Association financial statements

A working format for the monthly financial package your board reviews, and for the annual financial report Florida requires you to deliver to owners. Replace every bracketed placeholder. Delete the sections that do not apply to your association.

This template covers two different things that boards routinely confuse:

1. **The monthly financial package.** Internal. Produced by your manager, bookkeeper, or treasurer. No statute prescribes its contents. It exists so the board can govern.
2. **The annual financial report.** Statutory. Its required level depends on your annual revenue, and you must deliver it to every owner on a deadline. See "Annual financial report" below.

Getting the first one right is a management decision. Getting the second one right is a legal obligation.

Before you fill in anything: state your basis of accounting

Basis of accounting used by this association: [accrual / modified accrual / cash]

Fill that in first, at the top of this document, and carry it onto every statement you issue. Nothing below can be read correctly without it, because the same account name means different things on different bases.

Line item	On the accrual basis	On the cash basis
Assessment income	Recognized when billed, whether or not collected	Recognized only when the money arrives
Accounts receivable	An asset on the balance sheet	Does not exist on the statements
Allowance for doubtful accounts	Required if receivables are carried	Not applicable
Prepaid owner assessments	A liability, because the money is not yet earned	Income in the month received
Accounts payable and accrued expenses	Liabilities on the balance sheet	Do not exist on the statements
Prepaid insurance	An asset that amortizes over the policy term	Fully expensed when paid

The **modified accrual** basis is the middle option many associations actually use: assessments are recorded on the accrual basis so receivables and prepaid assessments appear, while most other revenue and expense is recorded on the cash basis. If that is what your books do, say "modified accrual" and describe in a note which items are accrued.

Three practical consequences.

A cash-basis association should delete the accrual-only lines from the balance sheet in Part 2, rather than leaving them blank. A blank receivable line invites a reader to assume everyone paid.

Your monthly basis and your annual basis can differ, and often do. Books kept on the cash or modified accrual basis are commonly converted to the accrual basis by the CPA for the annual report, because compiled, reviewed, and audited statements are normally prepared under generally accepted accounting principles, which is an accrual framework. If your association reports on a basis other than GAAP, that is an other comprehensive basis of accounting and the CPA's report has to say so. Ask which basis your annual report will be presented on before the engagement starts, not when the draft arrives.

Total annual revenues decides your statutory reporting tier in Part 6, and the basis changes that number. Assessments billed but uncollected count as revenue on the accrual basis and do not on the cash basis, so an association near a threshold can land in a different tier depending on the basis used. Ask your CPA which measure applies to your association before you conclude you are under a threshold.

How this format was built

The structure and the account names below were taken from the financial statements Florida associations actually publish, not from a generic accounting textbook. Where the common practice in those documents conflicts with Florida statute or with the accounting convention for community associations, the statute and the convention win, and the conflict is called out in "Where common practice goes wrong."

Part 1. The monthly financial package

1.1 Cover page

> **[Association legal name], Inc.** Financial reporting package For the period [month] 1, [year] through [month] [last day], [year] Prepared by: [manager, management company, bookkeeper, or treasurer] Basis of accounting: [accrual / modified accrual / cash] Status: [unaudited]

Two notes on the cover.

State the basis of accounting. A reader cannot interpret accounts receivable or prepaid assessments without knowing whether the books are on a cash or accrual basis. Most association books that carry receivables and prepaid assessments are on the accrual basis; if yours are, say so.

Mark interim statements **unaudited**. Only the annual report at the review or audit tier carries a CPA's assurance. Monthly statements do not, and labeling them plainly prevents an owner from citing a month-end balance sheet as if a CPA had stood behind it.

1.2 Contents of the package

Include these in this order. The right-hand column shows how often each one appeared in the association financial statements reviewed for this template.

