



The Sea Edge, Inc
2076 S. Ocean Drive
Hallandale Beach, Florida 33009

Independent Accountant's Review Report

We have reviewed the accompanying financial statements of The Sea Edge, Inc as of and for the year ended December 31, 2023. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Olga Diaz
Olga D Diaz, CPA PA
January 29, 2024

THE SEA EDGE, INC
BALANCE SHEET

FOR THE PERIOD	<u>Dec 31, 2023</u>
ASSETS	
Current Assets	
BB&T Assessment Account	327,454
BB&T Bank Maintenance	2,541
Total Checking/Savings	<u>329,994</u>
Accounts Receivable	
Receivable	
Assessment Receivable	171,674
Condo Fee Receivable	0
Total Receivable	<u>171,674</u>
Total Accounts Receivable	<u>171,674</u>
Total Current Assets	501,668
Fixed Assets	
Building	13,000,000
Furniture	8,000
Land	1,300,000
Tools & Equipment	1,548
Total Fixed Assets	<u>14,309,548</u>
TOTAL ASSETS	<u><u>14,811,216</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	0
Total Accounts Payable	<u>0</u>
Total Current Liabilities	0
Long Term Liabilities	
Line of Credit	0
Total Long Term Liabilities	<u>0</u>
Total Liabilities	0
Equity	
Reserve Funds	
Fund Reserve	671,595
Fund Receivable	170,568
Reserve Expenditures	-820,613
Total Reserve Funds	<u>21,550</u>
Retained Earnings	14,773,699
Net Income	15,967
Total Equity	<u>14,811,216</u>
TOTAL LIABILITIES & EQUITY	<u><u>14,811,216</u></u>

THE SEA EDGE, INC
PROFIT AND LOSS
AS OF DECEMBER 31, 2023

Income	
Maintenance Income	340,837
Comcast Cable Fee	47,770
Laundry Income	3,268
Insurance Income	31,901
Total Income	<u>423,776</u>
Expense	
Appliance Repair Expense	2,401
Bank Charges	253
Cleaning Supplies	449
Comcast Cable Expense	47,780
Computer and Internet Expenses	1,273
Cooling Tower Expense	18,574
Elevator Services	32,441
Fire Alarm Expense	1,670
Insurance Expense	57,705
Landscaping and Groundskeeping	76
License & Permits	2,011
Maintenance & Repair Expense	43,335
Office Supplies & Expense	667
Payroll Expenses	64,839
Pool Service	10,453
Professional Fees	
Accounting	1,250
Legal	390
Total Professional Fees	<u>1,640</u>
Telephone Expense	3,648
Utilities	
Electricity	28,840
Gas-Pool Heating	7,226
Water & Sewer	82,689
Total Utilities	<u>118,755</u>
Total Expense	<u>407,970</u>
Net Ordinary Income	15,806
Other Income/Expense	
Other Income	
Other Income	161
Total Other Income	<u>161</u>
Income	<u><u>15,967</u></u>

THE SEA EDGE, INC

Cash flow statement

	<u>Jan - Dec 2023</u>
OPERATING ACTIVITIES	
Net Income	15,967
Adjustments to reconcile Net Income to net cash provided by operations:	
Account Receivable	-171,674
Account Payable	
Net cash provided by Operating Activities	<u>-155,707</u>
INVESTING ACTIVITIES	
Major improvements on Building	0
Net cash provided by Investing Activities	<u>0</u>
FINANCING ACTIVITIES	
Equity	<u>27,394</u>
Net cash provided by Financing Activities	<u>27,394</u>
Net cash increase for period	<u>-128,313</u>
Cash at the beginning of the period	<u>458,307</u>
Cash at end of period	<u><u>329,994</u></u>

Standard Notes to the Review Statement

Note 1

Organization and Business Activities

The Sea Edge, Inc was organized as a cooperative association pursuant to Chapter 719 of the Florida Statutes. The Association was formed to maintain and protect the common areas owned by the shareholders of The Sea Edge, Inc. The Association consists of 90 units.

Basis of Presentation

The basis of accounting used by the corporation is the tax basis of accounting. Additionally, the Association uses the accrual method of accounting. Accordingly, revenues are recognized as earned as of the date of billing and expenses are deducted in the period in which they are incurred. All major repairs over \$10,000 are capitalized.

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 modified accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Maintenance Fund – The fund is used to account for financial resources available for the general operations of the Association. Most of these funds are expensed each year.

Assessments Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements. This fund is funded by special assessments as major repairs are needed.

Note 1- Continuation

Cash

The Association maintains all bank accounts at one financial institution. The balances of these accounts may at times exceed federally insured limits. The Association believes that no significant concentration of credit risk exists on the cash balances.

Revenue Recognition

Regular assessments to members are recognized as revenue during the period for which they are assessed. Assessments received in advance of this period are reported as prepaid assessments on the balance sheet. Special assessments are recognized as revenue when the corresponding liabilities and expense are incurred, with any excess revenue reported as deferred assessments on the balance sheet.

Capitalization and Depreciation Policy

Real property, common areas acquired from the developer and related improvements to such property are recorded in the Association's financial statements. The value of the fixed asset is stated at the FMV as of December 31, 2023. Every year the value is reassessed, and adjustments are made if required.

Income Taxes

The association filed taxes annually, using the form 1120H under Section 528 of the Internal Revenue Code.

Note 2

The Association Declaration provides that each shareholder is charged for their proportionate share of common expenses based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings. The Association provides an allowance for losses on receivables based on a review of the current status of existing receivables, where applicable. The accompanying financial statements do not

include such as allowance as all amounts were considered collectible at December 31, 2023.

Note 3

Florida Statute allows commingling of operating and reserve funds if the reserve funds are accounted for separately and fully funded. All funds were maintained in separate funds.

Note 4

The association has various service contracts to maintain the common property including elevator maintenance, cooling tower maintenance and pool service. The contracts have varying expiration dates and renewal terms.

Note 5

The association received a letter from the city regarding the 40-year Building safety inspection. The association has contracted an engineering firm to determine the scope of its work. An estimate has been received by the association for \$788,393. The shareholders had the option of making one payment on November 15, 2022 or making 2 payments on November 15 and February 15, 2023. This assessment has Paid in full by the shareholders.

In 2023, the shareholders voted for a second assessment of \$463,606 payable in two installments. As of December 31, 2023, the association has collected \$291,932 the balance of \$171,674 is due on January 15, 2024.