

SEACOAST MANAGEMENT, INC.
FINANCIAL STATEMENTS

DECEMBER 31, 2022

C M LYBRAND & CO, LLC – NEW SMYRNA BEACH, FL

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April 30, 2023

To the Board of Directors
SEA COAST MANAGEMENT, INC.
4155 S. Atlantic Avenue
New Smyrna Beach, FL 32169

We have prepared the accompanying Balance Sheet of Sea Coast Management, Inc. as of December 31, 2022 and the related Statements of Income and Cash Flow. These financial statements reflect information that is the representation of management.

We have included a summary of the significant, but not all underlying accounting principles under which these statements were prepared. The supplementary information about future repairs and replacements and restricted funds and expenses - budget and actual are not a required part of these financial statements, but is supplementary information required by Florida Condominium Statutes. We have prepared the supplementary information from representations by the Board of Directors and Management.

Sincerely,



C.M. Lybrand

Sea Coast Management Inc
Balance Sheet

As of December 31, 2022

Accrual Basis

	<u>Dec 31, 22</u>	<u>Dec 31, 21</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
1200 - Reserve Acct 3370388690	74,696.89	306,005.11	-231,308.22
1210 - Spec Assessment Checking	35,095.69	0.00	35,095.69
Petty Cash	550.00	250.00	300.00
1100 - Wells Fargo-checking	23,990.52	17,033.46	6,957.06
Total Checking/Savings	<u>134,333.10</u>	<u>323,288.57</u>	<u>-188,955.47</u>
Accounts Receivable			
1200 - Accounts Receivable	5,325.49	709.02	4,616.47
1220 - Special Assessment Receivable	80.69	0.00	80.69
Total Accounts Receivable	<u>5,406.18</u>	<u>709.02</u>	<u>4,697.16</u>
Other Current Assets			
2750 - Due From Rental	4,774.40	6,762.39	-1,987.99
Due from Reserves	24,180.15	7,485.04	16,695.11
Due to Reserve from Operating	15,800.00	3,158.33	12,641.67
Prepaid Expense	0.00	600.00	-600.00
Prepaid Federal Tax	1,023.00	1,023.00	0.00
Prepaid Insurance	14,857.26	29,468.84	-14,611.58
2752 - Due From Owners	1,269.86	0.00	1,269.86
Total Other Current Assets	<u>61,904.67</u>	<u>48,497.60</u>	<u>13,407.07</u>
Total Current Assets	<u>201,643.95</u>	<u>372,495.19</u>	<u>-170,851.24</u>
Other Assets			
2900 - Refundable Deposits	1,275.00	1,275.00	0.00
Total Other Assets	<u>1,275.00</u>	<u>1,275.00</u>	<u>0.00</u>
TOTAL ASSETS	<u>202,918.95</u>	<u>373,770.19</u>	<u>-170,851.24</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 - Accounts Payable	12,264.61	17,172.05	-4,907.44
Total Accounts Payable	<u>12,264.61</u>	<u>17,172.05</u>	<u>-4,907.44</u>
Credit Cards			
Visa #4849	2,130.43	0.00	2,130.43
Total Credit Cards	<u>2,130.43</u>	<u>0.00</u>	<u>2,130.43</u>
Other Current Liabilities			
Due from Association to Rental	2,176.72	2,176.72	0.00
Due to Operating from Reserve	24,180.15	7,485.04	16,695.11
Due to Reserve Acct	15,800.00	3,158.33	12,641.67
Prepaid Maintenance Fees	4,219.81	515.74	3,704.07
Prepaid Special Assessment 2023	11,000.00	0.00	11,000.00
2100 - 3000 - Payroll Liabilities	1,850.64	1,606.54	244.10
4003 - Special Assessment Liability	24,176.38	0.00	24,176.38

Sea Coast Management Inc
Balance Sheet

Accrual Basis

As of December 31, 2022

	<u>Dec 31, 22</u>	<u>Dec 31, 21</u>	<u>\$ Change</u>
Total Other Current Liabilities	83,403.70	14,942.37	68,461.33
Total Current Liabilities	97,798.74	32,114.42	65,684.32
Total Liabilities	97,798.74	32,114.42	65,684.32
Equity			
4002 - Reserve Fund Balance	66,316.74	301,678.40	-235,361.66
3900 - 4001 - Retained Earnings	39,977.37	41,974.77	-1,997.40
Net Income	-1,173.90	-1,997.40	823.50
Total Equity	105,120.21	341,655.77	-236,535.56
TOTAL LIABILITIES & EQUITY	<u>202,918.95</u>	<u>373,770.19</u>	<u>-170,851.24</u>