#	Statement or schedule	Include it	Observed
1	Balance sheet	Always	52% of associations
2	Statement of revenues and expenses, budget comparison	Always	54% combined
3	Schedule of changes in reserve funds	Always, if you hold reserves	4%
4	Accounts receivable aged trial balance	Always	40%
5	Accounts payable / open payables listing	Monthly	6%
6	Prepaid owner assessments schedule	Monthly, if material	6%
7	Bank reconciliations, each account	Monthly	5%
8	General ledger detail	On request, or monthly	14%
9	Prepaid insurance amortization schedule	Monthly, if premiums are financed	Common where financed

The gap between column 3 and column 4 is the interesting part. Balance sheets and income statements are near-universal. The reserve schedule, the payables listing, and the bank reconciliations are not, and those are precisely the three that expose the problems a board most needs to see: whether reserves are intact, what the association owes, and whether the cash actually exists.

A board that receives only a balance sheet and an income statement is not being under-served by industry standards. It is being under-served relative to what the better packages in the corpus contain.

1.3 Fund columns

Present operating and reserve activity in separate columns on both the balance sheet and the income statement, with a combined total.

```
                                        Operating     Reserves       Total
```

Only about 31% of the balance sheets reviewed did this. It should be closer to 100% for any association that collects reserves, because reserve money is not general money. See "Where common practice goes wrong," item 1.

If your association has more than one reserve fund with distinct restrictions, or operates more than one condominium, add columns or a supporting schedule rather than merging them.

Part 2. Balance sheet

> **[Association legal name], Inc.** Balance sheet As of [month] [day], [year] Basis of accounting: [accrual / modified accrual / cash] [Unaudited]

Call it a balance sheet. Ninety-four associations in the corpus used that title; one used "statement of financial position." Both are acceptable, and the familiar one serves owners better.

2.1 Assets

Account	Operating	Reserves	Total
Current assets			
Cash, operating account, [bank name] [last 4]			
Cash, operating lockbox, [bank name] [last 4]			
Cash, money market, [bank name] [last 4]			
Petty cash			
Cash, reserve account, [bank name] [last 4]			
Certificates of deposit, [bank], maturing [date], [rate]			
Accounts receivable, assessments			
Accounts receivable, special assessment			
Allowance for doubtful accounts	( )		( )

Account	Operating	Reserves	Total
Due from (to) reserve fund		( )	0
Prepaid insurance			
Prepaid expenses, other			
Total current assets			
Other assets			
Utility and other deposits			
Property and equipment, net of accumulated depreciation			
Total assets			

How often each appeared, among associations publishing a balance sheet: accounts receivable 56%, cash operating 44%, prepaid expenses 44%, prepaid insurance 38%, cash reserve 37%, deposits 36%, allowance for doubtful accounts 33%, money market 26%, interfund due to/from 25%, property and equipment 18%, petty cash 16%.

Four things to get right here.

Name the bank and the last four digits on every cash line. The better statements in the corpus did this consistently. It lets a director tie the balance sheet to a bank statement without asking anyone.

Carry an allowance for doubtful accounts if you are on the accrual basis. Only a third of the balance sheets reviewed showed one. An association reporting gross receivables with no allowance is reporting an asset it does not expect to collect. If you have accounts at the attorney for collection, some portion of that receivable is not an asset.

Interfund balances must net to zero. If the operating fund owes the reserve fund, the receivable in one column and the payable in the other are the same number. If they do not net, the books are wrong. If the operating fund owes the reserve fund at all, read “Where common practice goes wrong,” item 2.

Prepaid insurance is usually large and usually financed. Fourteen percent of the balance sheets carried an insurance premium finance liability. If yours does, the prepaid asset and the finance liability must both appear, and both must amortize on schedule.

2.2 Liabilities

Account	Operating	Reserves	Total
Current liabilities			
Accounts payable			
Accrued expenses			
Prepaid owner assessments			
Owner credit balances			
Insurance premium finance payable, [lender]			
Payroll taxes payable			
Sales tax payable			
Security and other deposits held			
Deferred revenue, [describe]			
Total current liabilities			
Long-term liabilities			
Note payable, [lender], maturing [date]			
Line of credit, [lender]			
Total liabilities			

Observed frequency: accounts payable 68%, prepaid owner assessments 48%, accrued expenses 34%, deferred assessments or deferred revenue 19%, insurance premium financing 14%, note or loan payable 12%, suspense 10%, payroll taxes payable 10%.

