

**ANCLOTE RESERVE HOMEOWNERS  
ASSOCIATION INC.**

**REPORT FOR THE YEAR ENDED**

**DECEMBER 31, 2025**

**March & McMillin, CPAs, PLLC**

*CPA Services for Condominium & Homeowner Associations*

[www.marchandmcmillin.com](http://www.marchandmcmillin.com)

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**

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# MARCH & McMILLIN, CPAs, PLLC

*CPA services for Condominium & Homeowner Associations*

W. Thomas March, CPA

Thomas McMillin, CPA

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Anclote Reserve Homeowners Association Inc.

Management is responsible for the accompanying financial statements of Anclote Reserve Homeowners Association Inc. (the "Association"), which comprise the balance sheet as of December 31, 2025, and the related statements of revenues and expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

### ***Supplementary Information***

The schedule of revenues and the schedule of expenses are presented only for supplementary analysis purposes. Such information has not been subjected to any procedures, and we express no opinion or any other form of assurance on them.

### ***Required Supplementary Information***

The Association has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

*March & McMillin, CPAs, PLLC*

March 4, 2026

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2025**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 47,757	\$ 206,605	\$ 254,362
Accounts Receivable	16,064		16,064
Deposits	797		797
Prepaid Insurance	9,281		9,281
<b>TOTAL ASSETS</b>	<b><u>\$ 73,899</u></b>	<b><u>\$ 206,605</u></b>	<b><u>\$ 280,504</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>			
Prepaid Assessments	<u>\$ 10,580</u>		<u>\$ 10,580</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 10,580</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,580</u></b>
 <b>FUND BALANCE</b>	 <b><u>\$ 63,319</u></b>	 <b><u>\$ 206,605</u></b>	 <b><u>\$ 269,924</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <b><u>\$ 73,899</u></b>	 <b><u>\$ 206,605</u></b>	 <b><u>\$ 280,504</u></b>

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
REVENUES	<u>\$ 139,209</u>	<u>\$ 90,722</u>	<u>\$ 229,931</u>
EXPENSES			
Maintenance and Repair	\$ 66,404		\$ 66,404
Utilities	23,747		23,747
Administrative	44,510		44,510
Reserves		\$ 4,832	4,832
TOTAL EXPENSES	<u>\$ 134,661</u>	<u>\$ 4,832</u>	<u>\$ 139,493</u>
EXCESS REVENUES OVER (UNDER) EXPENSES	\$ 4,548	\$ 85,890	\$ 90,438
FUND BALANCE - Beginning	<u>58,771</u>	<u>120,715</u>	<u>179,486</u>
FUND BALANCE - Ending	<u><u>\$ 63,319</u></u>	<u><u>\$ 206,605</u></u>	<u><u>\$ 269,924</u></u>

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Cash flows from operating activities:	Operating Fund	Reserve Fund	Total
Net excess of revenues (expenses)	\$ 4,548	\$ 85,890	\$ 90,438
Adjustments to reconcile excess of revenues over expenses to net cash used by operating activities:			
(Increase) decrease in:			
Accounts Receivable, net	(13,768)		(13,768)
Deposits	(797)		(797)
Prepaid Insurance	3,234		3,234
Increase (decrease) in:			
Prepaid Assessments	3,044		3,044
Accounts Payable	(4,676)		(4,676)
Net cash provided (used) by operating activities	\$ (8,415)	\$ 85,890	\$ 77,475
Cash flows from investing activities:	-	-	-
Cash flows from financing activities:	-	-	-
Net increase (decrease) in cash	\$ (8,415)	\$ 85,890	\$ 77,475
Cash, beginning of year	56,172	120,715	176,887
Cash, end of year	<u>\$ 47,757</u>	<u>\$ 206,605</u>	<u>\$ 254,362</u>
Supplemental Cash Flow Information:			
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Paid for Income Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1: NATURE OF ORGANIZATION**

Anclote Reserve Homeowners Association Inc. (the "Association") is a nonprofit association incorporated under the laws of the State of Florida and operated to perform those services normally associated with common interest realty associations, which includes preserving and maintaining the common property of the Association. The Association consists of 162 units and is located in Odessa, Florida.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Member Assessments

Association members are subject to regular assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from members, while assessments received in advance represent future months' fees paid in advance by members. The Association's policy is to retain legal counsel and place liens or foreclose on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in future years.

Property and Equipment

The Association records and depreciates only personal property assets to which the association has title. Common property of the Association is not recognized as property and equipment for depreciation.

Basis of Accounting

This financial report is prepared on the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Assessments paid by members in advance are deferred and recognized as revenue when earned.