Sea Coast Management Inc
Reserve Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>	<u>Dec 31, 21</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
1200 - Reserve Acct 3370388690	74,696.89	306,005.11	-231,308.22
Total Checking/Savings	74,696.89	306,005.11	-231,308.22
Other Current Assets			
Due to Reserve from Operating	15,800.00	3,158.33	12,641.67
Total Other Current Assets	15,800.00	3,158.33	12,641.67
Total Current Assets	90,496.89	309,163.44	-218,666.55
TOTAL ASSETS	<u>90,496.89</u>	<u>309,163.44</u>	<u>-218,666.55</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Due to Operating from Reserve	24,180.15	7,485.04	16,695.11
Total Other Current Liabilities	24,180.15	7,485.04	16,695.11
Total Current Liabilities	24,180.15	7,485.04	16,695.11
Total Liabilities	24,180.15	7,485.04	16,695.11
Equity			
4002 - Reserve Fund Balance	66,316.74	301,678.40	-235,361.66
Total Equity	66,316.74	301,678.40	-235,361.66
TOTAL LIABILITIES & EQUITY	<u>90,496.89</u>	<u>309,163.44</u>	<u>-218,666.55</u>

Sea Coast Management Inc
Special Assessment Sheet
As of December 31, 2022

Accrual Basis

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1210 - Spec Assessment Checking	35,095.69
Total Checking/Savings	35,095.69
Accounts Receivable	
1220 · Special Assessment Receivable	80.69
Total Accounts Receivable	80.69
Total Current Assets	35,176.38
TOTAL ASSETS	<u>35,176.38</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Prepaid Special Assessment 2023	11,000.00
4003 · Special Assessment Liability	24,176.38
Total Other Current Liabilities	35,176.38
Total Current Liabilities	35,176.38
Total Liabilities	35,176.38
TOTAL LIABILITIES & EQUITY	<u>35,176.38</u>

Sea Coast Management Inc
Profit & Loss Budget vs. Actual
 January through December 2022

Accrual Basis

	<u>Jan - Dec 22</u>	<u>Budget</u>	<u>\$ Over Bud...</u>
Ordinary Income/Expense			
Income			
5001 - Maintenance Fees Income	391,300.08	391,302.45	-2.37
5002 - Rental Service Fee Incom	22,145.20	24,151.00	-2,005.80
5004 - Laundry Income	4,739.25	2,500.00	2,239.25
5006-Assessment Revenue	61,530.00		
5100 - Other Income			
5102 - Cash Rebate	39.82		
5110 - Transfer fee	75.00		
5100 - Other Income - Other	8,612.73	2,000.00	6,612.73
Total 5100 - Other Income	<u>8,727.55</u>	<u>2,000.00</u>	<u>6,727.55</u>
5005 · Interest Income			
Operating Interest Earned	5.18	6.00	-0.82
Reserve Interest Earned	53.05		
Total 5005 · Interest Income	<u>58.23</u>	<u>6.00</u>	<u>52.23</u>
5007 · Parking Pass Income	3,075.00		
Total Income	<u>491,575.31</u>	<u>419,959.45</u>	<u>71,615.86</u>
Gross Profit	491,575.31	419,959.45	71,615.86
Expense			
6130 - Insurance Expense			
6131 - Flood Insurance Expense	12,306.78	12,925.00	-618.22
6132 - Property Insurance Exp	61,738.29	76,091.00	-14,352.71
6134 - Workman's Comp Ins Exp	1,188.96	2,500.00	-1,311.04
6142 - Package-GL, Crime, D&O	15,290.83	15,494.72	-203.89
6143 Umbrella	1,288.30	1,291.64	-3.34
Finance Charge Ins Premium	1,533.50		
6130 - Insurance Expense - Other	15.00		
Total 6130 - Insurance Expense	<u>93,361.66</u>	<u>108,302.36</u>	<u>-14,940.70</u>
6150 - Office Expense			
6151 - Cell Phone Expense	1,850.00	1,800.00	50.00
6152 - Computer Expense	2,446.77	1,500.00	946.77
6153 - Office Supplies Expense	10,641.23	2,500.00	8,141.23
6154 - Postage & Delivery Expen	330.70	850.00	-519.30
6155 - Telephone Expense	2,383.19	2,900.00	-516.81
6158 - License & Fees	1,138.70	500.00	638.70
6160 - Bank Service Charge	1.19	50.00	-48.81
6161 - Advertising Expense	341.40		
6162 - Wireless	2,230.42	2,000.00	230.42
6165 - Club House Supplies	0.00	300.00	-300.00
6167 - Board Meeting Expense	123.94	100.00	23.94
Total 6150 - Office Expense	<u>21,487.54</u>	<u>12,500.00</u>	<u>8,987.54</u>
6190 - Professional Services Ex			
6193 - Accounting Fees Expense	2,550.00	2,000.00	550.00
6196 - Guard Service	3,282.34	5,000.00	-1,717.66
6197 · Background Checks	175.00		