Do not ship a balance sheet with a balance in a suspense account. Ten percent of the corpus balance sheets carried one. Suspense means a receipt or a disbursement that nobody has identified. It is a work-in-progress account, not a reportable balance, and a board should ask about any non-zero balance sitting in one at month end.

Prepaid owner assessments are a liability, not income. An owner who pays January's assessment in December has given you money you have not yet earned. Nearly half the corpus got this right.

2.3 Fund balances

Account	Operating	Reserves	Total
Fund balance, beginning of year			
Net income (loss), year to date			
Capital contributions received			
Total fund balances			
Total liabilities and fund balances			

If your reserve fund holds separately designated components, support the reserve column with a schedule rather than listing each component as a separate equity line:

Reserve component	Balance, beginning of year	Funded	Interest	Expended	Balance, end of period
Roof					
Painting					
Paving					
Waterproofing and exterior sealants					
Windows and exterior doors					
Structural					

Reserve component	Balance, beginning of year	Funded	Interest	Expended	Balance, end of period
components (floor, foundation, load-bearing walls)					
Plumbing					
Electrical					
Fireproofing and fire protection systems					
[Other component over $10,000]					
Total reserves					

Observed on the equity section: net income or loss 67%, prior year surplus or deficit 54%, retained earnings 41%, capital contributions 20%, operating fund balance 10%, reserve fund balance 7%.

Those last three numbers are the finding that matters most in this template. See below.

Part 3. Where common practice goes wrong

Four corrections, each one measured against what the corpus actually does.

3.1 Reserves belong in fund balance, not buried in a single equity number

Only 10% of the balance sheets reviewed named an operating fund balance and only 7% named a reserve fund balance, while 41% carried a line called **retained earnings**.

Retained earnings is a for-profit corporation label. It is what accounting software puts there by default when nobody changes it. A community association is not accumulating earnings for shareholders; it is holding member money in two pots with different rules attached. The presentation convention for community interest realty associations is to report fund balances, separated by fund, and that is what your statements should show.

This is not cosmetic. Reserve money is legally constrained in a way operating money is not. For a condominium, reserve funds and any interest on them must stay in the reserve account and may be used only for authorized reserve expenditures unless the members approve otherwise in advance by a majority of all total voting interests, per § 718.112(2)(f), Fla. Stat. And for a budget adopted on or after December 31, 2024, members of a unit-owner-controlled association required to obtain a structural integrity reserve study **may not vote at all** to spend the reserves for the components covered by the study on anything other than replacement or deferred maintenance of those components. A balance sheet that folds that money into one undifferentiated equity line is hiding the single most important constraint on the association's cash.

3.2 Reserves are generally not a liability

About 15% of the corpus balance sheets listed reserve components inside the liability section, as lines like "Reserves, painting" or "Reserves, roofs."

An association that has designated money for a future roof does not owe that money to anyone. There is no creditor. Absent a legal obligation to a third party, that amount belongs in fund balance, not in liabilities. Presenting it as a liability understates the association's fund balance and can make a healthy association look insolvent to a lender, an insurer, or a prospective buyer's attorney.

Ask your CPA to confirm the presentation for your specific facts before you change it. If your association took owner money for a specific, refundable purpose, the answer may differ.

3.3 An operating fund that owes the reserve fund is a finding, not a footnote

Interfund borrowing shows up as "due from reserves" in the operating column. A quarter of the balance sheets reviewed carried interfund balances.

Treat any operating-owes-reserves balance as an exception item requiring board action. For a condominium, § 718.111(14), Fla. Stat. permits commingling reserve and operating funds **for investment purposes only**, requires that commingled funds be accounted for separately, and requires that the commingled account never fall below the amount identified as reserve funds. Spending reserve cash on operating costs is a different act from investing it jointly, and the statute does not authorize it.

Your minutes should record how the balance arose and when it will be repaid.

