

SEA COAST MANAGEMENT, INC
FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

C.M. Lybrand & Co., LLC

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April 20, 2021

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, 2020 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, 2020

Accrual Basis

	<u>Dec 31, 20</u>	<u>Dec 31, 19</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
1100-Wells Fargo-checking	9,435.33	6,425.59	3,009.74
1200 - Reserve Acct 3370388690	339,425.18	377,661.24	-38,236.06
Petty Cash	428.00	356.73	71.27
Rental Bank Accounts	104,682.10	199,309.95	-94,627.85
Total Checking/Savings	453,970.61	583,753.51	-129,782.90
Accounts Receivable			
Accounts Receivable	927.52	2,100.50	-1,172.98
Total Accounts Receivable	927.52	2,100.50	-1,172.98
Other Current Assets			
2750 - Due From Rental	1,232.00	0.00	1,232.00
Due from Association to Rental	2,176.72	6,721.55	-4,544.83
Due from Reserves	30,000.00	29,000.00	1,000.00
Prepaid Federal Tax	0.00	693.00	-693.00
Prepaid Insurance	26,453.77	22,914.76	3,539.01
Rental Accounts Receivable	2,410.45	2,502.73	-92.28
Total Other Current Assets	62,272.94	61,832.04	440.90
Total Current Assets	517,171.07	647,686.05	-130,514.98
Other Assets			
2900 - Refundable Deposits	1,275.00	1,275.00	0.00
Total Other Assets	1,275.00	1,275.00	0.00
TOTAL ASSETS	<u>518,446.07</u>	<u>648,961.05</u>	<u>-130,514.98</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	10,408.82	9,899.79	509.03
Total Accounts Payable	10,408.82	9,899.79	509.03
Other Current Liabilities			
3000 - Payroll Liabilities			
3101 - Emp. Fed Inc. Tax Payabl	581.00	579.00	2.00
3103 - Soc. Sec. Tax payable	1,378.78	1,373.56	5.22
3104 - Medicare Tax Payable	322.44	321.24	1.20
Total 3000 - Payroll Liabilities	2,282.22	2,273.80	8.42

Sea Coast Management Inc
Balance Sheet

Accrual Basis

As of December 31, 2020

	Dec 31, 20	Dec 31, 19	\$ Change
Due to Operating from Reserve	30,000.00	29,000.00	1,000.00
Due to Rental from Association	2,176.72	6,721.55	-4,544.83
Federal Income Tax Payable	1,062.00	0.00	1,062.00
Prepaid Maintenance Fees	11,219.38	12,211.72	-992.34
Rental Accounts Payable	11,123.37	10,184.06	939.31
Security Deposits & Rents on Ha	98,145.90	198,350.17	-100,204.27
Worker's Comp Payable	0.00	546.63	-546.63
Total Other Current Liabilities	<u>156,009.59</u>	<u>259,287.93</u>	<u>-103,278.34</u>
Total Current Liabilities	<u>166,418.41</u>	<u>269,187.72</u>	<u>-102,769.31</u>
Total Liabilities	166,418.41	269,187.72	-102,769.31
Equity			
4001 - Retained Earnings	29,895.95	35,215.71	-5,319.76
4002 - Reserve Fund Balance	309,425.18	348,661.24	-39,236.06
Net Income	12,706.53	-4,103.62	16,810.15
Total Equity	<u>352,027.66</u>	<u>379,773.33</u>	<u>-27,745.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>518,446.07</u></u>	<u><u>648,961.05</u></u>	<u><u>-130,514.98</u></u>

Sea Coast Management Inc
Reserve Balance Sheet
As of December 31, 2020

Accrual Basis

	<u>Dec 31, 20</u>	<u>Dec 31, 19</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
1200 - Reserve Acct 3370388690	339,425.18	377,661.24	-38,236.06
Total Checking/Savings	<u>339,425.18</u>	<u>377,661.24</u>	<u>-38,236.06</u>
Total Current Assets	<u>339,425.18</u>	<u>377,661.24</u>	<u>-38,236.06</u>
TOTAL ASSETS	<u>339,425.18</u>	<u>377,661.24</u>	<u>-38,236.06</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Due to Operating from Reserve	30,000.00	29,000.00	1,000.00
Total Other Current Liabilities	<u>30,000.00</u>	<u>29,000.00</u>	<u>1,000.00</u>
Total Current Liabilities	<u>30,000.00</u>	<u>29,000.00</u>	<u>1,000.00</u>
Total Liabilities	30,000.00	29,000.00	1,000.00
Equity			
4002 - Reserve Fund Balance	309,425.18	348,661.24	-39,236.06
Total Equity	<u>309,425.18</u>	<u>348,661.24</u>	<u>-39,236.06</u>
TOTAL LIABILITIES & EQUITY	<u>339,425.18</u>	<u>377,661.24</u>	<u>-38,236.06</u>

