THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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To the Board of Directors and Management of
The Hamptons at Brandon Condominium Association, Inc.

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of The Hamptons at Brandon Condominium Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2025, 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 the Association as of December 31, 2025, 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 the Association 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 the notes, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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, including omissions, 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 the Association'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 the Association'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 information about Future Major Repairs and Replacements of common property on page 13 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Budget to Actual Expenditures – Operating Fund on page 14, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the 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.

Hamilton & Associates CPA, LLC

Brandon, Florida
May 18, 2026

THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2025

ASSETS

	Operating Fund	Replacement Fund	Total
Cash	$ 183,028	$ 181,010	$ 364,038
Assessments receivable, net	20,964	-	20,964
Property and equipment, net	49,104	-	49,104
Foreclosed units	62,887	-	62,887
Total Assets	$ 315,983	$ 181,010	$ 496,993

LIABILITIES AND FUND BALANCES

	Operating Fund	Replacement Fund	Total
Accounts payable	$ 38,307	$ -	$ 38,307
Accrued expenses	19,915	-	19,915
Prepaid assessments	25,711	-	25,711
Refundable deposits	157,526	-	157,526
Contract liabilities	-	181,010	181,010
Total Liabilities	241,459	181,010	422,469
Fund Balances	74,524	-	74,524
Total Liabilities and Fund Balances	$ 315,983	$ 181,010	$ 496,993

THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Replacement Fund	Total
Revenues			
Member assessments	$ 844,625	$ 147,114	$ 991,739
Special assessments	213,043	-	213,043
Interest income	87	4,702	4,789
Other income	33,047	-	33,047
Late fees	2,056	-	2,056
Rental income	16,050	-	16,050
Insurance proceeds	60	-	60
Total revenues	1,108,968	151,816	1,260,784
Expenses			
General and administrative	48,963	-	48,963
Payroll and benefits	266,283	-	266,283
Professional	61,754	-	61,754
Repairs and replacements	1,107,527	157,357	1,264,884
Depreciation	6,664	-	6,664
Landscaping and grounds	86,208	-	86,208
Security	10,673	-	10,673
Recreational	19,748	-	19,748
Insurance	274,580	-	274,580
Health insurance	10,514	-	10,514
Utilities	116,762	-	116,762
Interest	71	-	71
Foreclosed unit expenses	1,219	-	1,219
Total expenses	2,010,966	157,357	2,168,323
Deficiency of revenues over expenses	(901,998)	(5,541)	(907,539)
Fund Balances, beginning of year	976,522	5,541	982,063
Fund Balances, end of year	$ 74,524	$ -	$ 74,524

THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficiency of revenues over expenses	$ (901,998)	$ (5,541)	$ (907,539)
Adjustments to reconcile deficiency of revenues over expenses to net cash provided by operating activities:			
Depreciation	6,663	-	6,663
(Increase) decrease in:			
Assessments receivable	(8,589)	-	(8,589)
Increase (decrease) in:			
Accounts payable and accrued expenses	(5,761)	-	(5,761)
Prepaid assessments	6,932	-	6,932
Security deposits	130,277	-	130,277
Contract liabilities (Assessments received in advance-replacement fund)	-	(55,012)	(55,012)
Net cash used in operating activities	(772,476)	(60,553)	(833,029)
NET DECREASE IN CASH	(772,476)	(60,553)	(833,029)
CASH, BEGINNING OF YEAR	955,504	241,563	1,197,067
CASH, END OF YEAR	$ 183,028	$ 181,010	$ 364,038

NOTE 1- NATURE OF OPERATIONS

The Hamptons at Brandon Condominium Association, Inc. (the "Association"), located in Brandon, Florida was incorporated on February 23, 2006. The Association, which operates under Chapter 718, Florida Statutes, is responsible for the maintenance, preservation, and architectural control of common property within the development. The development consists of 204 units, ranging from one-bedroom to three-bedroom units.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Association's significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

Basis of Presentation

The accompanying financial statements include the assets, liabilities, fund balances, revenue, and expenses as determined using the accrual basis of accounting. Income is thereby recognized in the period in which the right to receive such income is established, not necessarily, when it is received, and expenses are recognized in the period in which they are incurred, not necessarily when they are paid.

Fund Accounting

The Association's governing documents provide certain guidelines for carrying out its financial activities. To ensure observance of limitations and restrictions on the uses 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, and special assessments.

Member Assessments

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.

Assessments receivable at the balance sheet date represent fees due from unit owners and are stated at the amounts expected to be collected. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are seriously delinquent. An assessment receivable is considered past due if any portion of the receivable balance is outstanding for more than one month. A late fee is charged on assessments receivable that are outstanding for more than one month and is recognized as income as it is charged.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Member Assessments - Continued

The Association establishes an allowance for doubtful assessments, based on past experience and susceptibility to factors outside the Association's control. Assessments receivable are written off when deemed uncollectible. Recoveries of assessments receivable previously written off are recorded as income when received. An assessment receivable is considered past due if any portion of the receivable balance is outstanding for more than thirty days. Late fees in the amount of $25 are charged on past due assessments receivable and recognized as income when charged. The balances of assessments receivable, as of the beginning and end of the year, were $12,375 and $20,964. No allowance was recorded as of the beginning and ending of the year.