3.4 A monthly statement without a budget column tells the board almost nothing

About 122 of the associations reviewed referenced a budget somewhere in their financials, but only 64 showed a variance column. The number by itself is not information. The number against what the board adopted is.

Part 4. Statement of revenues and expenses

> **[Association legal name], Inc.** Statement of revenues and expenses, budget comparison For the period [start date] through [end date] Basis of accounting: [accrual / modified accrual / cash] [Unaudited]

The basis belongs on the statement itself, not only on the package cover, because this page gets detached and circulated on its own more often than any other. A revenue number with no basis stated is not a number a director can act on.

4.1 Column format

Use seven columns. This is the format the strongest packages in the corpus used, and it answers every question a director will ask.

	Current period actual	Current period budget	Variance	Year to date actual	Year to date budget	Variance	Annual budget

State your variance sign convention in a note. “Variance shown as favorable (unfavorable)” removes an argument that otherwise recurs at every meeting.

4.2 Revenue

Account	Frequency observed
Assessment income, operating	36%
Assessment income, reserves	22%
Special assessment income	37%
Late fees	48%
Interest income	38%
Fines and violation income	24%
Application, transfer, and estoppel fees	25%
Clubhouse and facility rental income	9%
Laundry and vending income	9%
Other income, [describe]	
Total revenue	

Reserve assessments belong in the reserve column, not the operating column. If your association collects a reserve contribution as part of a single assessment, split it here. The split is what makes the fund columns meaningful.

4.3 Operating expenses

Grouped as the corpus groups them, with observed frequency across the associations reviewed.

Administrative

Account	Observed
Management fees	30%
Management, additional and out-of-scope fees	
Legal fees, general	41%
Accounting, audit, review, and tax preparation fees	24%
Insurance, property, general liability, and directors and officers	28%
Bank charges	28%
Office supplies, printing, copies, and postage	48%
Licenses, permits, annual corporate report, and division fees	33%
Telephone, internet, website, and IT support	68%
Payroll, salaries, and payroll taxes	18%
Income and tangible personal property taxes	26%
Bad debt expense	21%
Contingency	16%

Utilities

Account	Observed
Water and sewer	56%
Electric, common areas	47%
Cable television and bulk internet	41%
Trash and refuse removal	40%
Gas or propane	6%

Grounds and common area maintenance

Account	Observed
Landscaping and lawn maintenance	67%
Irrigation and sprinkler maintenance	43%
Lake, pond, and canal management	42%
Pest control	25%
Common area lighting	21%
Tree trimming	

Buildings and facilities

Account	Observed
Security, gate, guard, and access control	41%
Janitorial and cleaning	34%
Building repairs and maintenance	21%
Painting	28%
Paving, asphalt, and seal coating	24%
Pool maintenance and chemicals	16%
Fire, life safety, and backflow inspections	14%
Pressure washing	11%
HVAC and air conditioning	10%
Roof repairs	8%
Elevator maintenance and inspection	7%

Delete every line that does not apply to your association. A chart of accounts padded with empty categories makes variances harder to find, not easier.

4.4 Reserve activity

Present reserve funding and reserve expenditures in the reserve column, never mixed into operating results.

	Current period	Year to date	Annual budget
Reserve assessments collected			
Interest earned on reserve funds			
Reserve expenditures, [component]	( )	( )	( )
Net change in reserve funds			

Part 5. Accounts receivable aged trial balance

Forty percent of the associations reviewed included one. It should be one hundred percent, and for a condominium the underlying record is not optional.

Section 718.111(12)(a)11.c., Fla. Stat. requires the association's accounting records to include a current account and a monthly, bimonthly, or quarterly statement of the account for each unit, showing the owner's name, the due date and amount of each assessment, the amount paid, and the balance due. Your aged trial balance is the summary of those accounts.