Sea Coast Management Inc
Profit & Loss Budget vs. Actual

January through December 2020

Accrual Basis

	Jan - Dec 20	Budget	\$ Over Bu...
Ordinary Income/Expense			
Income			
5001 - Maintenance Fees Income	340,263.84	340,263.00	0.84
5002 - Rental Service Fee Incom	79,825.56	66,000.00	13,825.56
5003 - Apartment # 112 Income	12,012.00	12,960.00	-948.00
5004 - Laundry Income	4,023.75	2,500.00	1,523.75
5005 - Interest Income			
Operating Interest	2.82	6.00	-3.18
Reserve Interest	84.37		
Total 5005 - Interest Income	87.19	6.00	81.19
5100 - Other Income			
5102 - Fees Charged to Owners	1,903.01		
5103 - Rental Admin Fee	8,464.21		
CSA Damage & Travel Commission	822.84		
Total 5100 - Other Income	11,190.06		
Total Income	447,402.40	421,729.00	25,673.40
Cost of Goods Sold			
Rental Commissions Paid	6,514.39		
Trip Charges	75.00		
Total COGS	6,589.39		
Gross Profit	440,813.01	421,729.00	19,084.01
Expense			
6130 - Insurance Expense			
6131 - Flood Insurance Expense	11,232.14	11,300.00	-67.86
6132 - Property Insurance Exp	36,389.35	36,500.00	-110.65
6134 - Workman's Comp Ins Exp	1,549.68	2,230.00	-680.32
6135 - Liability Insurance Expe	8,451.38	8,000.00	451.38
6143 Umbrella	1,180.88	1,200.00	-19.12
Total 6130 - Insurance Expense	58,803.43	59,230.00	-426.57
6150 - Office Expense			
6151 - Cell Phone Expense	1,200.00	1,200.00	0.00
6152 - Computer Expense	1,419.62	1,200.00	219.62
6153 - Office Supplies Expense	3,623.33	2,000.00	1,623.33
6154 - Postage & Delivery Expen	1,082.21	850.00	232.21
6155 - Telephone Expense	2,712.37	2,700.00	12.37
6158 - License & Fees	1,267.75	1,350.00	-82.25
6160 - Bank Service Charge	41.00	50.00	-9.00
6161 - Advertising Expense	6,658.00		
6162 - Wireless			
6162.20 Wireless Office	1,848.00	1,900.00	-52.00
6162.50 Wireless Condo	365.44	2,350.00	-1,984.56
Total 6162 - Wireless	2,213.44	4,250.00	-2,036.56

Sea Coast Management Inc
Profit & Loss Budget vs. Actual
 January through December 2020

Accrual Basis

	Jan - Dec 20	Budget	\$ Over Bud...
6164 - Saturday Coffee	418.28		
6165 - Club House Supplies	1,678.55	300.00	1,378.55
6167 - Board Meeting Expense	180.00	100.00	80.00
6168 - Winter Guests	570.05	600.00	-29.95
Total 6150 - Office Expense	23,064.60	14,600.00	8,464.60
6190 - Professional Services Ex			
6193 - Accounting Fees Expense	2,500.00	2,500.00	0.00
6196 - Guard Service	3,918.10	2,500.00	1,418.10
6190 - Professional Services Ex - Other	1,500.00	1,000.00	500.00
Total 6190 - Professional Services Ex	7,918.10	6,000.00	1,918.10
6330 - Employee Exp			
6332 - Payroll Expenses	122,029.97	117,862.00	4,167.97
6333 - Social Security Tax Expe	8,012.26	7,753.90	258.36
6334 - Medicare Tax Expense	1,873.83	1,813.00	60.83
6335 - State Unemp. Tax (RT-6)	21.00	445.00	-424.00
6336 - Fed U Tax Expense (FUTA)	126.00	126.00	0.00
6337 - Health Insurance			
6337.10 - Manager	4,800.00		
6337 - Health Insurance - Other	2,400.00	7,200.00	-4,800.00
Total 6337 - Health Insurance	7,200.00	7,200.00	0.00
6338 - Vacation Relief	0.00	1,000.00	-1,000.00
Total 6330 - Employee Exp	139,263.06	136,199.90	3,063.16
6400 - Reserve Funding			
6410 - Roof Reserve Funding	15,000.00	15,000.00	0.00
6420 - Bldg. Paint Res Funding	8,499.96	8,520.00	-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	84.37		
Total 6400 - Reserve Funding	37,984.33	37,920.00	64.33
6510 - Maintenance Expense			
6511 - Building Expense	15,008.61	10,000.00	5,008.61
6512 - Grounds Expense			
6512.5 - Parking Lot	909.77		
6512.6 Grounds Maintenance	2,322.51	4,000.00	-1,677.49
Total 6512 - Grounds Expense	3,232.28	4,000.00	-767.72
6513 - Pool Expense			
6513.1 Pool Furniture & Repair	3,589.42	3,000.00	589.42
6513.5 Pool Service/Chemicals	8,970.00	7,380.00	1,590.00
Total 6513 - Pool Expense	12,559.42	10,380.00	2,179.42

