



Carlson & Company, Chartered
Certified Public Accountants

Purple Parrot Village Condominium Association, Inc.

Pensacola, Florida

December 31, 2023

Table of Contents

	<u>Page</u>
Internal Control Matters Noted in the Audit	1
Communication with those Charged with Governance	2



Carlson & Company, Chartered
Certified Public Accountants

July 24, 2025

To the Board of Directors
Purple Parrot Village Condominium Association, Inc.
Pensacola, Florida

In planning and performing our audit of the financial statements of Purple Parrot Village Condominium Association, Inc. (the Association), as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, that allows a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected in a timely manner. We consider the following deficiencies in the Association's internal control to be material weaknesses.

Controls over year-end financial reporting

Florida Statutes require that end of year financial statements for owners conform to generally accepted accounting principles (GAAP). The financial statements we were given to audit required significant adjustments to conform to GAAP. Some of the audit adjustments were made at the request of management. Other adjustments were made in areas where management relied on the auditors' knowledge of GAAP for accurate financial reporting.

This communication is intended solely for the information and use of the Board of Directors of Purple Parrot Village Condominium Association, Inc. and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carlson & Company



Carlson & Company, Chartered
Certified Public Accountants

July 24, 2025

To the Board of Directors
Purple Parrot Village Condominium Association, Inc.
Pensacola, Florida

We have audited the financial statements of Purple Parrot Village Condominium Association, Inc. (the Association), as of and for the year ended December 31, 2023 and have issued our report on them dated July 24, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 25, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management, with the oversight of the Board of Directors, has the responsibility to use appropriate accounting policies. A summary of the significant accounting policies for the Association is included in Note 2 to the financial statements. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. Based on our audit testing, it appears that all significant transactions have been recognized in the financial statements in the proper period.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the Association's financial statements are related to the deposits in excess of the current FDIC coverage in Note 4.

Audit Adjustments

Professional standards require us to tell you about all known and likely misstatements found in the audit, other than trivial amounts. Management has corrected all identified misstatements. The attached schedule shows the adjusting journal entries that were brought to the attention of and corrected by management.

Representations Received

We have received written representations which are included in the attached letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, that could be significant to the Association's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no consultations with other independent accountants.

Other Matters

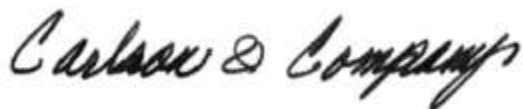
With respect to the supplementary information required by the Financial Accounting Standards Board and the State of Florida, management has omitted that information which, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board and the State of Florida, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Independence

In the normal course of our professional association with the Purple Parrot Village Condominium Association we generally discuss a variety of matters, including the application of accounting principles, auditing standards, operating and regulatory conditions affecting the Association, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as auditors for the Association.

Distribution of Report

This report is intended solely for the information and use of management, the Board of Directors, and others within the Association and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Carlson & Company".