Unit / parcel	Owner	Current	31 to 60	61 to 90	Over 90	Total due	Status
							[current / notice sent / with counsel / lien recorded / suit filed]
Totals							

Two cautions on distribution. The aged trial balance names owners and states what they owe. Circulate it to the board and to counsel, and think carefully before posting it to a public website or including it in a package handed out at an open meeting. Owner access to official records is a separate question from broadcast publication, and the two are not the same thing.

Second, reconcile the total on this schedule to the accounts receivable line on the balance sheet, every month. If they disagree, one of them is wrong.

Part 6. The annual financial report

This part is not discretionary. The requirements below are statutory and depend on your association's form and revenue.

6.1 Which level of report you must prepare

Based on **total annual revenues** for the fiscal year:

Total annual revenues	Required report
Less than $150,000	Report of cash receipts and expenditures
$150,000 to less than $300,000	Compiled financial statements
$300,000 to less than $500,000	Reviewed financial statements
$500,000 or more	Audited financial statements

Authority: § 718.111(13), Fla. Stat. for condominiums; § 720.303(7), Fla. Stat. for homeowners' associations; § 719.104(4), Fla. Stat. for cooperatives. The same dollar tiers apply under all three chapters, though Chapter 719 states them as ranges ("between $150,000 and $299,999") rather than as thresholds.

Measure "total annual revenues" on the basis your books are kept, and confirm it. The tier boundaries are dollar amounts, but the statutes do not define which accounting basis produces the figure. An association that bills $505,000 in assessments and collects $492,000 is over the audit threshold on the accrual basis and under it on the cash basis. Do not pick the basis that produces the cheaper report. Ask your CPA to state in writing which measure applies to you, and record the answer in the minutes with the tier determination. See "Before you fill in anything" above.

One additional trigger applies only to homeowners' associations. An HOA with at least 1,000 parcels must prepare audited financial statements regardless of its total annual revenues, per § 720.303(7)(a)4., Fla. Stat. There is no equivalent unit-count trigger in the condominium or cooperative chapters.

6.2 Deadlines

Step	Condominium	Homeowners' association	Cooperative
Prepare or contract for the report	Within 90 days after fiscal year end, or the date in the bylaws	Within 90 days after fiscal year end, or the date in the bylaws	Within 90 days after fiscal or calendar year end, or the date in the bylaws
Deliver to owners, or notify of availability	Within 21 days after completion, and not	Within 21 days after completion, and not	Within 21 days after completion, and not

Step	Condominium	Homeowners' association	Cooperative
	later than **180 days** after fiscal year end	later than **120 days** after fiscal year end	later than **120 days** after year end

The outer deadline is not the same across the three forms. The condominium gets 180 days; the homeowners' association and the cooperative get 120. Do not apply the condominium's 180 days to an HOA or a co-op. Authority: § 718.111(13), § 720.303(7), and § 719.104(4)(a), Fla. Stat.

For a condominium, evidence of compliance with the delivery requirement must be made by an affidavit executed by an officer or director, per § 718.111(13), Fla. Stat. Prepare that affidavit at the time of delivery, not the following year when someone asks for it.

6.3 Changing the level of report

Going up is easy. A condominium board may prepare a higher level of report than required without a meeting of or approval by the owners, per § 718.111(13)(c), Fla. Stat.

Going down requires an owner vote, and for a condominium or an HOA it cannot be habitual. A majority vote may substitute a lower level of report.

- **Condominium.** The meeting and approval must occur before the end of the fiscal year and are effective only for that fiscal year, and the association may not prepare a reduced-level report for **consecutive fiscal years**. Authority: § 718.111(13)(d), Fla. Stat.
- **Homeowners' association.** Approval by a majority of the voting interests present at a properly called meeting, and again the association may not prepare a reduced-level report for **consecutive fiscal years**. Authority: § 720.303(7)(d), Fla. Stat.
- **Cooperative.** Approval by a majority of the voting interests present at a properly called meeting, per § 719.104(4)(e), Fla. Stat. A cooperative may also waive the compilation, review, or audit requirement outright for a fiscal year by a majority of the voting interests present at a duly called meeting, per § 719.104(4)(b)4., Fla. Stat. That meeting must be held before the end of the fiscal year, and the waiver is effective for one fiscal year only, so it has to be re-taken every year it is wanted. Before turnover, a developer may vote to waive the audit requirement for the association's first two years of operation; after that, a waiver requires a majority of the voting interests other than the developer. Waiving assurance does not waive the lower tier beneath it: the association still owes owners a report of cash receipts and expenditures, on the same deadlines. **Chapter 719 does not carry the consecutive-fiscal-years prohibition that Chapters 718 and 720 impose.** Do not assume it does, and do not assume its absence makes annual waiver a good idea: a board that waives assurance every year has no independent check on its own numbers.