Sea Coast Management Inc
Profit & Loss Budget vs. Actual
 January through December 2022

Accrual Basis

	Jan - Dec 22	Budget	\$ Over Bud...
6190 - Professional Services Ex - Other	0.00	1,000.00	-1,000.00
Total 6190 - Professional Services Ex	6,007.34	8,000.00	-1,992.66
6330 - Employee Exp			
6332 - Payroll Expenses	99,889.27	80,530.00	19,359.27
6333 - Social Security Tax Expe	6,522.36	5,282.77	1,239.59
6334 - Medicare Tax Expense	1,525.39	1,240.16	285.23
6335 - State Unemp. Tax (RT-6)	66.58	300.00	-233.42
6336 - Fed U Tax Expense (FUTA)	137.76	492.00	-354.24
6337 - Health Insurance			
6337.10 - Manager	2,655.00	3,600.00	-945.00
6337 - Health Insurance - Other	2,655.00	2,400.00	255.00
Total 6337 - Health Insurance	5,310.00	6,000.00	-690.00
6341-P/T 1099 Expense	8,805.00	6,000.00	2,805.00
Total 6330 - Employee Exp	122,256.36	99,844.93	22,411.43
6400 - Reserve Funding			
6410 - Roof Reserve Funding	15,000.00	15,000.00	0.00
6420 - Bldg. Paint Res Funding	8,520.00	8,520.00	0.00
6430 - Parking Reserve Funding	2,400.00	2,400.00	0.00
6440 - Capital Improvements	12,000.00	12,000.00	0.00
6460 - Reserve Interest	53.05		
Total 6400 - Reserve Funding	37,973.05	37,920.00	53.05
6510 - Maintenance Expense			
6511 - Building Expense	22,439.97	10,000.00	12,439.97
6512 - Grounds Expense			
6512.5 - Parking Lot	181.19		
6512 - Grounds Expense - Other	12,681.35	4,000.00	8,681.35
Total 6512 - Grounds Expense	12,862.54	4,000.00	8,862.54
6513 - Pool Expense			
6513.1 Pool Furniture & Repair	2,875.27	3,000.00	-124.73
6513.5 Pool Service/Chemicals	23,570.15	7,500.00	16,070.15
Total 6513 - Pool Expense	26,445.42	10,500.00	15,945.42
6514 - Maintenance Supplies Exp	3,495.31	1,000.00	2,495.31
6515 - Elevator Expense	24,377.70	7,000.00	17,377.70
6517 - Apt #112 Repairs & Maint	500.00	500.00	0.00
6518 - Gasoline Expense	32.74	200.00	-167.26
6519 - Laundry Repairs	476.31		
6520 - #112 Maintenance fees	5,192.66	3,680.00	1,512.66
6521 - Pool Deck Maintenance	245.00	1,000.00	-755.00
6523 - Club House Expenses	455.00	1,000.00	-545.00
Total 6510 - Maintenance Expense	96,522.65	38,880.00	57,642.65
6550 - Service Expense			
6551 - Cable TV			
6551.1 Cable - Unit 112	587.79		
6551 - Cable TV - Other	66,951.39	63,324.00	3,627.39

