

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024

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Mark R. Gerstle, C.P.A., CFF
mgerstle@grgcpa.com

Robert Rosen, C.P.A.
rrosen@grgcpa.com

Brian K. Goldenberg, Partner
bgoldenberg@grgcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners
Mainlands of Tamarac by the Gulf Unit No. Three Association, Inc.

Dear Members:

Opinion

We have audited the accompanying financial statements of Mainlands of Tamarac by the Gulf Unit No. Three Association, Inc., which comprise the balance sheet as of December 31, 2024, and the related statements of revenues, expenses, and changes in fund balance 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 Mainlands of Tamarac by the Gulf Unit No. Three Association, Inc. as of December 31, 2024, 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 Mainlands of Tamarac by the Gulf Unit No. Three 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 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 4 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.

HOLLYWOOD

Venture Corporate Center
3440 Hollywood Blvd.
Suite 100
Hollywood, FL 33021
Phone: 305.937.0116
Fax: 305.937.0128

BOCA RATON

3835 N.W. Boca Raton Blvd.
Suite 100
Boca Raton, FL 33431
Phone: 561.447.4000
Fax: 561.447.4004

FT. MYERS

12595 New Brittany Blvd.
Bldg. 20W
Fort Myers, FL 33907
Phone: 239.672.4364
Fax: 239.672.4367

NAPLES

999 Vanderbilt Beach Rd.
Suite 200
Naples, FL 34108
Phone: 1.239.325.5000
Fax: 1.239.325.5001

ORLANDO

111 North Orange Ave.
Suite 800
Orlando, FL 32801
Phone: 407.564.2812
Fax: 407.564.2057

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 Mainlands of Tamarac by the Gulf Unit No. Three 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 Mainlands of Tamarac by the Gulf Unit No. Three 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 Mainlands of Tamarac by the Gulf Unit No. Three 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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gerstle, Rosen & Goldenberg, P.A.

Gerstle, Rosen & Goldenberg, P.A.
Certified Public Accountants
Hollywood, Florida

August 13, 2025

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

BALANCE SHEET

December 31, 2024

	OPERATING FUND	REPLACEMENT FUND	FIXED ASSETS FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 246,438	\$ 893,118	\$	\$ 1,139,556
Certificate of Deposit		848,000		848,000
Unit Owner Receivable - Net of Allowance for Credit Losses	11,384			11,384
Interest Receivable		7,520		7,520
Other Receivable	2,269			2,269
Prepaid Insurance	42,163			42,163
Fixed Assets - Net of Accumulated Depreciation			1,052,750	1,052,750
TOTAL ASSETS	<u><u>\$ 302,254</u></u>	<u><u>\$ 1,748,638</u></u>	<u><u>\$ 1,052,750</u></u>	<u><u>\$ 3,103,642</u></u>
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ 40,003	\$	\$	\$ 40,003
Income Tax Payable	3,208			3,208
Loan Payable			957,672	957,672
Prepaid Member Assessments	46,772			46,772
Deferred Cable Income	60,892			60,892
Contract Liability - Deferred Reserves		1,616,148		1,616,148
TOTAL LIABILITIES	<u>150,875</u>	<u>1,616,148</u>	<u>957,672</u>	<u>2,724,695</u>
Fund Balances	<u>151,379</u>	<u>132,490</u>	<u>95,078</u>	<u>378,947</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 302,254</u></u>	<u><u>\$ 1,748,638</u></u>	<u><u>\$ 1,052,750</u></u>	<u><u>\$ 3,103,642</u></u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES**

