

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2012
(WITH COMPARATIVE INFORMATION FOR 2011)

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Seapointe Village Master Association, Inc.

We have audited the accompanying balance sheet of Seapointe Village Master Association, Inc. as of March 31, 2012, and the related statements of revenues, expenses and changes in fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2011 financial statements, and in our report dated September 10, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seapointe Village Master Association, Inc. as of March 31, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on pages 12 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 17 and 18 for the year ended March 31, 2012 is presented for the purpose of additional analysis and is also not a required part of the basic financial statements. Such information has been summarized from Association records and, except as labeled otherwise, has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marcum LLP

Bala Cynwyd, PA
September 7, 2012

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

BALANCE SHEETS

MARCH 31, 2012

(With Comparative Information for 2011)

	March 31, 2012				March 31, 2011
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
Assets					
Cash and cash equivalents	\$ 181,455	\$ 66,157	\$ 117,845	\$ 365,457	\$ 260,429
Other receivables	7,817	--	--	7,817	1,357
Due from Villages	6,588	--	--	6,588	11,556
Prepaid expenses and other assets	18,522	--	--	18,522	47,926
Property and equipment, net	1,305,413	--	--	1,305,413	1,321,299
Interfund balances	<u>--</u>	<u>208,383</u>	<u>56,054</u>	<u>264,437</u>	<u>173,899</u>
Total Assets	<u>\$ 1,519,795</u>	<u>\$ 274,540</u>	<u>\$ 173,899</u>	<u>\$ 1,968,234</u>	<u>\$ 1,816,466</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 37,869	\$ --	\$ --	\$ 37,869	\$ 68,667
Payroll expenses and taxes payable	13,343	--	--	13,343	11,719
Note payable	654	--	--	654	6,866
Interfund balances	<u>264,437</u>	<u>--</u>	<u>--</u>	<u>264,437</u>	<u>173,899</u>
Total Liabilities	<u>316,303</u>	<u>--</u>	<u>--</u>	<u>316,303</u>	<u>261,151</u>
Fund Balance					
Board designated funds	--	274,540	173,899	448,439	292,890
Undesignated funds	<u>1,203,492</u>	<u>--</u>	<u>--</u>	<u>1,203,492</u>	<u>1,262,425</u>
Total Fund Balance	<u>1,203,492</u>	<u>274,540</u>	<u>173,899</u>	<u>1,651,931</u>	<u>1,555,315</u>
Total Liabilities and Fund Balance	<u>\$ 1,519,795</u>	<u>\$ 274,540</u>	<u>\$ 173,899</u>	<u>\$ 1,968,234</u>	<u>\$ 1,816,466</u>

The accompanying notes are an integral part of these financial statements.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 2012

(With Comparative Information for 2011)

	2012			2011	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
Revenues					
Master fees from associations	\$ 1,756,776	\$ 60,000	\$ 198,396	\$ 2,015,172	\$ 1,975,056
Reimbursements from associations	204,728	--	--	204,728	164,892
Initial assessments	13,236	--	--	13,236	8,908
Interest income	4	244	269	517	672
Service charges	76,591	--	--	76,591	74,601
Beach tags and pool fees	7,507	--	--	7,507	5,337
Vending commissions	5,281	--	--	5,281	5,394
Lease fees - Beach Hut	25,074	--	--	25,074	24,000
Total Revenues	<u>2,089,197</u>	<u>60,244</u>	<u>198,665</u>	<u>2,348,106</u>	<u>2,258,860</u>
Expenses					
Administrative expenses	335,770	--	--	335,770	341,211
Payroll and employee expenses	996,929	--	--	996,929	904,502
Utilities and insurance	429,228	--	--	429,228	388,596
Residential and maintenance services	386,203	--	--	386,203	385,887
Major repairs and replacements	--	16,703	86,657	103,360	245,558
Total Expenses	<u>2,148,130</u>	<u>16,703</u>	<u>86,657</u>	<u>2,251,490</u>	<u>2,265,754</u>
(Deficiency) Excess of Revenues over Expenses	(58,933)	43,541	112,008	96,616	(6,894)
Fund Balance - Beginning	<u>1,262,425</u>	<u>230,999</u>	<u>61,891</u>	<u>1,555,315</u>	<u>1,562,209</u>
Fund Balance -Ending	<u>\$ 1,203,492</u>	<u>\$ 274,540</u>	<u>\$ 173,899</u>	<u>\$ 1,651,931</u>	<u>\$ 1,555,315</u>

The accompanying notes are an integral part of these financial statements.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2012