Sea Coast Management Inc
Profit & Loss Budget vs. Actual
 January through December 2022

Accrual Basis

	Jan - Dec 22	Budget	\$ Over Bud...
Total 6551 - Cable TV	67,539.18	63,324.00	4,215.18
6552 - Int Exterminator Expense	3,177.60	3,548.00	-370.40
6554 - Fire Alarm Expense	1,547.34	1,134.00	413.34
6555 - Fire Extinguisher Expens	672.65	800.00	-127.35
6556 - Lawn & Tree Care Expense	3,467.66	3,000.00	467.66
Total 6550 - Service Expense	76,404.43	71,806.00	4,598.43
6560 - Utilities			
6561 - Pool, Irrig & St Lgt Exp	2,494.33	11,000.00	-8,505.67
6562 - Elect, Wtr, & Swr Exp	19,668.08	23,000.00	-3,331.92
6563 - Gas Expense	15,844.67	16,000.00	-155.33
6564 - Apt #112 Utilities	664.94	1,500.00	-835.06
Total 6560 - Utilities	38,672.02	51,500.00	-12,827.98
6180 · 6540 - Tax Expense			
6630 · 6542 - Local Taxes	31.48		
Total 6180 · 6540 - Tax Expense	31.48		
Total Expense	492,716.53	428,753.29	63,963.24
Net Ordinary Income	-1,141.22	-8,793.84	7,652.62
Other Income/Expense			
Other Expense			
Bad Debt	32.68		
Total Other Expense	32.68		
Net Other Income	-32.68		
Net Income	<u>-1,173.90</u>	<u>-8,793.84</u>	<u>7,619.94</u>

Sea Coast Management Inc
Profit & Loss
 January through December 2022

Accrual Basis

	Jan - Dec 22	Jan - Dec 21	\$ Change
Ordinary Income/Expense			
Income			
5001 - Maintenance Fees Income	391,300.08	340,263.84	51,036.24
5002 - Rental Service Fee Incom	22,145.20	31,150.00	-9,004.80
5003 - Apartment # 112 Income	0.00	8,119.62	-8,119.62
5004 - Laundry Income	4,739.25	4,672.25	67.00
5006-Assessment Revenue	61,530.00	0.00	61,530.00
5100 - Other Income			
5102 - Cash Rebate	39.82	138.65	-98.83
5110 - Transfer fee	75.00	0.00	75.00
5100 - Other Income - Other	8,612.73	3,822.22	4,790.51
Total 5100 - Other Income	8,727.55	3,960.87	4,766.68
5005 - Interest Income			
Operating Interest Earned	5.18	3.56	1.62
Reserve Interest Earned	53.05	32.50	20.55
Total 5005 - Interest Income	58.23	36.06	22.17
5007 - Parking Pass Income	3,075.00	0.00	3,075.00
Total Income	491,575.31	388,202.64	103,372.67
Gross Profit	491,575.31	388,202.64	103,372.67
Expense			
6130 - Insurance Expense			
6131 - Flood Insurance Expense	12,306.78	11,198.22	1,108.56
6132 - Property Insurance Exp	61,738.29	40,246.18	21,492.11
6134 - Workman's Comp Ins Exp	1,188.96	2,578.81	-1,389.85
6142 - Package-GL, Crime, D&O	15,290.83	12,606.40	2,684.43
6143 Umbrella	1,288.30	1,211.26	77.04
Finance Charge Ins Premium	1,533.50	0.00	1,533.50
6130 - Insurance Expense - Other	15.00	0.00	15.00
Total 6130 - Insurance Expense	93,361.66	67,840.87	25,520.79
6150 - Office Expense			
6151 - Cell Phone Expense	1,850.00	1,450.00	400.00
6152 - Computer Expense	2,446.77	4,805.49	-2,358.72
6153 - Office Supplies Expense	10,641.23	6,019.87	4,621.36
6154 - Postage & Delivery Exp	330.70	614.48	-283.78
6155 - Telephone Expense	2,383.19	2,886.31	-503.12
6158 - License & Fees	1,138.70	1,154.02	-15.32
6160 - Bank Service Charge	1.19	6.50	-5.31
6161 - Advertising Expense	341.40	0.00	341.40
6162 - Wireless	2,230.42	1,888.14	342.28
6165 - Club House Supplies	0.00	32.89	-32.89
6167 - Board Meeting Expense	123.94	283.11	-159.17
Total 6150 - Office Expense	21,487.54	19,140.81	2,346.73