Sea Coast Management Inc
Profit & Loss Budget vs. Actual
 January through December 2020

Accrual Basis

	Jan - Dec 20	Budget	\$ Over Bud...
6514 - Maintenance Supplies Exp	556.06	1,000.00	-443.94
6515 - Elevator Expense	8,740.95	7,000.00	1,740.95
6517 - Apt #112 Repairs	5,869.33	500.00	5,369.33
6518 - Gasoline Expense	39.00	100.00	-61.00
6520 - #112 Maintenance fees	3,199.20	3,199.20	0.00
6521 - Pool Deck Maintenance	0.00	1,000.00	-1,000.00
6523 - Club House Expenses	1,219.38	2,000.00	-780.62
Total 6510 - Maintenance Expense	50,424.23	39,179.20	11,245.03
6540 - Tax Expense			
6541 - Federal Income Tax	1,755.00	200.00	1,555.00
Total 6540 - Tax Expense	1,755.00	200.00	1,555.00
6550 - Service Expense			
6551 - Cable TV	59,225.97	57,000.00	2,225.97
6552 - Int Exterminator Expense	2,961.60	2,500.00	461.60
6553 - Ext Exterminator Expense	1,905.60	2,100.00	-194.40
6554 - Fire Alarm Expense	0.00	350.00	-350.00
6555 - Fire Extinguisher Expens	448.31	800.00	-351.69
6556 - Lawn & Tree Care Expense	3,500.00	3,500.00	0.00
6557 - Credit Card Fees	2,978.84		
Total 6550 - Service Expense	71,020.32	66,250.00	4,770.32
6560 - Utilities			
6561 - Pool, Irrig & St Lgt Exp	7,352.90	9,000.00	-1,647.10
6562 - Elect, Wtr, & Swr Exp	18,959.61	22,000.00	-3,040.39
6563 - Gas Expense	10,008.90	19,000.00	-8,991.10
6564 - Apt #112 Utilities	263.93		
Total 6560 - Utilities	36,585.34	50,000.00	-13,414.66
Total Expense	426,818.41	409,579.10	17,239.31
Net Ordinary Income	13,994.60	12,149.90	1,844.70
Other Income/Expense			
Other Income			
5102 - Cash Rebate	183.94		
5105- Cash over short	28.54		
5150 - Tax Collection Allowance	643.72		
Other Income	2,205.24	2,000.00	205.24
Total Other Income	3,061.44	2,000.00	1,061.44
Other Expense			
Bad Debt	2,999.51		
Penalties	1,350.00		
Total Other Expense	4,349.51		
Net Other Income	-1,288.07	2,000.00	-3,288.07
Net Income	12,706.53	14,149.90	-1,443.37