Fund Accounting

The Association uses fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

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

Income Tax

The Association may, at its election, be taxed as a regular corporation or a community association. This election is made yearly. For the current year, the Association was taxed as a community association. The Association's federal tax return is subject to audit by the Internal Revenue Service. The tax returns for the current and prior two fiscal years remain open for examination by the IRS. In evaluating the Association's tax positions and accruals, the Association believes that its estimates are appropriate, based on the current facts and circumstances.

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 4, 2026, which is the date that the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Interest Earned

The Association's policy is for interest to remain in the fund in which it is earned.

**NOTE 3: CONCENTRATION OF CREDIT RISK**

The Association's annual assessment revenue is subject to significant concentration of credit risk, given that the revenue is received primarily within a small geographic area. The financial instruments that potentially subject the Association to credit risk consist principally of assessments receivable, the majority of which contain provisions for recovery by placing liens on real property and through legal judgments. In the event that the owners did not comply with the terms of the Covenant, Conditions and Restrictions and collection efforts by the Association were unsuccessful, the Association could incur a loss equal to the amount due.

**NOTE 4: REVENUE RECOGNITION**

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). The new guidance established the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The Association does not believe that the performance obligation relating to the reserve fund meets the required contractual liability obligations necessary to implement ASC 606.

**NOTE 5: FUNDED RESERVES**

The Association requires funds to be accumulated for future repairs and replacements. These funds are held primarily in interest-bearing accounts. The Association has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. These reserve funds may not be adequate for the required major repairs and replacements. The Association may need to borrow, increase maintenance assessments or delay repairs and replacements until funds are available.

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 5: FUNDED RESERVES (continued)**

*The budget of the association provides for limited voluntary deferred expenditure accounts, including capital expenditures and deferred maintenance, subject to limits on funding contained in our governing documents. Because the owners have not elected to provide for reserve accounts pursuant to section 720.303(6), Florida statutes, these funds are not subject to the restrictions on use of such funds set forth in that statute, nor are reserves calculated in accordance with that statute.*

Fund Balance designated for future major repairs and replacements has been allocated by the Board of Directors to the components of common property as follows:

Components	Balance January 1, 2025	Funding During the Year	Charges to Fund	Other	Balance December 31, 2025
Streets/Walks	\$ 93,767				\$ 93,767
Deferred Maintenance		\$ 87,000	\$ (4,832)		82,168
Gates	14,092				14,092
Mailboxes	9,987				9,987
Interest	2,869	3,722			6,591
Total	<u>\$ 120,715</u>	<u>\$ 90,722</u>	<u>\$ (4,832)</u>	<u>\$ -</u>	<u>\$ 206,605</u>

SUPPLEMENTARY INFORMATION

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Operating Fund	Reserve Fund	Total
Regular Assessments	\$ 137,467	\$ 87,000	\$ 224,467
Late Fees	600		600
Gate Card Members	640		640
Pre Lien	185		185
Transmitters	280		280
Interest	37	3,722	3,759
TOTAL REVENUES	<u>\$ 139,209</u>	<u>\$ 90,722</u>	<u>\$ 229,931</u>

**ANCLOTE RESERVE HOMEOWNERS ASSOCIATION INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
MAINTENANCE AND REPAIR			
General Repair and Maintenance	\$ 5,210		\$ 5,210
Security - Gate Maintenance	13,701		13,701
Grounds Maintenance	27,673		27,673
Landscape	19,570		19,570
Irrigation	250		250
TOTAL MAINTENANCE AND REPAIR	<u>\$ 66,404</u>		<u>\$ 66,404</u>
UTILITIES			
Electric	\$ 904		\$ 904
Electric - Street Lights	20,990		20,990
Water/Sewer	1,634		1,634
Unbudgeted Internet	219		219
TOTAL UTILITIES	<u>\$ 23,747</u>	<u>\$ -</u>	<u>\$ 23,747</u>
ADMINISTRATIVE			
Management Fee	\$ 14,665		\$ 14,665
Office Supplies	2,162		2,162
CPA Services	100		100
Administrative - Miscellaneous	2,134		2,134
Postage	200		200
Legal and Professional	9,248		9,248
Administrative 45 Day Pre Lien	170		170
Insurance - General	14,341		14,341
Social Events	1,490		1,490
TOTAL ADMINISTRATIVE	<u>\$ 44,510</u>	<u>\$ -</u>	<u>\$ 44,510</u>
RESERVES			
Deferred Maintenance		\$ 4,832	\$ 4,832
TOTAL RESERVES	<u>\$ -</u>	<u>\$ 4,832</u>	<u>\$ 4,832</u>
TOTAL EXPENSES	<u>\$ 134,661</u>	<u>\$ 4,832</u>	<u>\$ 139,493</u>