A condominium or HOA that has voted down to a cash receipts and expenditures report two years running has a compliance problem, whatever the vote said.

In a homeowners' association or a cooperative, owners can force the level up. The condominium chapter has no equivalent owner-petition mechanism.

- **Homeowners' association.** If 20% of the parcel owners petition the board, the association must notice and hold a member meeting within 30 days, and on approval of a majority of the **total voting interests** must prepare the higher-level report, amend the budget or adopt a special assessment to pay for it regardless of anything in the governing documents to the contrary, and deliver it within 90 days of the meeting or the end of the fiscal year, whichever is later. Authority: § 720.303(7)(c), Fla. Stat.
- **Cooperative.** If at least 20% of the unit owners petition the board, the same 30-day meeting and 90-day delivery apply, but approval is by a majority of the voting interests **represented at a meeting at which a quorum is present**, a materially easier threshold than the HOA's majority of all voting interests. Authority: § 719.104(4)(d), Fla. Stat.

6.4 What a report of cash receipts and expenditures must disclose

If your association falls in the lowest tier, the statute tells you the classifications. The report must disclose receipts by account and classification and expenses by account and classification, including these where applicable:

- Costs for security
- Professional and management fees and expenses
- Taxes
- Costs for recreation facilities
- Expenses for refuse collection and utility services
- Expenses for lawn care
- Costs for building maintenance and repair
- Insurance costs
- Administration and salary expenses
- Reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the association maintains reserves

Authority: § 718.111(13)(b)2., Fla. Stat.; substantially the same list appears at § 720.303(7)(b)2., Fla. Stat. for homeowners' associations. The statute says "including, but not limited to," so this is a floor, not a ceiling.

Only two associations in the entire corpus published a report in this format. That is a sampling artifact, not evidence that the tier is rare: associations small enough to qualify are the least likely to post financials on a website at all.

6.5 Contents of a compiled, reviewed, or audited report

A CPA prepares this, not the board. Know what you are receiving. The audited reports in the corpus consistently contained:

1. Independent auditor's report, or accountant's review or compilation report
2. Balance sheet
3. Statement of revenues, expenses, and changes in fund balances
4. Statement of cash flows
5. Notes to financial statements
6. Supplementary information on future major repairs and replacements

7. Detailed statement of operating revenues and expenses, budget comparison

Item 6 is the one boards overlook. Twenty-two of the twenty-three associations with an auditor's report in the corpus included it. It is the supplementary schedule that discloses the association's estimated future major repairs and replacements and how they are being funded, and it is where an outside reader learns whether your reserves are adequate. If your CPA's report omits it, ask why.

Also expect a note addressing the association's income tax position. Twenty-nine associations in the corpus disclosed one. A community association files a federal return; the choice between the two available filing approaches is a real decision with real consequences, and it belongs to your CPA, not to the board.

Part 7. Reserve disclosure in the annual report

The Division is directed to adopt rules setting uniform accounting principles and standards for associations, and those rules must include standards for presenting a summary of association reserves, including a good faith estimate disclosing the annual amount of reserve funds that would be necessary to fully fund reserves for each reserve item on the straight-line accounting method. That disclosure does not apply to reserves funded by the pooling method. Authority: § 718.111(13), Fla. Stat.