Year Ended December 31, 2024

	OPERATING FUND	REPLACEMENT FUND	FIXED ASSETS FUND	TOTAL
REVENUES				
Member Assessments	\$ 1,080,911	\$ 869,484	\$	\$ 1,950,395
Interest Income	73	58,812		58,885
Owner Interest Income	105			105
Late Fees	2,155			2,155
Legal Fees	1,165			1,165
Cable Income	15,885			15,885
Miscellaneous Income	5,210			5,210
TOTAL REVENUES	<u>1,105,504</u>	<u>928,296</u>		<u>2,033,800</u>
EXPENSES				
Depreciation			29,248	29,248
Insurance	35,752			35,752
Administrative	29,634			29,634
Clubhouse Mortgage - Capital Transfer	42,673			42,673
Clubhouse Mortgage - Interest	45,879			45,879
Master Association Fees	117,710			117,710
Payroll	20,823			20,823
Reserve Expenditures		869,784		869,784
Repairs and Maintenance	38,987			38,987
Utilities	398,160			398,160
Contracts	359,318			359,318
TOTAL EXPENSES	<u>1,088,936</u>	<u>869,784</u>	<u>29,248</u>	<u>1,987,968</u>
EXCESS REVENUES (EXPENSES)	16,568	58,512	(29,248)	45,832
FUND BALANCES - BEGINNING	131,552	77,237	81,653	290,442
INTERFUND TRANSFER	3,259	(3,259)		0
CLUBHOUSE / OWNER CONTRIBUTION			42,673	42,673
FUND BALANCES - ENDING	<u>\$ 151,379</u>	<u>\$ 132,490</u>	<u>\$ 95,078</u>	<u>\$ 378,947</u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2024

	OPERATING FUND	REPLACEMENT FUND	FIXED ASSETS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
EXCESS REVENUES (EXPENSES)	\$ 16,568	\$ 58,512	\$ (29,248)	\$ 45,832
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Clubhouse / Owner Contribution			42,673	42,673
Depreciation			29,248	29,248
DECREASE (INCREASE) IN ASSETS:				
Accounts Receivable	(12,476)	1,025		(11,451)
Prepaid Insurance	(8,867)			(8,867)
Due To/From Funds	(3,259)	3,259		0
INCREASE (DECREASE) IN LIABILITIES:				
Accounts Payable	33,645			33,645
Income Tax Payable	(6,074)			(6,074)
Prepaid Member Assessments	7,482			7,482
Deferred Cable Income	(15,885)			(15,885)
Contract Liability - Deferred Reserves		47,545		47,545
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>11,134</u>	<u>110,341</u>	<u>42,673</u>	<u>164,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Certificate of Deposit		240,000		240,000
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>0</u>	<u>240,000</u>	<u>0</u>	<u>240,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interfund Transfer	3,259	(3,259)		0
Proceeds From (Payments On) Loan			(42,673)	(42,673)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>3,259</u>	<u>(3,259)</u>	<u>(42,673)</u>	<u>(42,673)</u>
NET INCREASE (DECREASE) IN CASH	14,393	347,082	0	361,475
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>232,045</u>	<u>546,036</u>	<u>0</u>	<u>778,081</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 246,438</u>	<u>\$ 893,118</u>	<u>\$ 0</u>	<u>\$ 1,139,556</u>
SUPPLEMENTAL DISCLOSURES:				
Interest Paid	\$ 0	\$ 0	\$ 45,879	\$ 45,879
Income Tax Paid	\$ 7,137	\$ 0	\$ 0	\$ 7,137

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1. ORGANIZATION

Mainlands of Tamarac by the Gulf Unit No. Three Association, Inc. is a statutory condominium association incorporated on August 13, 1969, in the State of Florida. The Association is responsible for the operation and maintenance of the common property of Mainlands of Tamarac by the Gulf Unit No. Three Association, Inc. and consists of 353 residential units located in Pinellas Park, Florida.

2. DATE OF MANAGEMENT'S REVIEW

The Association has evaluated transactions and events that occurred after December 31, 2024 through August 13, 2025, the date the financial statements were available to be issued, and has determined that there were no subsequent transactions or events which would require recognition or disclosure in the financial statements, except as noted herein.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

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.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Fixed Assets Fund - This fund is used to account for fixed assets capitalized by the Association.

Member Assessments and Allowance for Credit Losses

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. 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 are 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.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Member Assessments and Allowance for Credit Losses

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments plus late fees and other charges, if applicable, from association members. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent according to its collection policy. The balances of assessments receivable (net of allowance for credit losses) as of the beginning and end of the year are \$297 and \$11,384, respectively.

The Association treats uncollectible assessments and other charges as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. In the event that the Association does not prevail against homeowners with delinquent assessments, an allowance for credit losses of \$1,695 has been established as of December 31, 2024.