Purple Parrot Village Condominium Association, Inc

Adjusting Journal Entries

January 1, 2023 - December 31, 2023

Date	Reference	Account	Description	Debit	Credit
Adjusting Journal Entries					
12/31/23	AJE01		To reverse client adjustment to revenue & expense entered 1/1/23 in error		
		1-40000	Condominium Association Fees		37,775.92
		1-40000	Condominium Association Fees	20,278.11	
		1-60100	Accounting & Legal Expense	404.00	
		1-70200	Maint. Building Repair	583.55	
		1-70510	Supplies	188.13	
		1-87510	Exercise Equipment	203.18	
		1-71800	Outdoor Pool Water	606.74	
		1-71900	Outdoor Pool Electricity	1,271.91	
		1-75000	Security Expense	264.48	
		1-77500	Utilities - Internet	1,978.00	
		1-78000	Utilities - Cable	4,341.31	
		1-78500	Utilities - ECUA	3,508.19	
		1-79000	Utilities - Electricity	609.27	
		1-81110	Hurricane Sally Expenses	8,500.00	
		1-40000	Condominium Association Fees	128.19	
		1-40000	Condominium Association Fees	78,818.26	
		1-82400	Paver Loan Interest	42,462.86	
		1-70200	Maint. Building Repair		44,170.60
		1-67600	Loan Principle	19,703.68	
		1-40000	Condominium Association Fees		34,898.47
		1-71700	Outdoor Pool Svc/Chemicals		1,316.61
		1-70200	Maint. Building Repair		2,171.22
		1-78500	Utilities - ECUA		6,934.13
		1-79000	Utilities - Electricity		2,037.80
		1-70800	Maint. Pest Control		325.00
		1-70700	Maint. Plumbing		235.00
		1-70510	Supplies		393.38
		1-70600	Landscaping		1,005.00
		1-74000	Administrative Misc Expense		43.95
		1-77500	Utilities - Internet		64.48
		1-78000	Utilities - Cable		6,573.40
		1-66000	Depreciation expenses		60,315.00
		1-39005	Retained Earnings		897.81
		1-79050	Utilities - Waste Removal		88,302.31
		1-40600	Insurance Proceeds-Hurricane	88,302.31	
		1-40700	Tiki Bar Rent		1,500.00
		2-41500	Road Assessment		40,388.88
		1-74000	Administrative Misc Expense		125.00
		1-40900	Miscellaneous Income	125.00	
		1-82400	Paver Loan Interest		6,669.28
		1-40900	Miscellaneous Income	6,669.28	
		1-39005	Retained Earnings	13,026.19	
		1-10595	Hurricane Sally Funds (Ins. \$)	44,170.60	
		1-26100	First Cahawba loan payable		81,669.21
		1-12500	Special Assessment Rec	81,669.21	
		1-39005	Retained Earnings	157,501.51	
		1-12300	Contract Receivable		75,808.30
		1-27100	Deferred Revenue - Hurricane funds		81,693.21
12/31/23	AJE02		To adjust balance sheet accounts and fund balance for 12/31/22 audit adjustments.		
		1-11500	Fitness Equipment	15,710.05	
		1-11610	Accumulated depreciation		59,125.00
		1-11615	Furniture & Fixture	4,293.55	

Purple Parrot Village Condominium Association, Inc

Adjusting Journal Entries

January 1, 2023 - December 31, 2023

Date	Reference	Account	Description	Debit	Credit
		1-12000	Assessments Receivable	20,355.65	
		1-12500	Special Assessment Rec		47,428.96
		1-21000	Accounts Payable		9,994.27
		1-24200	Tiki Bar Deposit	3,750.00	
		1-24400	Prepaid Assessments		265.37
		1-26000	Synovus Loan 12-00011	105,869.23	
		1-26100	First Cahawba loan payable	6,733.09	
		1-30100	Open Accounts Receivable		519.35
		1-39005	Retained Earnings	168,809.54	
		1-12300	Contract Receivable	375,937.76	
		1-27100	Deferred Revenue - Hurricane funds		549,306.59
		1-39005	Retained Earnings		34,819.33
12/31/23	AJE03		To reclass HVAC expense paid out of replacement fund		
		2-84200	Reserve expenses	5,576.35	
		1-70200	Maint. Building Repair		5,576.35
12/31/23	AJE04		To adjust cash account for uncleared item		
		1-67500	Interest Expense	4,734.28	
		1-74000	Administrative Misc Expense	1,935.00	
		1-10250	First Cahawba Cash account		6,669.28
12/31/23	AJE05		To adjust contract receivable and liability to 12/31/23 balance		
		1-12300	Contract Receivable	303,140.00	
		2-27000	Performance obligation - Reserves		261,684.04
		2-80000	Reserve Transfer		41,455.96
12/31/23	AJE06		To adjust note payable balances at 12/31/23		
		1-26000	Synovus Loan 12-00011	17,007.55	
		1-26100	First Cahawba loan payable	77,084.19	
		1-67600	Loan Principle		35,173.36
		1-12500	Special Assessment Rec		24,670.07
		1-12300	Contract Receivable		45,767.83
		2-41500	Road Assessment	15,721.95	
		1-41005	2023 Special Assessment		11,181.99
		1-40000	Condominium Association Fees	6,979.56	
12/31/23	AJE07		To adjust intercompany amount for extra reserve transfer made in 2023		
		1-14100	Operating intercompany	3,750.00	
		1-50100	Reserve Funding		3,750.00
12/31/23	AJE08		To adjust for 2023 depreciation per schedule		
		1-66000	Depreciation expenses	58,529.00	
		1-11610	Accumulated depreciation		58,529.00
12/31/23	AJE09		To adjust prepaid assessments at 12/31/23		
		1-40000	Condominium Association Fees	3,605.90	
		1-24400	Prepaid Assessments		3,605.90
12/31/23	AJE10		To record accounts payable related to 2021 & 2022 audit engagements paid in March 2024. Reverse 1/1/24.		
		1-60100	Accounting & Legal Expense	6,000.00	
		1-21000	Accounts Payable		6,000.00