Sea Coast Management Inc

Profit & Loss

January through December 2022

Accrual Basis

	Jan - Dec 22	Jan - Dec 21	\$ Change
6190 - Professional Services Ex			
6193 - Accounting Fees Expense	2,550.00	2,550.00	0.00
6196 - Guard Service	3,282.34	2,741.85	540.49
6197 - Background Checks	175.00	0.00	175.00
6190 - Professional Services Ex - Other	0.00	987.50	-987.50
Total 6190 - Professional Services Ex	6,007.34	6,279.35	-272.01
6330 - Employee Exp			
6332 - Payroll Expenses	99,889.27	80,742.28	19,146.99
6333 - Social Security Tax Expe	6,522.36	5,285.02	1,237.34
6334 - Medicare Tax Expense	1,525.39	1,236.02	289.37
6335 - State Unemp. Tax (RT-6)	66.58	95.84	-29.26
6336 - Fed U Tax Expense (FUTA)	137.76	232.32	-94.56
6337 - Health Insurance			
6337.10 - Manager	2,655.00	1,600.00	1,055.00
6337 - Health Insurance - Other	2,655.00	2,900.00	-245.00
Total 6337 - Health Insurance	5,310.00	4,500.00	810.00
6341-P/T 1099 Expense	8,805.00	9,363.75	-558.75
Total 6330 - Employee Exp	122,256.36	101,455.23	20,801.13
6400 - Reserve Funding			
6410 - Roof Reserve Funding	15,000.00	15,000.00	0.00
6420 - Bldg. Paint Res Funding	8,520.00	8,499.96	20.04
6430 - Parking Reserve Funding	2,400.00	2,400.00	0.00
6440 - Capital Improvements	12,000.00	12,000.00	0.00
6460 - Reserve Interest	53.05	32.50	20.55
Total 6400 - Reserve Funding	37,973.05	37,932.46	40.59
6510 - Maintenance Expense			
6511 - Building Expense	22,439.97	7,059.36	15,380.61
6512 - Grounds Expense			
6512.5 - Parking Lot	181.19	0.00	181.19
6512 - Grounds Expense - Other	12,681.35	5,308.97	7,372.38
Total 6512 - Grounds Expense	12,862.54	5,308.97	7,553.57
6513 - Pool Expense			
6513.1 Pool Furniture & Repair	2,875.27	1,531.74	1,343.53
6513.5 Pool Service/Chemicals	23,570.15	7,572.75	15,997.40
Total 6513 - Pool Expense	26,445.42	9,104.49	17,340.93
6514 - Maintenance Supplies Exp	3,495.31	56.10	3,439.21
6515 - Elevator Expense	24,377.70	14,154.68	10,223.02
6517 - Apt #112 Repairs & Maint	500.00	2,364.00	-1,864.00
6518 - Gasoline Expense	32.74	45.00	-12.26
6519 - Laundry Repairs	476.31	0.00	476.31
6520 - #112 Maintenance fees	5,192.66	3,199.20	1,993.46
6521 - Pool Deck Maintenance	245.00	0.00	245.00
6523 - Club House Expenses	455.00	384.10	70.90
Total 6510 - Maintenance Expense	96,522.65	41,675.90	54,846.75

