DRAFT

SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Manuel E. Villate, CPA
14693 SW 132nd Court
Miami, Florida 33186
(305) 801-1959
mvillate@comcast.net

DRAFT

MANUEL E. VILLATE, CPA

Certified Public Accountant

Accountants' Compilation Report

To the Board of Directors of
SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC.

Management is responsible for the accompanying financial statements of Seagrape Property Owner's Association, Inc. which comprise the balance sheet as of December 31, 2025 and the related statements of income, changes in stockholders' equity, and cash flow 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. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Manuel E. Villate, CPA

March 27, 2026

SEAGRAPE PROPERTY OWNERS' ASSOCIATION

DRAFT

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS	Operating Fund	Replacement Fund	Totals
Cash	$ 42,739	$ 278,278	$ 321,017
Assessment Receivable	11,393		11,393
Prepaid Insurance	3,186		3,186
Other	903		903
	$ 58,221	$ 278,278	$ 336,499
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts Payable & Accrued Expenses	$ 6,442		$ 6,442
Prepaid Assessment Fees	16,694		16,694
TOTAL LIABILITIES	23,136		23,136
Fund Balances	35,085	278,278	313,363
TOTAL LIABILITIES AND FUND BALANCES	$ 58,221	$ 278,278	$ 336,499

The accompanying notes are an integral part of these Financial Statements.

SEAGRAPE PROPERTY OWNERS' ASSOCIATION

DRAFT

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Replacement Fund	Totals
REVENUES			
Member Assessments	$ 136,819	$ 49,805	$ 186,624
Credits & Allowances	(1,598)		(1,598)
Interest Income	581	140	721
Late Fees	2,190		2,190
Gate Access Control	4,125		4,125
Screening Income	150		150
Miscellaneous Income	2,948		2,948
TOTAL REVENUES	145,215	49,945	195,160
EXPENSES			
Administrative	$ 2,737		$ 2,737
Bank Charges	1,254		1,254
Landscaping Services	57,749		57,749
Licenses/ Permits / Taxes	61		61
Insurance	13,345		13,345
Management Fees	21,420		21,420
Meetings and Community Expense	923		923
Interest Expense	5,402		5,402
Repairs & Maintenance	19,719		19,719
Professional Fees	3,118		3,118
Telephone & Utilities	20,236		20,236
Miscellaneous	594		594
Replacement Fund Expenses:			
Landscaping/Tree Trimming		21,640	21,640
Entry System Upgrades		17,031	17,031
Street Signs		14,214	14,214
Storm Drain Cleaning		230	230
TOTAL EXPENSES	146,558	53,115	199,673
Excess of Revenues over Expenses	(1,343)	(3,170)	(4,513)
BEGINNING FUND BALANCES	36,428	281,448	317,876
ENDING FUND BALANCES	$ 35,085	$ 278,278	$ 313,363

The accompanying notes are an integral part of these Financial Statements.

SEAGRAPE PROPERTY OWNERS' ASSOCIATION

DRAFT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Replacement Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of Revenues over Expenses	$ (1,343)	$ (3,170)	$ (4,513)
Adjustments To Reconcile Excess Revenues over Expenses to Net Cash Provided by Operating Activities:			
Assessment Receivable	(3,732)		(3,732)
Due to/from Other Fund	1,790	(1,790)	-
Prepaid Insurance	273		273
Other	(12)		(12)
Accounts Payable	4,972		4,972
Prepaid Assessments	3,924		3,924
NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES	5,872	(4,960)	912
NET CASH INCREASE (DECREASE) FOR YEAR	5,872	(4,960)	912
CASH AT BEGINNING OF YEAR	36,867	283,238	320,105
CASH AT END OF YEAR	$ 42,739	$ 278,278	$ 321,017

The accompanying notes are an integral part of these Financial Statements.