Sea Coast Management Inc
Profit & Loss
 January through December 2020

Accrual Basis

	Jan - Dec 20	Jan - Dec 19	\$ Change
Ordinary Income/Expense			
Income			
5001 - Maintenance Fees Income	340,263.84	340,263.84	0.00
5002 - Rental Service Fee Incom	79,825.56	80,737.68	-912.12
5003 - Apartment # 112 Income	12,012.00	12,672.00	-660.00
5004 - Laundry Income	4,023.75	4,212.75	-189.00
5005 - Interest Income			
Operating Interest	2.82	5.61	-2.79
Reserve Interest	84.37	311.13	-226.76
Total 5005 - Interest Income	87.19	316.74	-229.55
5100 - Other Income			
5101 Rental Contract Agreement	0.00	25.00	-25.00
5102 - Fees Charged to Owners	1,903.01	4,375.00	-2,471.99
5103 - Rental Admin Fee	8,464.21	9,613.25	-1,149.04
Clubhouse Income	0.00	88.89	-88.89
CSA Damage & Travel Commission	822.84	3,304.31	-2,481.47
Total 5100 - Other Income	11,190.06	17,406.45	-6,216.39
Total Income	447,402.40	455,609.46	-8,207.06
Cost of Goods Sold			
Rental Commissions Paid	6,514.39	6,982.88	-468.49
Trip Charges	75.00	0.00	75.00
Total COGS	6,589.39	6,982.88	-393.49
Gross Profit	440,813.01	448,626.58	-7,813.57
Expense			
6130 - Insurance Expense			
6131 - Flood Insurance Expense	11,232.14	11,220.12	12.02
6132 - Property Insurance Exp	36,389.35	31,908.60	4,480.75
6134 - Workman's Comp Ins Exp	1,549.68	2,293.68	-744.00
6135 - Liability Insurance Expe	8,451.38	0.00	8,451.38
6142 - Package-GL, Crime, D&O	0.00	6,678.77	-6,678.77
6143 Umbrella	1,180.88	1,167.18	13.70
Total 6130 - Insurance Expense	58,803.43	53,268.35	5,535.08
6150 - Office Expense			
6151 - Cell Phone Expense	1,200.00	1,200.00	0.00
6152 - Computer Expense	1,419.62	1,606.84	-187.22
6153 - Office Supplies Expense	3,623.33	2,714.24	909.09
6154 - Postage & Delivery Expen	1,082.21	811.43	270.78
6155 - Telephone Expense	2,712.37	2,732.18	-19.81
6158 - License & Fees	1,267.75	1,539.25	-271.50
6160 - Bank Service Charge	41.00	22.00	19.00
6161 - Advertising Expense	6,658.00	6,175.90	482.10
6162 - Wireless			
6162.20 Wireless Office	1,848.00	1,848.00	0.00
6162.50 Wireless Condo	365.44	2,451.12	-2,085.68
Total 6162 - Wireless	2,213.44	4,299.12	-2,085.68

Sea Coast Management Inc
Profit & Loss
January through December 2020

Accrual Basis

	Jan - Dec 20	Jan - Dec 19	\$ Change
6164 - Saturday Coffee	418.28	431.11	-12.83
6165 - Club House Supplies	1,678.55	224.50	1,454.05
6167 - Board Meeting Expense	180.00	281.42	-101.42
6168 - Winter Guests	570.05	275.00	295.05
Total 6150 - Office Expense	23,064.60	22,312.99	751.61
6190 - Professional Services Ex			
6193 - Accounting Fees Expense	2,500.00	2,500.00	0.00
6196 - Guard Service	3,918.10	2,499.58	1,418.52
6190 - Professional Services Ex - Other	1,500.00	0.00	1,500.00
Total 6190 - Professional Services Ex	7,918.10	4,999.58	2,918.52
6330 - Employee Exp			
6332 - Payroll Expenses	122,029.97	118,742.95	3,287.02
6333 - Social Security Tax Expe	8,012.26	7,808.46	203.80
6334 - Medicare Tax Expense	1,873.83	1,826.17	47.66
6335 - State Unemp. Tax (RT-6)	21.00	445.20	-424.20
6336 - Fed U Tax Expense (FUTA)	126.00	126.00	0.00
6337 - Health Insurance			
6337.10 - Manager	4,800.00	4,800.00	0.00
6337 - Health Insurance - Other	2,400.00	2,400.00	0.00
Total 6337 - Health Insurance	7,200.00	7,200.00	0.00
Total 6330 - Employee Exp	139,263.06	136,148.78	3,114.28
6400 - Reserve Funding			
6410 - Roof Reserve Funding	15,000.00	15,000.00	0.00
6420 - Bldg. Paint Res Funding	8,499.96	8,499.96	0.00
6430 - Parking Reserve Funding	2,400.00	2,400.00	0.00
6440 - Capital Improvements	12,000.00	58,000.00	-46,000.00
6460 - Reserve Interest	84.37	311.13	-226.76
Total 6400 - Reserve Funding	37,984.33	84,211.09	-46,226.76
6510 - Maintenance Expense			
6511 - Building Expense	15,008.61	9,259.92	5,748.69
6512 - Grounds Expense			
6512.5 - Parking Lot	909.77	0.00	909.77
6512.6 Grounds Maintenance	2,322.51	9,232.81	-6,910.30
Total 6512 - Grounds Expense	3,232.28	9,232.81	-6,000.53
6513 - Pool Expense			
6513.1 Pool Furniture & Repair	3,589.42	475.56	3,113.86
6513.5 Pool Service/Chemicals	8,970.00	6,969.00	2,001.00
Total 6513 - Pool Expense	12,559.42	7,444.56	5,114.86