Sea Coast Management Inc
Profit & Loss
 January through December 2022

Accrual Basis

	<u>Jan - Dec 22</u>	<u>Jan - Dec 21</u>	<u>\$ Change</u>
6550 - Service Expense			
6551 - Cable TV			
6551.1 Cable - Unit 112	587.79	89.98	497.81
6551 - Cable TV - Other	<u>66,951.39</u>	<u>63,121.98</u>	<u>3,829.41</u>
Total 6551 - Cable TV	67,539.18	63,211.96	4,327.22
6552 - Int Exterminator Expense	3,177.60	2,862.40	315.20
6554 - Fire Alarm Expense	1,547.34	1,045.15	502.19
6555 - Fire Extinguisher Expens	672.65	724.20	-51.55
6556 - Lawn & Tree Care Expense	<u>3,467.66</u>	<u>7,335.00</u>	<u>-3,867.34</u>
Total 6550 - Service Expense	76,404.43	75,178.71	1,225.72
6560 - Utilities			
6561 - Pool, Irrig & St Lgt Exp	2,494.33	9,681.29	-7,186.96
6562 - Elect, Wtr, & Swr Exp	19,668.08	19,333.89	334.19
6563 - Gas Expense	15,844.67	11,681.53	4,163.14
6564 - Apt #112 Utilities	<u>664.94</u>	<u>0.00</u>	<u>664.94</u>
Total 6560 - Utilities	38,672.02	40,696.71	-2,024.69
6180 · 6540 - Tax Expense			
6630 · 6542 - Local Taxes	<u>31.48</u>	<u>0.00</u>	<u>31.48</u>
Total 6180 · 6540 - Tax Expense	31.48	0.00	31.48
Total Expense	<u>492,716.53</u>	<u>390,200.04</u>	<u>102,516.49</u>
Net Ordinary Income	-1,141.22	-1,997.40	856.18
Other Income/Expense			
Other Expense			
Bad Debt	32.68	0.00	32.68
Total Other Expense	<u>32.68</u>	<u>0.00</u>	<u>32.68</u>
Net Other Income	-32.68	0.00	-32.68
Net Income	<u><u>-1,173.90</u></u>	<u><u>-1,997.40</u></u>	<u><u>823.50</u></u>

Sea Coast Management Inc
Statement of Cash Flows
 January through December 2022

	Jan - Dec 22
OPERATING ACTIVITIES	
Net Income	-1,173.90
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Accounts Receivable	-4,616.47
1220 · Special Assessment Receivable	-80.69
2750 - Due From Rental	1,987.99
Due from Reserves	-16,695.11
Due to Reserve from Operating	-12,641.67
Prepaid Expense	600.00
Prepaid Insurance	14,611.58
2752 · Due From Owners	-1,269.86
2000 · Accounts Payable	-4,907.44
Visa #4849	2,130.43
Due to Operating from Reserve	16,695.11
Due to Reserve Acct	12,641.67
Prepaid Maintenance Fees	3,704.07
Prepaid Special Assessment 2023	11,000.00
2100 · 3000 - Payroll Liabilities	244.10
4003 · Special Assessment Liability	24,176.38
Net cash provided by Operating Activities	46,406.19
FINANCING ACTIVITIES	
4002 - Reserve Fund Balance	-235,361.66
Net cash provided by Financing Activities	-235,361.66
Net cash increase for period	-188,955.47
Cash at beginning of period	323,288.57
Cash at end of period	134,333.10

SEA COAST MANAGEMENT, INC.

DECEMBER 31, 2022

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:

Sea Coast Management, Inc. is a statutory condominium association organized February 1971 under the laws of the State of Florida, as a not-for-profit corporation for purposes of administering and operating common property of the Sea Coast Gardens Condominium. The condominium consists of 90 residential units and is located in New Smyrna Beach, Volusia County, Florida.

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors. Disbursements from the reserve fund may be made only for their designated purposes.

The Board of Directors determines the annual budget and owner's assessments. The Association retains excess operating funds at the end of the year, if any, for use in future operating periods.

Expenditures for maintenance, repairs, and minor renewals are charged to earnings as incurred. Expenditures for additions, improvements, and major replacements are charged to the appropriate reserve accounts.

Income Taxes: The Association files a consolidated Form 1120 federal income tax return with its wholly owned subsidiary, Sea Coast Rentals, Inc. Though they are a not-for-profit corporation organized under Chapter 617.FS, they are neither tax-exempt, nor exempt from filing an annual tax return. There is no Income Tax liability for the current year.

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2. Future Major Repairs and Replacements:
 Florida State Law requires that adequate funds be accumulated for roof replacement, building painting, pavement resurfacing and for future capital expenditures and deferred maintenance expected to exceed \$10,000. Actual expenditures may vary from the estimated future cost and the variations may be material. Therefore, amounts accumulated in the replacement reserves may not be adequate to meet all future needs for major repairs and replacements. 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 use of reserve funds other than for which they were collected must be approved by a majority of the total voting interest at a properly called members' meeting.