Assessments to unit owners are based on the size of the units within the Association as follows:

# of Units	Unit Type	Annual Assessment	Monthly Assessment	Per Unit
8	Sail	$ 26,607	$ 2,217	$ 277
180	Harbor	820,808	68,401	380
16	Landing	95,422	7,952	497
204		$ 942,836	$ 78,570	$ 1,154

The assessments in the above table include the reserve allocation which amounted to approximately 9% of the annual assessment. The annual budget and assessments are determined by the Association’s Board of Directors. Any excess assessments at year end are retained by the Association for use in future operating periods.

Cash

For purposes of the Statements of Cash Flows, cash is defined as demand deposits and money market accounts held with financial institutions. The Association maintains its cash in checking and savings accounts. Separate cash bank accounts are maintained for each fund.

Property and Equipment

In accordance with ASC Subtopic 972-360, *Real Estate – Common Interest Realty Associations – Property, Plant and Equipment”,* the Association capitalizes all property and equipment to which it has title or other evidence of ownership, with the exception of real property directly associated with the units. Common property not directly associated with the units consist of buildings, roads, parking areas, pools, landscaping, fencing, and recreational areas and facilities. These items are not capitalized, as they do not meet the capitalization criteria.

The Association holds title to certain equipment and furnishings used in recreational areas, and in performance of its daily operations. These items are recorded at historical cost and depreciated over their estimated useful lives over the straight-line method, as follows:

Golf Carts	7 years
Pool Furniture	5 years
Fitness Equipment	7 years
Playground	25 years

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At December 31, 2025, property and equipment consisted of the following:

Golf Carts	$	9,725
Pool Furniture		4,013
Playground		56,306
Fitness Center Equipment		18,511
Computers		3,720
Total property and equipment		92,275
Less: Accumulated depreciation		(43,171)
Property and equipment, net	$	49,104

Contract Liabilities (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 and special assessments. Contract liabilities consist of funds collected for future major repairs and replacements and special assessments. During the current year, the Association assessed and received $99,167 toward the replacement fund. The balances of contract liabilities as of the beginning and end of the year are $241,563 and $181,010, respectively.

Interest Income

The Association recognizes interest income on the operating fund and the reserve fund when earned. The Association's policy is to account for fund expenditures using fund interest income before fund assessment income.

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. Actual results could differ from those estimates.

Date of Management’s Review

Management has evaluated subsequent events through May 18, 2026, the date on which the financial statements were available to be issued and found no significant events requiring disclosure.

NOTE 3 - INCOME TAXES

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2025. Under Section 528, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Non-exempt income, which consists generally of all other income not received by pro-rata assessments of the association members, such as rental income, is fully taxable to the extent such net income exceeds $100. Net revenues from Homeowner associations filing under Section 528 are exempt from State of Florida Corporate income taxes.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Association has entered into various agreements with vendors to maintain the common property. These agreements are of differing expiration dates and renewal terms and are generally cancellable upon 30-days written notice.

Insurance Proceeds from Fire Damage

In April of 2024, the common property of the Association and the individual units within the common property, sustained significant damages as the result of a fire. Building 20 was determined to be a total loss and Building 19 sustained significant damage. As a result, the Association received a total of $1,367,120 in insurance proceeds. The Association has contracted with a third-party, Regency DRT, to repair and restore the damages sustained. The total contractual amount due to Regency DRT is $1,439,229. Repair work began in October 2024, whereupon $287,845 was paid as an initial deposit representing 20% of the Contract Sum. In 2025, the Association paid $1,155,089. Remaining construction work to be completed approximated $478,000.

Construction Loan Commitment

The Association has been approved for a construction loan with a financial institution to fund future construction activities. As of December 31, 2025, the Association had not requested or received any proceeds from this loan, and no amounts were outstanding under the loan agreement.

Under the terms of the loan arrangement, the Association is required to submit contractor invoices to the bank as construction costs are incurred. Upon approval of the invoices, the bank will disburse loan proceeds to the Association, which will then be used to pay the contractor. As of December 31, 2025, no invoices had been submitted and no loan proceeds had been disbursed. Accordingly, no loan payable or related obligation has been recorded in the accompanying financial statements as of December 31, 2025.

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association’s governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds, which aggregate $181,010 are presented on the accompanying balance sheet as a contract liability (assessments received in advance – replacement fund) at December 31, 2025 are held in separate accounts and are generally not available for operating purposes.

The Association has not conducted a formal independent study to estimate the remaining useful lives and the current replacement costs of the components of common property. Current estimates are based on available industry information and the Board’s knowledge and experience with the property.

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS- Continued

The Association is funding such major repairs and replacements over the estimated useful lives of the components. 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, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available. The table included in the compiled supplementary information on Future Major Repairs and Replacements is based on the Board's estimates.