Contract Liability (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 liability (assessments received in advance – Replacement Fund) as of the beginning and end of the year are \$1,568,603 and \$1,616,148, respectively.

Cash and Cash Equivalents

For presentation purposes, cash and cash equivalents consists primarily of cash, money market accounts, and other highly liquid investments (not allocated to Investments) that are readily convertible into cash and purchased with original maturities of three months or less.

Investments Carrying Value

The Association holds investments in Certificates of Deposit at various rates. The investments have original maturities greater than 90 days, and may have penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The Investments have been classified in the Held-To-Maturity category as the Association has the positive intent and ability to hold the Certificates of Deposit and Securities to maturity. Such investments are carried at amortized cost, which approximates fair value. The investments had an aggregate cost basis of \$848,000 at December 31, 2024.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Association maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to such balances. The Association maintains Insured Cash Sweep accounts which allows the Association, as a depositor, to protect their funds beyond the standard FDIC limits, therefore reducing the risk of cash concentration.

Property and Equipment

Real property not directly associated with units are recognized as assets by the Association when the Association has title to the property and either the asset can be disposed of by the Board of Directors or generates significant cash flows from members on the basis of usage or from nonmembers. Common personal property purchased with Association funds, with a useful life of more than one year, is recorded at cost on the Association's financial statements.

Depreciation

Capitalized common property is depreciated over its estimated useful life using the accelerated method of depreciation.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Prepaid Member Assessments

Prepaid Member Assessments consist of amounts received, which are applicable to subsequent years' assessments. The balances of Prepaid Member Assessments as of the beginning and end of the year are \$39,290 and \$46,772, respectively.

Interest Income

The Association recognizes interest income on the Operating Fund and the Replacement Fund when earned. The Association's policy is to allocate interest income earned on the Replacement Fund to specific replacement components periodically depending on projected requirements.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2024; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2024.

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

In accordance with Florida Statutes Chapter 718 § 112(2)(f)(2a), in addition to annual operating expenses, the budget of the Association must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000. The amount to be reserved to the Replacement Fund annually must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the reserve item. These accounts, when adopted, are restricted to their intended purpose unless modified by a qualified membership vote.

The approved budget includes provisions for reserves for capital improvements and deferred maintenance. At a duly constituted meeting, the Association elected to partially waive reserve funding for the current fiscal year based on a study conducted by an independent reserve study specialist in February 2022, to estimate the remaining useful lives and the replacement costs of the common property components, as disclosed in the Supplementary Information. 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, the Association has the right to increase regular assessments levy special assessments, or delay major repairs and replacements until funds are available.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)

The balance of the Replacement Fund at December 31, 2024, consists of the following:

COMPONENTS	BALANCE 12/31/2023	INTEREST/ ASSESSMENTS/ OWNERS' CONTRIB.	TRANSFERS	EXPENDITURES	BALANCE 12/31/2024
Painting	\$ 123,162	\$ 115,000	\$ 2,264	\$ (17,391)	\$ 223,035
Roof Cleaning	2,264	-	(2,264)	-	-
Master Paving	127,049	30,000		-	157,049
Streets	165,140	40,000		-	205,140
Walks / Curb	74,238	-		(30,114)	44,124
Roof Repair / Replace	354,027	580,150		(733,812)	200,365
Recreation Area	185,241	5,665	7,269	(1,204)	196,971
Pool Resurfacing, Equipment	28,661	3,000		(8,690)	22,971
Landscaping Sod	12,752	-		-	12,752
Sea Walls	52,643	3,714		-	56,357
Exterior Home Repair / Replace	15,310	-	1,500	(15,911)	899
Sewer	193,783	32,000		(2,833)	222,950
Water	78,850	60,000		(10,557)	128,293
Sprinklers Irrigation	17,901	41,000		(35,599)	23,302
Storm Drains	130,313	5,000		(13,373)	121,940
Truck/Vehicles	7,269	-	(7,269)	-	-
SUB-TOTAL CONTRACT LIABILITY - DEFERRED RESERVES	1,568,603	915,529	1,500	(869,484)	1,616,148
Fund Balance - Unallocated Interest	77,237	58,812	(3,259)	(300)	132,490
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,645,840	\$ 974,341	\$ (1,759)	\$ (869,784)	\$ 1,748,638