DRAFT

SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1- NATURE OF ORGANIZATION

SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC. (the "Association") is a statutory homeowners association incorporated July 18, 1980, in the State of Florida. The Association is responsible for the operation and maintenance of the common areas and property, such as entrance and roadways of the development. The Association consists of 108 residential units located in Miami-Dade County, Florida. The Association's technically advanced experience and knowledge of management enables residents to maintain their habitability effectively and efficiently.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements Presentation
The Financial Statements have been prepared on the accrual method of accounting in accordance with generally accepted accounting principles.

Fund Accounting
SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC. is a not-for-profit organization. The Association follows Statement of Financial Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". 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 fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purposes:

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

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

Cash and Cash Equivalents
The Association considers cash and all highly liquid investments purchased with an original or remaining maturity of less than three months at the date of purchase to be cash equivalents. Cash equivalents are stated at amounts that approximate fair value based on quoted market prices.

DRAFT

Member Assessments – Maintenance Fees
Association members are subject to monthly maintenance fees to provide funds for the Association's operating expenses, future capital acquisitions, and major replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's monthly member assessments in 2025 were $144.00 per month per unit. Total assessments for the year ending December 31, 2025 were $186,624 including $49,805 for replacement funds.

Interest income
Interest Income is allocated to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

Allowance for Bad Debts
It is the policy of the Association to review the outstanding assessments receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts as required. The Association has set up an allowance for doubtful accounts of $ 0 as of December 31, 2025. See NOTE 3 for further discussion.

Income Taxes
The Association qualifies as a tax-exempt homeowners' association under the Internal Revenue Code Section 528 by filing a completed Form 1120-H. Under the section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of the Association property. The Association property includes real and personal property that the Association's members hold in common and privately within the association. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government.

Use of Estimates in Preparation of Financial Statements
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.

Property and Equipment
Real property and common areas acquired from the developer and related improvements to such property are recorded in the Association's financial statements. 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. As of December 31, 2025, the values of common areas are not reflected in these financial statements since title to these properties is vested with individual units on a pro rata basis and not with the Association.

DRAFT

NOTE 3– ASSESSMENTS RECEIVABLE

Assessment receivable at the balance sheet date represents fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent. The Association believes that it will ultimately prevail against homeowners with delinquent assessments even though at December 31, 2025, the association had delinquent assessments in excess of 90 days of $4,066. The Association's inability to substantially collect its delinquent receivables may ultimately necessitate the issuance of a Special Assessment.

Assessments receivable at December 31, 2025 consisted of the following:

Maintenance Fees / Member Assessments	$ 6,661
Late Fees	432
Legal Fees/Costs	3,921
Other	379
	11,393
Less: Allowance for Bad Debts	(0)
Balance	$ 11,393

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. As of December 31, 2025, the replacement fund designated for future major repairs and replacements has been allocated by the Board of Directors to the components of common property as follows:

	Total
Street Paving & Seal Coating	$ 146,691
Storm Drain Cleaning	61,891
Emergency/Storm	20,669
Entry System	10,151
Insurance Deductible	10,000
Perimeter Wall	29,852
Other	(1,511)
	277,743
Interest Earned	535
TOTAL	$ 278,278

At December 31, 2025 repair and replacement funds aggregating $278,278 were maintained in separate bank accounts and were generally not available for operating purposes.

DRAFT

A formal independent study determining the adequacy of the current funding program of the Association's common areas has not been conducted. For this reason and because actual expenditures may vary from the estimated future expenditures and the variations may be material, amounts accumulated in the replacement fund may not be adequate to meet all future needs for future repairs and replacements. Therefore, when replacement funds are needed, the Association has the right to increase the monthly assessments, levy special assessments, or it may delay major repairs and replacement until the funds are available. The effect of future assessments has not been determined at this time.

NOTE 5 – PREPAID INSURANCE

The Prepaid insurance account indicates the balance to be incurred as insurance expenses subsequent to but paid by December 31, 2025.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Association has various contracts services to maintain the common property including landscaping maintenance, management and security services. These contracts have different expiration dates and renewal terms.