NOTE 6 – FORECLOSED UNITS

Foreclosed units consist of units acquired through, or in-lieu-of foreclosure proceedings. Foreclosed units are carried at the lower of the cost basis or fair value less estimated selling costs at acquisition date.

Foreclosed units consisted of the following at December 31, 2025:

Unit Number	Cost	Estimated costs to sell	Improvements / Increase in Market Value	Carrying Value
1-648	$ 45,718	$ (4,572)	21,741	$ 62,887

The Association is responsible for maintaining the above units. The Association currently has an agreement to rent Unit 1-648 at a monthly amount of $1,250. Total rental income received during the year was $16,050 and is included in other income in the statement of revenues, expenses, and changes in fund balance.

NOTE 7 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of bank deposits and assessments receivable.

The Association maintains all of its bank deposits with Regions Bank. The balances of deposit accounts may, at times, exceed Federal Deposit Insurance Corporation (FDIC) limits of $250,000. At December 31, 2025 total cash balances exceeded FDIC limits by $39,900. The Association has not experienced any losses on such accounts and does not believe it is exposed to any significant risk of loss on bank deposit accounts.

The Association's primary source of income is assessments paid by owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are ninety days or more delinquent. Interest is charged on past due accounts in accordance with the Association's covenants. The Association has the ability to foreclose on units. Should the collection of such liens be enforced by the sale of the unit, the collectability of the receivable is dependent on the quick sale market value of the unit, and the amount of any such other liens which have priority. Market values may be influenced by the real estate market in Tampa, Florida.

NOTE 8 – SPECIAL ASSESSMENT

The Board of Directors of the Association approved a special assessment at the October 30, 2025 board meeting for a total of $584,567. The purpose of the special assessment is to fund the remaining construction work at Building 20 and repay the corresponding bank loan plus accrued interest. The Association was approved for a 5-year loan in the amount of $478,000 with Regions Bank to cover the cost of the remaining work. Interest on the loan is due at an annual rate of 8.75%.

The Special Assessment is payable over 60 months. Association members were given the option of paying the special assessment via a lump sum payment due by December 31, 2025, or via a 60-month repayment plan, with the first installment due December 31, 2025. The 60-month repayment schedule was levied by unit type as follows:

Unit Type	Monthly	Total
Unit A	$34.82	$2,089.20
Unit B	$47.74	$2,864.40
Unit C	$62.44	$3,746.40

For those members electing to pay in full, the assessment shall be paid in full as follows:

Unit Type	Total
Unit A	$1,687.34
Unit B	$2,313.52
Unit C	$3,025.74

As of December 31, 2025, a total of $213,043 of the special assessment was collected from members.

SUPPLEMENTARY INFORMATION

THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
AS OF DECEMBER 31, 2025

On an annual basis, the Association's Board of Directors evaluates the estimated replacement costs and useful lives of the components of common property. Replacement costs were based on the Board's estimated costs to repair or replace the various components at future dates. Estimated current replacement costs do not take into account the effects of inflation or interest rates.

The following data was provided by the Board of Directors and presents significant information about the components of common property.

Component	Estimated Life (in Years)	Estimated Remaining Life (in Years)	Estimated Replacement Cost	Annual Funding Requirement
Painting	15	3	$ 200,000	$ 66,667
Paving	10	8	110,000	11,500
Playground	25	24	40,000	1,000
Roof	30	25	500,000	19,000
Tennis Court	30	28	70,000	1,000
			$ 920,000	$ 99,167

The Association has accumulated reserve funds for future major repairs and replacements totaling $181,010. The Association's Board of Directors is using the pooling method to accumulate these funds, and accordingly, has not designated the funds to individual components.

THE HAMPTONS AT BRANDON CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF BUDGET TO ACTUAL EXPENDITURES – OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	(Under) / Over Budget
Revenues			
Member assessments	$ 942,836	$ 844,625	$ (98,211)
Special assessments	-	213,043	213,043
Interest income	-	87	87
Other income	-	33,047	33,047
Late fees	-	2,056	2,056
Owner contributions	-	-	-
Rental income	-	16,050	16,050
Insurance proceeds	-	60	60
Total revenues	942,836	1,108,968	166,132

	Budget	Actual	Under / (Over) Budget
Expenses			
General and administrative	29,680	48,963	(19,283)
Payroll and benefits	230,500	266,283	(35,783)
Professional	11,000	61,754	(50,754)
Repairs and replacements	61,400	1,107,527	(1,046,127)
Depreciation	-	6,664	(6,664)
Landscaping and grounds	58,200	86,208	(28,008)
Security	8,885	10,673	(1,788)
Recreational	20,320	19,748	572
Insurance	339,200	274,580	64,620
Health insurance	11,000	10,514	486
Utilities	84,006	116,762	(32,756)
Foreclosed unit expenses	-	1,219	(1,219)
Total expenses	854,191	2,010,966	(1,156,775)
Reserve Allocations	63,813	-	63,813
Deficiency of revenues over expenses	$ 24,832	$ (901,998)	$ (926,830)