Reserve Expenditures

In the current year, the Association incurred reserve expenditures totaling \$869,484, excluding bank charges of \$300. Detailed information of the vendors involved are as follow:

Vendors	Amount
A Old Time Roofing	\$ 715,191
Mainlands Master (Payroll)	57,947
Da Costa Construction	29,562
Trench Specialties Inc	21,234
Best Painters of Tampa Bay	15,162
Symbiont Service Corp	8,690
Others Combined	21,698
Total:	\$ 869,484

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

5. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax if any it must pay. Under one method, the Association is required to allocate its revenue to member and nonmember sources as applicable in accordance with Section 277 of the Internal Revenue Code. The excess revenues from nonmembers and the excess revenues from members (unless such membership excess is applied to the following year's assessments), is subject to taxation, at the flat Federal and State of Florida rates of 21% and 5.5% (net of Florida exemption), respectively. The other method enables the Association to elect to exclude from taxation exempt function income, in accordance with Section 528 of the Internal Revenue Code, which generally consists of annual revenue from member assessments to maintain the common elements. Consequently, the Association is taxed only on its non-exempt function income at the flat Federal rate of 30%. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates. When applicable, interest and penalties will be reported as interest expense and administrative expense, respectively.

The Association will file its 2024 federal income tax return on Form 1120 under Section 277 of the Internal Revenue Code.

The current year provision consists of:

Federal	\$ 10,345
State of Florida	-
Total	<u>\$ 10,345</u>

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2021.

6. DEFERRED CABLE INCOME

On September 14, 2023, the Association renewed its cable services contract with Spectrum Sunshine State, LLC. In consideration for entering into a 60-month Bulk Service Agreement, the Association received a payment of \$79,425 from Spectrum. This payment has been deferred and is being amortized over the service period. As of December 31, 2024, the deferred cable income is \$60,892.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

7. FIXED ASSETS / DEPRECIATION

At December 31, 2024, the major categories of property recognized as assets are:

	Amount
Land	\$230,000
Clubhouse	931,164
Equipment	416,486
Total Cost	1,577,650
Less: Accumulated Depreciation	524,900
Fixed Assets - Net	<u>\$1,052,750</u>

The current year depreciation is \$29,248, as presented in the accompanying Statement of Revenues, Expenses, and Changes in Fund Balances.

8. LOAN PAYABLE

In December 2019, the Association signed a 20-year loan and security agreement with Popular Bank for \$1,150,000 to finance the purchase of the clubhouse, at an annual interest rate of 4.60%. The agreement requires equal monthly principal and interest payments of \$7,379 beginning February 1, 2020 through January 1, 2040 (the "Maturity date"), when all unpaid principal and interest are due. The loan is secured by the right to collect assessments and assignment of lien rights.

The estimated future loan principal payments for each year through maturity are as follows:

YEAR	PRINCIPAL PAYMENT
2025	\$ 45,449
2026	47,584
2027	49,820
2028	52,161
2029	54,611
THEREAFTER	708,047
TOTAL	<u>\$ 957,672</u>

For the current year ended, the Association recorded \$88,552 of loan payments consisting of \$42,673 of principal and \$45,879 of interest. As of December 31, 2024, the Association had an outstanding loan balance of \$957,672 as reflected in the accompanying Balance Sheet of the Association.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2024

9. MASTER ASSOCIATION

The Association is located within Mainlands Master Association, Inc. (the "Master Association"), an entity, which presently and since its inception, has been responsible for the operation and maintenance of the common property of its members. Each member of the Association is required to be a member of the Master Association.

The Association is responsible to pay all Master Association Dues, on behalf of its members, to the Master Association on time and in full regardless of whether the Association received the full amount of dues from its members. Any collection proceedings for a members' failure to pay Master Assessments is the sole responsibility of the Association. During the year ending December 31, 2024, the Association remitted \$117,710 to the Master Association for its members' assessments.