Sea Coast Management Inc
Profit & Loss
January through December 2020

Accrual Basis

	Jan - Dec 20	Jan - Dec 19	\$ Change
6514 - Maintenance Supplies Exp	556.06	1,556.85	-1,000.79
6515 - Elevator Expense	8,740.95	7,274.31	1,466.64
6517 - Apt #112 Repairs	5,869.33	540.96	5,328.37
6518 - Gasoline Expense	39.00	87.34	-48.34
6519 - Laundry Repairs	0.00	835.83	-835.83
6520 - #112 Maintenance fees	3,199.20	3,199.20	0.00
6523 - Club House Expenses	1,219.38	5,318.85	-4,099.47
Total 6510 - Maintenance Expense	50,424.23	44,750.63	5,673.60
6540 - Tax Expense			
6541 - Federal Income Tax	1,755.00	0.00	1,755.00
Total 6540 - Tax Expense	1,755.00	0.00	1,755.00
6550 - Service Expense			
6551 - Cable TV	59,225.97	55,468.75	3,757.22
6552 - Int Exterminator Expense	2,961.60	3,073.38	-111.78
6553 - Ext Exterminator Expense	1,905.60	1,800.00	105.60
6554 - Fire Alarm Expense	0.00	340.00	-340.00
6555 - Fire Extinguisher Expens	448.31	2,131.67	-1,683.36
6556 - Lawn & Tree Care Expense	3,500.00	475.00	3,025.00
6557 - Credit Card Fees	2,978.84	3,326.65	-347.81
Total 6550 - Service Expense	71,020.32	66,615.45	4,404.87
6560 - Utilities			
6561 - Pool, Irrig & St Lgt Exp	7,352.90	10,668.93	-3,316.03
6562 - Elect, Wtr, & Swr Exp	18,959.61	18,629.54	330.07
6563 - Gas Expense	10,008.90	11,646.50	-1,637.60
6564 - Apt #112 Utilities	263.93	0.00	263.93
Total 6560 - Utilities	36,585.34	40,944.97	-4,359.63
7001 - Unit repairs	0.00	458.99	-458.99
Total Expense	426,818.41	453,710.83	-26,892.42
Net Ordinary Income	13,994.60	-5,084.25	19,078.85
Other Income/Expense			
Other Income			
5102 - Cash Rebate	183.94	393.80	-209.86
5105- Cash over short	28.54	9.91	18.63
5150 - Tax Collection Allowance	643.72	576.92	66.80
Other Income	2,205.24	0.00	2,205.24
Total Other Income	3,061.44	980.63	2,080.81
Other Expense			
Bad Debt	2,999.51	0.00	2,999.51
Penalties	1,350.00	0.00	1,350.00
Total Other Expense	4,349.51	0.00	4,349.51
Net Other Income	-1,288.07	980.63	-2,268.70
Net Income	12,706.53	-4,103.62	16,810.15