Two consequences for your statements:

- If your association funds reserves on the straight-line method, the fully-funded good faith estimate is a required part of the presentation. Do not omit it because your reserves are underfunded; being underfunded is exactly what the disclosure exists to reveal.
- If your association pools, note that fact clearly so a reader does not mistake the absence of the straight-line disclosure for an omission. A condominium may pool reserves for two or more required components, but components subject to the structural integrity reserve study may be pooled only with other components subject to that study, per § 718.112(2)(f), Fla. Stat.

Part 8. Internal controls to state in your financial policy

Three of these come straight from statute and are not negotiable.

- **No debit cards.** An association and its officers, directors, employees, and agents may not use a debit card issued in the name of the association or billed directly to the association to pay any association expense. Using one for an expense that is not a lawful obligation of the association is theft under § 812.014, Fla. Stat., and requires removal from office and declaration of a vacancy. Authority: § 718.111(15), Fla. Stat. Cancel any card that exists.
- **Funds stay in the association's name.** All funds collected by a condominium association must be maintained separately in the association's name. A licensed manager or management company, or an officer or director, may not commingle association funds with their own or with another association's funds. Authority: § 718.111(14), Fla. Stat.
- **Keep the records seven years.** Official records must be maintained within Florida for at least seven years unless general law provides otherwise. Structural integrity reserve studies must be

kept at least 15 years. Bids must be kept at least one year after receipt. Authority: § 718.111(12), Fla. Stat.; § 720.303(4), Fla. Stat. for homeowners' associations.

Add these by board policy:

- Two signatures on any disbursement over $[threshold]
- Bank statements delivered unopened to a director who does not sign checks, or read-only online access for the treasurer
- Monthly bank reconciliation on every account, reviewed and initialed by a director
- Board approval before any transfer out of a reserve account
- Annual confirmation that reserve account balances agree to the reserve schedule

---

Part 9. Board review checklist

Run this every month before you accept the financials.

- ☐ Total assets equal total liabilities and fund balances
- ☐ Every cash balance agrees to a bank reconciliation
- ☐ The interfund due to and due from net to zero
- ☐ Accounts receivable on the balance sheet agrees to the aged trial balance
- ☐ The reserve column on the balance sheet agrees to the reserve schedule
- ☐ No balance sits in suspense
- ☐ An allowance for doubtful accounts exists and is reasonable against the over-90 column
- ☐ Prepaid insurance is amortizing on schedule
- ☐ Every variance over $[threshold] or [percent]% has a written explanation
- ☐ The statements are labeled unaudited and state the basis of accounting
- ☐ The operating fund does not owe the reserve fund; if it does, repayment is scheduled in the minutes

And once a year:

- ☐ Total annual revenue was calculated, the accounting basis used to measure it was stated, and the correct statutory report level was identified
- ☐ The basis on which the annual report will be presented was confirmed with the CPA before the engagement began
- ☐ The report was prepared within 90 days of fiscal year end
- ☐ The report was delivered to owners within 21 days of completion, and within 180 days (condominium) or 120 days (HOA) of fiscal year end
- ☐ For a condominium, the delivery affidavit was executed and filed with the records
- ☐ Any vote to reduce the reporting level was taken before fiscal year end and did not follow a reduction in the prior year
- ☐ The supplementary information on future major repairs and replacements was received and read

---

Adopting this

Give the draft to whoever prepares your books and to your CPA before the board votes. Two questions worth asking both of them in writing: does our balance sheet present reserves as fund balance rather than as a liability or as retained earnings, and does our monthly statement show budget and variance columns. If either answer is no, the fix is a chart of accounts change and a report-format change, not an argument.

Disclaimer

This template is a starting point, not accounting, tax, or legal advice. It reflects Florida law and common association practice as of the date it was written, and statutes change. Your association's declaration, bylaws, and articles govern, and they may impose requirements this template does not address. Your accountant governs how your books are kept and how your statements are presented. Have a Florida CPA experienced with community associations and, where the question is legal, Florida counsel, review this before your board adopts it or relies on it. Nothing here creates an accountant-client or attorney-client relationship, and no part of it substitutes for a professional's judgment about your association's specific facts.
