estimate Remaining Useful Life	Estimated Current Replacement Cost
Roofs, Gutters and Chimneys	11 to 23 Years	\$ 1,258,300
Sealants, Windows and Doors	2 to 17 Years	54,300
Walls, Masonry	2 to 7 Years	100,160
Walls, Siding, Vinyl	11 to 13 Years	153,600
Asphalt Pavement	3 to 20 Years	632,260
Catch Basins, Inspections, Capital Repairs	19 Years	25,200
Concrete	5 to 30 Years	343,300
Landscaping	3 Years	5,000
Mailboxes	1 Year	20,400
Retaining Wall	11 Years	4,620
Reserve Study Balance	0 Years	1,925
		\$ 2,599,065

See independent accountant's review report.