(With Comparative Information for 2011)

	2012			2011	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
Cash Flows from Operating Activities					
(Deficiency) excess of revenues over expenses	\$ (58,933)	\$ 43,541	\$ 112,008	\$ 96,616	\$ (6,894)
Adjustments to reconcile (deficiency) excess of revenues over expenses to net cash (used in) provided by operating activities:					
Depreciation expense	15,886	--	--	15,886	17,586
Changes in operating assets and liabilities:					
Other receivables	(6,460)	--	--	(6,460)	96,680
Due from Villages	4,968	--	--	4,968	(11,556)
Prepaid expenses and other assets	29,404	--	--	29,404	(16,652)
Accounts payable and accrued expenses	(30,798)	--	--	(30,798)	(7,301)
Payroll taxes and payroll expenses payable	1,624	--	--	1,624	1,866
Total Adjustments	<u>14,624</u>	<u>--</u>	<u>--</u>	<u>14,624</u>	<u>80,623</u>
Net Cash (Used in) Provided by Operating Activities	<u>(44,309)</u>	<u>43,541</u>	<u>112,008</u>	<u>111,240</u>	<u>73,729</u>
Cash Flows from Financing Activities					
Interfund borrowings (repayments), net	121,125	(34,484)	(86,641)	--	--
Principal payments on note payable	(6,212)	--	--	(6,212)	(6,812)
Net Cash Provided by (Used in) Financing Activities	<u>114,913</u>	<u>(34,484)</u>	<u>(86,641)</u>	<u>(6,212)</u>	<u>(6,812)</u>
Net Increase in Cash and Cash Equivalents	70,604	9,057	25,367	105,028	66,917
Cash and Cash Equivalents - Beginning	<u>110,851</u>	<u>57,100</u>	<u>92,478</u>	<u>260,429</u>	<u>193,512</u>
Cash and Cash Equivalents - Ending	<u>\$ 181,455</u>	<u>\$ 66,157</u>	<u>\$ 117,845</u>	<u>\$ 365,457</u>	<u>\$ 260,429</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the years for:

Interest	\$ 437	\$ --	\$ --	\$ 437	\$ 1,426
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The accompanying notes are an integral part of these financial statements.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Seapointe Village Master Association, Inc. (the "Association") is a statutory condominium association incorporated in the State of New Jersey and located in the Diamond Beach section of Wildwood Crest, New Jersey. The purpose of the Association is to provide for the maintenance, management and operation of common property and recreational facilities. The Master Association consists of the unit owners of seven constituent villages: Seapointe Village I through V, Seapointe Village VII and Single Family Homes at Seapointe Village.

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 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.

Deferred Maintenance Fund - This fund is used to accumulate amounts in order to perform maintenance services which occur less frequently than annually.

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

MEMBER ASSESSMENTS

The Village Associations are subject to monthly assessments to provide funds for the Association's operating expenses, maintenance services, future capital acquisitions and major repairs and replacements. Any excess assessments at year end are retained by the Association for use in the succeeding year.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSESSMENTS RECEIVABLE

The Association carries its assessments receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Association evaluates its assessments receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on its history of past write-offs and collections and current credit conditions. The Association considers its assessments receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

PROPERTY AND EQUIPMENT

In accordance with prevalent industry practice, the Association's policy is not to capitalize real property directly associated with individual units, or part of the fee simple ownership of the individual units. Also in accordance with prevalent industry practice, the Association's policy is to capitalize all equipment, personal property and real property not directly associated with the units to which it has title and to which it (1) has the right to sell and retain proceeds of, or (2) can use the property to generate significant cash flows on the basis of usage. Property and equipment that meet the preceding requirements are capitalized at cost and depreciated using the straight-line method over estimated useful lives. All other costs of repair and replacement are expensed as incurred or charged to the replacement fund if provided for therein.

As of March 31, 2012 and 2011, property not capitalized consists of sidewalks, roadways, parking areas and open areas. The Association received these common elements in a non-monetary transaction with the developers. Since the use and disposition of these properties are restricted or governed by the Association's legal documents, no amounts have been capitalized or reflected on the accompanying balance sheets.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Association to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTEREST EARNED

The Association's policy is to allocate all interest earned on replacement and deferred maintenance cash accounts and investments to the corresponding replacement funds and deferred maintenance funds.

NOTE 2 - INCOME TAXES

Under the Internal Revenue Code, the Association may be taxed as a Condominium Management Association at its election, or as a regular corporation. The Association may select either method in any year and will generally select the method that results in the lowest tax due. A method selected in one year affects only that year and the Association is free to select either method in future years. By filing as a regular corporation, the Association is generally taxed at a lower rate than by filing as a Condominium Management Association.