Purple Parrot Village Condominium Association, Inc

Adjusting Journal Entries

January 1, 2023 - December 31, 2023

Date	Reference	Account	Description	Debit	Credit
12/31/23	AJE11		To adjust special assessment revenues to accrual accounting		
		2-41500	Road Assessment	12,099.51	
		1-41200	1st SA Hurricane Sally	2,870.74	
		3-41300	2nd SA Hurricane Sally	38,545.07	
		1-82400	Paver Loan Interest		53,515.32
12/31/23	AJE12		To adjust prepaid insurance & insurance payable at 12/31/23.		
		1-15100	Prepaid Insurance	140,795.00	
		1-67000	Insurance Expense		45,486.00
		1-22100	Insurance Payable		108,163.82
		1-67500	Interest Expense	12,854.82	
12/31/23	AJE13		To reverse prior year accounts payable		
		1-21000	Accounts Payable	56,896.25	
		1-67000	Insurance Expense		828.47
		1-74000	Administrative Misc Expense		43.95
		1-79000	Utilities - Electricity		2,037.80
		1-78500	Utilities - ECUA		6,934.13
		1-70600	Landscaping		1,005.00
		1-70800	Maint. Pest Control		325.00
		1-77500	Utilities - Internet		64.48
		1-78000	Utilities - Cable		6,573.40
		1-67000	Insurance Expense		34,070.00
		1-70200	Maint. Building Repair		1,177.22
		1-70700	Maint. Plumbing		235.00
		1-70200	Maint. Building Repair		994.00
		1-70510	Supplies		393.38
		1-71700	Outdoor Pool Svc/Chemicals		1,316.61
		1-40900	Miscellaneous Income		897.81
12/31/23	AJE14		To record accounts payable		
		1-71700	Outdoor Pool Svc/Chemicals	338.63	
		1-70800	Maint. Pest Control	325.00	
		1-79001	Utilities - Gas	931.20	
		1-78500	Utilities - ECUA	5,457.98	
		1-78000	Utilities - Cable	6,837.27	
		1-79000	Utilities - Electricity	2,073.78	
		1-71500	Maint. Exercise Equipment	230.05	
		1-21000	Accounts Payable		16,193.91
12/31/23	AJE15		To record disposal of assets		
		1-11610	Accumulated depreciation	15,626.73	
		1-11500	Fitness Equipment		15,626.73
		1-11610	Accumulated depreciation	16,664.00	
		1-11705	Equipment		16,664.00
12/31/23	AJE16		To adjust for unrecorded interest @ 12/31/23.		
		2-10590	GC - CD 2228	10.08	
		2-11461	GC CD 12/16/16 6647 1.84%	16.01	
		2-11463	GC CD 12/16/16 7729 1.84%	32.88	
		2-11464	GC CD 5/24/16 6668 1.21%	8.69	
		2-11465	GC CD 5/24/16 7085 1.21%	8.94	
		2-40800	Interest Income		76.60