10. COMMITMENTS

The Association has various contract services to maintain the common property including cable television service, common area landscaping, lawn service, pool service, trash service, pest control, and an obligation to the Master Association as a result of mandatory membership. These contracts have different expiration dates and renewal terms.

11. CONTINGENCIES

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. As of the date of this report, management believes that there are no claims or complaints of which it is currently aware that will materially affect its business, financial position, or future operating results.

SUPPLEMENTARY INFORMATION

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**December 31, 2024
(Unaudited)**

The Association conducted an independent reserve study in February 2022 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following presents significant information about the components of common property:

COMPONENTS	ESTIMATED REMAINING USEFUL LIVES (IN YEARS)	ESTIMATED CURRENT REPLACEMENT COSTS	2025 FUNDING REQUIREMENT
House / Roof Painting / Cleaning	1 - 9	\$ 914,355	\$ 147,174
Master Paving	1	177,610	33,554
Street Repair	5	281,479	17,901
Sidewalks / Curbs Repair	1	93,800	73,435
Roof Repair / Replace	1 - 23	6,848,200	1,359,510
Recreation Area	1 - 30	318,962	12,299
Pool Resurfacing & Equipment	3 - 20	66,148	5,787
Landscape Sod	1	10,000	10,000
Seawall	3	67,500	4,727
Exterior Home Repair / Replace	1	14,600	14,556
Sewer	13	1,001,442	63,581
Water	13	914,154	63,403
Sprinkler / Irrigation	1	40,000	40,000
Storm Drains	1	5,000	5,000
TOTAL		\$ 10,753,250	\$ 1,850,927

The approved budget for 2025 includes \$940,714 of funding for future major repairs and replacements.

See independent auditors' report.

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2024

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>REVENUES:</u>			
Member Assessments	\$ 1,080,911	\$ 1,082,380	\$ (1,469)
Credit Loss Expense	-	(3,000)	(3,000)
Interest Income	73	-	73
Owner Interest Income	105	-	105
Late Fees	2,155	-	2,155
Legal Fees	1,165	-	1,165
Cable Income	15,885	-	15,885
Miscellaneous Income	5,210	-	5,210
Total Revenues	<u>1,105,504</u>	<u>1,079,380</u>	<u>20,124</u>
<u>EXPENSES:</u>			
<u>INSURANCE</u>			
Insurance - General	35,752	33,623	(2,129)
TOTAL INSURANCE	<u>35,752</u>	<u>33,623</u>	<u>(2,129)</u>
<u>ADMINISTRATIVE</u>			
Bank Charges	-	300	300
Legal and Professional Fees	6,460	8,000	1,540
Audit Fees	6,300	6,920	620
Taxes-Corp Annual	62	122	60
Taxes-Condo Fee	1,412	1,412	-
Taxes-Pool Permit	300	300	-
Taxes-Federal Income	10,345	2,500	(7,845)
Admin Expenses-General/Office	4,755	3,750	(1,005)
TOTAL ADMINISTRATIVE	<u>29,634</u>	<u>23,304</u>	<u>(6,330)</u>
<u>CLUBHOUSE MORTGAGE</u>			
Clubhouse Mortgage - Capital Transfer	42,673	42,673	-
Clubhouse Mortgage - Interest	45,879	45,879	-
TOTAL CLUBHOUSE MORTGAGE	<u>88,552</u>	<u>88,552</u>	<u>-</u>

**MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE
ASSOCIATION, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2024

