



## **FINANCIAL REPORTING REQUIREMENTS FOR ASSOCIATIONS**

### **By Associated Property Management**

All associations in Florida are required by statute to provide year end financial report to their owners. Condominiums and Cooperatives are required to mail or personally deliver to all unit owners within 60 days or as otherwise provided in the bylaws of the corporation a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications.

Condominiums and cooperatives which operate with more than 50 units and having annual revenues of more than \$100,000 shall prepare and deliver a financial statement within 90 days following the end of the fiscal or calendar year.

The financial statements shall be compiled, reviewed or audited depending on the total amount of annual revenues.

Associations having annual revenues in excess of \$100,000 but less than \$200,000 shall at a minimum, prepare a compiled financial statement.

Associations having annual revenues in excess of \$200,000 but less than \$400,000 shall at a minimum, prepare a reviewed financial statement.

Associations having annual revenues of \$400,000 or more shall prepare audited financial statements.

Associations can waive these reporting requirements when a majority of the voting interests of the association at a duly called meeting of the association have determined for a fiscal year to waive the above requirements.

**PLEASE NOTE:** The meeting shall be held prior to the end of the fiscal year, and the waiver shall be effective for only 1 fiscal year.

Homeowners associations are required to mail or personally deliver to all unit owners within 60 days or as otherwise provided in the bylaws of the corporation a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications. Unless provided for in the documents, there are no statutes requiring the homeowners association to provide financial statements.

The Administrative Code requires some of the following components for Financial Reports and Financial Statements;

#### **Financial Reports**

Must be prepared on a cash basis, show all receipts & expenditures, include Reserves for Capital Expenditures, Deferred Maintenance and any other category for which the association maintains a reserve account. Reserve Disclosures include: beginning balance in each reserve account at the beginning of the fiscal period, the amount of assessments and other additions to each reserve account including authorized transfers from each other reserve accounts, the amount disbursed or expended from each reserve account,

the ending balance in each reserve account as of the end of the fiscal period, the manner by which reserves were estimated and the manner by which and the last date that reserve items were estimated. There are also other disclosures concerning revenue and expenses for Limited Common Elements.

### **Financial Statements**

Must be prepared on the accrual basis using fund accounting. Required components include accountant's or auditor's report, balance sheet, statement of revenues and expenses, statement of changes in fund balances, statement of cash flows and notes. In addition, there are reserve disclosures, the method by which income and expenses were allocated to the unit owners, special assessment disclosures and limited common element disclosures.

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