Form 1120-H — U.S. Income Tax Return for Homeowners Associations

OMB No. 1545-0123

2025

Department of the Treasury
Internal Revenue Service

For calendar year 2025 or tax year beginning _____, 2025, ending _____, 20____

Go to *www.irs.gov/Form1120H* for instructions and the latest information.

Check if:
(1) ☐ Final return
(2) ☐ Name change
(3) ☐ Address change
(4) ☐ Amended return

Name	Employer identification number
SEAGRAPE PROPERTY OWNERS' ASSOCIATION, INC.	59-2495004

Number and street. If a P.O. box, see instructions.	Room or suite number	Date association formed
C/O 381 N. KROME AVENUE	205	

City or town	State or province	Country	ZIP or foreign postal code	
HOMESTEAD	FL	USA	33030	7/18/1980

A	Check type of homeowners association: ☐ Condominium management association ☐ Residential real estate association ☐ Timeshare association			
B	Total exempt function income. Must meet 60% gross income test. See instructions		B	187,216
C	Total expenditures made for purposes described in 90% expenditure test. See instructions		C	191,605
D	Association's total expenditures for the tax year. See instructions		D	196,363
E	Tax-exempt interest received or accrued during the tax year		E	
Gross Income (excluding exempt function income)	1	Dividends	1	
	2	Taxable interest	2	721
	3	Gross rents	3	
	4	Gross royalties	4	
	5	Capital gain net income (attach Schedule D (Form 1120))	5	
	6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
	7	Other income (excluding exempt function income) (attach statement)	7	4,455
	8	**Gross income** (excluding exempt function income). Add lines 1 through 7	8	5,176
Deductions (directly connected to the production of gross income, excluding exempt function income)	9	Salaries and wages	9	
	10	Repairs and maintenance	10	
	11	Rents	11	
	12	Taxes and licenses	12	61
	13	Interest	13	
	14	Depreciation (attach Form 4562)	14	
	15	Other deductions (attach statement)	15	5,047
	16	**Total deductions.** Add lines 9 through 15	16	5,108
	17	Taxable income before specific deduction of $100. Subtract line 16 from line 8	17	68
	18	Specific deduction of $100	18	$100
Tax and Payments	19	**Taxable income.** Subtract line 18 from line 17	19	(32)
	20	Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0
	21	Tax credits (see instructions)	21	
	22	**Total tax.** Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0
	23a	Preceding year's overpayment credited to the current year — 23a		
	b	Current year's estimated tax payments — 23b		
	c	Tax deposited with Form 7004 — 23c		
	d	Credit for tax paid on undistributed capital gains (attach Form 2439) — 23d		
	e	Credit for federal tax paid on fuels (attach Form 4136) — 23e		
	f	Elective payment election amount from Form 3800 — 23f		
	g	**Total payments and credits.** Combine lines 23a through 23f	23g	
	24	**Amount owed.** Subtract line 23g from line 22. See instructions	24	0
	25	**Overpayment.** Subtract line 22 from line 23g	25	
	26	Enter portion of line 25 you want: **a Credited to 2026 estimated tax** _____ **b Refunded**	26b	
		c Routing number ☐☐☐☐☐☐☐☐☐ d Type: ☐ Checking ☐ Savings		
		e Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | Title

May the IRS discuss this return with the preparer shown below? See instructions. ☐ Yes ☐ No

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Manuel Villate	Manuel Villate	3/27/26		PO1702392

Firm's name Manuel E. Villate, CPA — Firm's EIN

Firm's address 14693 SW 132nd Ctourt Miami. FL 33186 — Phone no. (305)801-1959

SEAGRAPE PROPERTY OWNERS' ASSN, INC. 59-2495004

2025

FORM 1120H (LINE 7) OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
SCREENING FEES	150
GATE REMOTE CONTROL FEES	4,125
OTHER INCOME	180
TOTAL	4,455

FORM 1120H (LINE 15) OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
COLLECTIONS INTEREST COSTS	715
KEYS & GATE REMOTE EXPENSE	3,713
SCREENING EXPENSE	135
TAX RETURN PREPARATION	350
OTHER EXPENSES	135
TOTAL	5,047