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>EXPENSES (Continued):</u>			
<u>MASTER ASSOCIATION FEES</u>			
Master Association Fees	117,710	117,710	-
<u>TOTAL MASTER ASSOCIATION FEES</u>	<u>117,710</u>	<u>117,710</u>	<u>-</u>
<u>PAYROLL</u>			
Salaries / Payroll Expense	20,823	30,828	10,005
<u>TOTAL PAYROLL</u>	<u>20,823</u>	<u>30,828</u>	<u>10,005</u>
<u>REPAIRS AND MAINTENANCE</u>			
R&M - Rec Area	28,060	14,363	(13,697)
R&M - Gate Project	-	50	50
Pool Service-General	10,512	8,938	(1,574)
Operating Contingency	415	5,000	4,585
<u>TOTAL REPAIRS AND MAINTENANCE</u>	<u>38,987</u>	<u>28,351</u>	<u>(10,636)</u>
<u>UTILITIES</u>			
Electric	27,594	28,944	1,350
Electric - Pool Heating	13,568	13,483	(85)
Telephone	530	480	(50)
Sewer Water & Trash - General	337,718	355,240	17,522
Reclaimed Water	18,750	24,376	5,626
<u>TOTAL UTILITIES</u>	<u>398,160</u>	<u>422,523</u>	<u>24,363</u>
<u>CONTRACTS</u>			
Grounds - Lawn Maintenance	126,207	116,335	(9,872)
Cable TV	233,111	218,154	(14,957)
<u>TOTAL CONTRACTS</u>	<u>359,318</u>	<u>334,489</u>	<u>(24,829)</u>
Total Operating Expenses	<u>1,088,936</u>	<u>1,079,380</u>	<u>(9,556)</u>
Excess Operating Revenues	<u>\$ 16,568</u>	<u>\$ -</u>	<u>\$ 16,568</u>

MAINLANDS OF TAMARAC BY THE GULF UNIT NO. THREE ASSOCIATION, INC.			
PROPOSED ADJUSTING JOURNAL ENTRIES December 31, 2024			
	CLIENT ACCOUNT NUMBER	DEBIT	CREDIT
1.1			
FUND BALANCE	4999-000	\$111,941	
ACCUMULATED DEPRECIATION	1890-000		\$30,288
FUND BALANCE - FIXED ASSETS	NEW		81,653
<i>[To reconcile beginning fund balance - fixed asset]</i>			
1.2			
FUND BALANCE	4999-000	3,259	
RESERVE INTEREST	3080-000		3,259
<i>[To reconcile beginning fund balance - operating][Do not post]</i>			
2			
ACCOUNTS PAYABLE	2010-000	6,358	
INCOME TAX PAYABLE	2125-000	9,282	
FUND BALANCE - UTILITIES	4999-000		2,358
FUND BALANCE - ADMINISTRATIVE	4999-000		13,282
<i>[To adjust prior year (2023) expenses recorded and paid in the current year]</i>			
3			
FUND BALANCE - ADMINISTRATIVE	4999-000	6,300	
ACCRUED EXPENSE	2010-000		6,300
<i>[To accrue 2024 audit fee]</i>			
4			
FUND BALANCE - CONTRACTS	4999-000	15,885	
FUND BALANCE - CABLE INCOME	4999-000		15,885
<i>[To reclassify cable income out of cable expenses][Do not post]</i>			
5			
FUND BALANCE - INSURANCE	4999-000	10,393	
PREPAID INSURANCE	1410-000		10,393
<i>[To adjust prepaid insurance and insurance expense]</i>			
6			
FUND BALANCE - FIXED ASSETS - DEPRECIATION	NEW	29,248	
ACCUMULATED DEPRECIATION	1890-000		29,248
<i>[To record current year depreciation expense]</i>			
7			
INTEREST RECEIVABLE	1092-000	7,520	
RESERVE INTEREST	3080-000		7,520
<i>[To record accrued interest income on Certificates of Deposit (CDs)]</i>			
8			
FUND BALANCE - ADMINISTRATIVE	4999-000	6,022	
PREPAID TAX	1430-000		2,814
INCOME TAX PAYABLE	2125-000		3,208
<i>[To accrue 2024 estimated taxes]</i>			
9			
FUND BALANCE - CLUBHOUSE MORTGAGE	4999-000	42,673	
FUND BALANCE - FIXED ASSET - CLUBHOUSE / OWNER CONTRIBUTION	NEW		42,673
<i>[To capitalize owner contribution related to clubhouse loan principal payments]</i>			
10			
FUND BALANCE - UTILITIES - ELECTRIC	4999-000	2,237	
FUND BALANCE - UTILITIES - SEWER WATER & TRASH	4999-000	28,996	
FUND BALANCE - UTILITIES - RECLAIMED WATER	4999-000	2,470	
ACCRUED EXPENSE	2010-000		33,703
<i>[To accrue 2024 expenses paid in 2025]</i>			
		\$282,584	\$282,584