The Board of Directors annually estimates the replacement reserves based upon prior replacement or repair costs including an inflation factor and expectations of replacement costs and estimated remaining lives of each reserve category. Interest earned on reserves is allocated to the Capital Improvement reserve.

	<u>REPLACEMENT COST</u>	<u>EST. LIFE</u>	<u>REMAIN YEARS</u>	<u>FUNDS REQUIRED 12/31/2022</u>	<u>FUNDS ON HAND 12/31/2022</u>
ROOF	\$300,000.00	20	6	\$210,000.00	\$111,392.64
PAINT	300,000.00	10	4	180,000.00	97,084.36
PARKING LOT	25,000.00	20	4	20,000.00	24,521.52
CAPITAL EXP:					
BLDG RESTORATION	150,000.00	10	3	105,000.00	
BALCONY/WALKWAY	100,000.00	10	3	70,000.00	
RAILINGS	30,000.00	10	1	27,000.00	
FIRE ALARM	5,000.00	20	5	3,750.00	
POOL RESURFACING	30,000.00	15	2	26,000.00	
ELEVATOR	<u>132,000.00</u>	20	1	<u>125,400.00</u>	
TOTAL CAPITAL EX	\$447,000.00			357,150.00	-166,681.78
TOTAL REQUIRED AND ACTUAL RESERVE:				<u>\$767,150.00</u>	<u>\$ 66,316.74</u>

SEA COAST MANAGEMENT, INC.

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NOTES TO FINANCIAL STATEMENTS

3.	RESERVE ACTIVITY		
	BEGINNING BALANCE		\$301,678.40
	ADDITIONS: REGULAR ASSESSMENT	\$ 37,920.00	
	INTEREST EARNED	53.05	
	INSURANCE CLAIM	14,544.15	
	SPECIAL ASSESSMENT FUNDS	<u>25,000.00</u>	
	TOTAL ADDITIONS		77,517.20
	EXPENDITURES:	312,878.86	
	TOTAL EXPENDITURES		<u>312,878.86</u>
	TOTAL RESERVE FUND BALANCE 12/31/22		<u>\$ 66,316.74</u>
	(A) PAINT RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 88,564.36
	ADDITIONS: REGULAR ASSESSMENT	\$ 8,520.00	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL PAINT FUND BALANCE		\$ 97,084.36
	(B) ROOF RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 96,392.64
	ADDITIONS: REGULAR ASSESSMENTS	15,000.00	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL ROOF RESERVE FUND		\$ 111,392.64
	(C) PAVING RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 22,121.52
	ADDITIONS: REGULAR ASSESSMENTS	2,400.00	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL PAVING RESERVE FUND		\$ 24,521.52
	(D) CAPITAL MAINTENANCE RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 94,599.88
	ADDITIONS: REGULAR ASSESSMENT	\$12,000.00	
	INTEREST	53.05	
	INSURANCE CLAIM	14,544.15	
	SPECIAL ASSESSMENT	25,000.00	
	EXPENDITURES:	<u>312,878.86</u>	
	TOTAL CAPITAL MAINT FUND BALANCE		\$-166,681.78

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NOTES TO FINANCIAL STATEMENTS

4. RESERVE BANK ACCOUNTS

WELLS FARGO RESERVE ACCOUNT	\$ 74,696.89
DUE TO RESERVE FROM OPERATING AUGUST THRU DECEMBER 2022 CONTRIBUTIONS	+15,800.00
DUE TO OPERATING RL JAMES CHECK #19795	-16,695.11
DUE TO OPERATING INSURANCE FUND	<u>- 7,485.04</u>
TOTAL RESERVE FUNDS	\$ <u>66,316.74</u>
TOTAL RESERVE FUND BALANCE	<u>\$ 66,316.74</u>

5. SPECIAL ASSESSMENT

At a Special Meeting held on September 10, 2022, the Board of Directors voted to approve a special assessment in the amount of \$161,000. The assessment is payable in three monthly payments in October, November and December.

The assessment is to offset the increase in the insurance renewal budget overage and to cover the costs of major repairs needed including sea gate fencing & locks, elevator walls, floors & lighting, seawall washout, sewer lines & mailbox equipment.