Sea Coast Management Inc
Statement of Cash Flows
January through December 2020

	<u>Jan - Dec 20</u>
OPERATING ACTIVITIES	
Net Income	12,706.53
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	1,172.98
2750 - Due From Rental	-1,232.00
Due from Association to Rental	4,544.83
Due from Reserves	-1,000.00
Prepaid Federal Tax	693.00
Prepaid Insurance	-3,539.01
Rental Accounts Receivable	92.28
Accounts Payable	509.03
3000 - Payroll Liabilities:3101 - Emp. Fed Inc. Tax Payabl	2.00
3000 - Payroll Liabilities:3103 - Soc. Sec. Tax payable	5.22
3000 - Payroll Liabilities:3104 - Medicare Tax Payable	1.20
Due to Operating from Reserve	1,000.00
Due to Rental from Association	-4,544.83
Federal Income Tax Payable	1,062.00
Prepaid Maintenance Fees	-992.34
Rental Accounts Payable	939.31
Security Deposits & Rents on Ha	-100,204.27
Worker's Comp Payable	-546.63
Net cash provided by Operating Activities	-89,330.70
FINANCING ACTIVITIES	
4001 - Retained Earnings	-1,216.14
4002 - Reserve Fund Balance	-39,236.06
Net cash provided by Financing Activities	-40,452.20
Net cash increase for period	-129,782.90
Cash at beginning of period	583,753.51
Cash at end of period	<u><u>453,970.61</u></u>

SEA COAST MANAGEMENT, INC.

DECEMBER 31, 2020

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 Association also provides rental management services to the individual unit owners. 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. The Income Tax liability for the current year is 1062.00.

SEA COAST MANAGEMENT, INC.

DECEMBER 31, 2020

NOTES TO FINANCIAL STATEMENTS

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 12/31/2020</u>	<u>FUNDS ON HAND 12/31/2020</u>
ROOF	\$200,000.00	20	3	\$170,000.00	\$ 81,392.64
PAINT	140,000.00	10	4	84,000.00	80,064.40
PARKING LOT	20,000.00	20	11	9,000.00	19,721.52
CAPITAL EXP:					
BLDG RESTORATION	350,000.00	10	3	245,000.00	
BALCONY/WALKWAY	200,000.00	10	3	140,000.00	
RAILINGS	80,000.00	10	2	64,000.00	
FIRE ALARM	50,000.00	20	3	42,500.00	
POOL RESURFACING	30,000.00	15	7	16,000.00	
ELEVATOR	<u>160,000.00</u>	20	2	<u>144,000.00</u>	
TOTAL CAPITAL EX	870,000.00			651,500.00	128,246.62
TOTAL REQUIRED AND ACTUAL RESERVE:				<u>\$914,500.00</u>	<u>\$309,425.18</u>

SEA COAST MANAGEMENT, INC.
DECEMBER 31, 2020

NOTES TO FINANCIAL STATEMENTS

3.	RESERVE ACTIVITY		
	BEGINNING BALANCE		\$348,661.24
	ADDITIONS: REGULAR ASSESSMENT	\$ 37,899.96	
	INTEREST EARNED	<u>84.37</u>	
	TOTAL ADDITIONS		37,984.33
	EXPENDITURES:	77,220.39	
	TOTAL EXPENDITURES		<u>77,220.39</u>
	TOTAL RESERVE FUND BALANCE 12/31/20		<u>\$309,425.18</u>
	(A) PAINT RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 71,564.44
	ADDITIONS: REGULAR ASSESSMENT	\$ 8,499.96	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL PAINT FUND BALANCE		\$ 80,064.40
	(B) ROOF RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 66,392.64
	ADDITIONS: REGULAR ASSESSMENTS	15,000.00	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL ROOF RESERVE FUND		\$ 81,392.64
	(C) PAVING RESERVE FUND:		
	PRIOR YEAR BALANCE		\$ 17,321.52
	ADDITIONS: REGULAR ASSESSMENTS	2,400.00	
	INTEREST	.00	
	EXPENDITURES:	<u>.00</u>	
	TOTAL PAVING RESERVE FUND		\$ 19,721.52
	(D) CAPITAL MAINTENANCE RESERVE FUND:		
	PRIOR YEAR BALANCE		\$193,382.64
	ADDITIONS: REGULAR ASSESSMENT	\$12,000.00	
	INTEREST	84.37	
	EXPENDITURES:	<u>77,220.39</u>	
	TOTAL CAPITAL MAINT FUND BALANCE		\$128,246.62

SEA COAST MANAGEMENT, INC.
DECEMBER 31, 2020

NOTES TO FINANCIAL STATEMENTS

4. RESERVE BANK ACCOUNTS	
WELLS FARGO RESERVE ACCOUNT	\$339,425.18
DUE TO OPERATING INSURANCE FUND	<u>-30,000.00</u>
TOTAL RESERVE FUNDS	<u>\$309,425.18</u>
TOTAL RESERVE FUND BALANCE	<u>\$309,425.18</u>