Purple Parrot Village Condominium Association, Inc**Adjusting Journal Entries**

January 1, 2023 - December 31, 2023

Date	Reference	Account	Description	Debit	Credit
12/31/23	AJE17		To adjust performance obligation replacement fund		
		2-80000	Reserve Transfer	3,750.00	
		2-14200	Replacement Intercompany account		3,750.00
12/31/23	AJE18		To adjust for unit A12D not billed for monthly assessment in 2023. Reverse 1/1/24. Mgmt corrected in 2024.		
		1-12000	Assessments Receivable	7,497.36	
		1-40000	Condominium Association Fees		7,497.36
12/31/23	AJE19		To adjust for unit A12D not billed for special assessment		
		1-12000	Assessments Receivable	513.14	
		1-41005	2023 Special Assessment		513.14
12/31/23	AJE20		To adjust for amount owed to NCRI @12/31/23 and paid in 2024.		
		1-81110	Hurricane Sally Expenses	715,725.99	
		1-21000	Accounts Payable		715,725.99
12/31/23	AJE21		To recognize remaining insurance proceeds in 2023.		
		1-27100	Deferred Revenue - Hurricane funds	630,999.80	
		1-43000	Hurricane Sally funds (insurance proceeds recognized)		630,999.80
Totals for Adjusting Journal Entries				<u>3,451,945.53</u>	<u>3,451,945.53</u>
Report Totals				<u>3,451,945.53</u>	<u>3,451,945.53</u>

Journal Entry count = 21

(Letterhead of Purple Parrot Village Condominium Association)

CLIENT REPRESENTATION LETTER

July 24, 2025

Carlson & Company, Chartered
7100 Plantation Road, Building 21
Pensacola, Florida 32504

We are providing this letter in connection with your audit of the financial statements of Purple Parrot Village Condominium Association, Inc. (the Association) which comprise the balance sheet as of December 31, 2023, and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 24, 2025, the following representations made to you during your audit.

Financial Statements

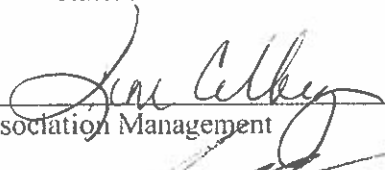
1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter February 25, 2025, including our responsibility for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data we used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Association's general ledger.
9. The effects of all known actual or possible litigation, claims, and assessments have been disclosed in the financial statements in accordance with U.S. GAAP.
10. Material concentrations have been properly disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
12. Transfers or designations of fund balance or inter-fund borrowings have been properly authorized and approved and have been properly recorded or disclosed in accordance with GAAP.
13. Uncollectible interfund loans have been properly accounted for and disclosed in accordance with GAAP.

Information Provided

14. We have provided you with -
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for purpose of the audit.
 - c. Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
15. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of any fraud or suspected fraud affecting the Association involving.
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, regulators, or others.
19. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
20. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

21. We have disclosed to you the names of all of the Association's related parties and all the related party relationships and transactions, including any side agreements.
22. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as has been disclosed in the financial statements.
23. The board of directors has conducted a study to estimate costs of future major repairs and replacements, but unit owners have elected to only partially adopt the study's recommendations and to not fully fund the required annual amount. Excess repair and replacement costs are being funded through special assessments or borrowings as needs arise.
24. The Association's allocation of expenses against exempt and nonexempt function income conforms with IRS rules, which require that the allocation be made "on a reasonable basis." We have adequately documented such allocation.
25. In regards to the tax return services performed by you, we have made all management decisions and performed all management functions. We have designated an individual with suitable skill, knowledge, or experience to oversee your services. We have evaluated the adequacy and results of the tax return services performed and accept responsibility for the tax return filed.
26. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.



Association Management

8/8/25

Date



Association Director

8/8/25

Date