For the years ended March 31, 2012 and 2011, the Association has not elected to be taxed as a Condominium Management Association. The Association will therefore be taxed as a corporation. For each of the years ended March 31, 2012 and 2011, there were no income taxes based on the comparison of non-membership income to non-membership expenses.

The Association is incorporated pursuant to Title 15 of the New Jersey Statutes and therefore is not liable for New Jersey corporation business income tax.

The Association follows the guidance for accounting for uncertainty in income taxes. The Association had no unrecognized tax benefits at March 31, 2012 or 2011. The Association's Federal income tax returns prior to fiscal year 2009 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Association recognizes interest and penalties associated with tax matters as operating expenses and includes accrued interest and penalties with accrued expenses in the balance sheet. There were no penalties and interest during the years ended March 31, 2012 or 2011.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 3 - REPLACEMENT FUND

The Association's governing documents require that funds accumulate for future major repairs and replacements. At March 31, 2012 and 2011, accumulated fund balances are \$173,899 and \$61,891, respectively. Replacement funds are held in separate accounts and are generally not available for expenditures or operating purposes.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimate of those lives and current replacement costs considering amounts previously accumulated in the replacement fund. For the years ended March 31, 2012 and 2011, the Board funded \$198,396 for each year in total monthly assessments and \$269 and \$120 in interest income for the basic annual contribution, respectively.

Funds are being accumulated in the replacement fund based upon estimated costs for repairs and replacement of common property components. Actual expenditures 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 for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, levy special assessments, or delay such repairs and replacements until funds are available.

NOTE 4 - CONCENTRATION OF CREDIT RISK

At times, the Association maintains cash in one bank account in excess of the FDIC insured amount.

Financial instruments which potentially subject the Association to concentrations of credit risk are primarily accounts receivable due from owners. The potential concentration of credit risk is limited due to the large number of unit owners comprising the Association's member base.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	2012	2011	Estimated Useful Lives
Land	\$1,275,000	\$1,275,000	--
Improvements	26,519	26,519	27.5 years
Furniture and fixtures	54,909	54,909	5 years
Equipment	147,584	147,584	5 years
	1,504,012	1,504,012	
Less: Accumulated depreciation	(198,599)	(182,713)	
Property and Equipment, net	\$1,305,413	\$1,321,299	

NOTE 6 - NOTE PAYABLE

Note payable, bank, payable in monthly installments of \$589, including interest of 7.5% per annum, maturing April 2012, collateralized by equipment.

NOTE 7 - MASTER FEES FROM ASSOCIATIONS

All Village Associations are obligated to collect the Master fees from their individual unit owners, and remit the amounts to the Master Association. The following represent the amount of master fees paid during the years ended March 31:

	2012	2011
Seapointe Village I Condominium Association, Inc.	\$ 421,380	\$ 412,716
Seapointe Village II Condominium Association, Inc.	421,380	412,716
Seapointe Village III Condominium Association, Inc.	300,636	294,492
Seapointe Village IV Condominium Association, Inc.	193,596	189,660
Seapointe Village V Condominium Association, Inc.	283,128	277,272
Single Family Homes at Seapointe Village	96,960	95,280
Seapointe Village VII Condominium Association, Inc.	298,092	292,920
Master Fees from Associations, total	\$2,015,172	\$1,975,056

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(With Comparative Information for 2011)

NOTE 8 - INITIAL ASSESSMENTS

In accordance with the Board of Directors policy, each initial member of the Association must contribute revenue to the Master Association at the time of settlement an amount equivalent to two months maintenance assessments. Initial assessments totaled \$13,236 and \$8,908 the years ended March 31, 2012 and 2011, respectively.

NOTE 9 - REIMBURSEMENTS FROM ASSOCIATIONS

The Master Association pays for various office, maintenance and custodial expenses, which are allocated to the Village Associations and included in revenue as reimbursements from associations. Revenues totaled \$204,728 and \$164,892 during the years ended March 31, 2012 and 2011, respectively.

NOTE 10 - AMENITIES USAGE FEE

The Association charges an amenities usage fee to an unrelated association. The monthly commitment was approximately \$5,000 and indexed for inflation, not to exceed 5% per annum. Income, which is included in service charges in the Statements of Revenues, Expenses and Changes in Fund Balance, was approximately \$73,000 and \$69,000 for the years ended March 31, 2012 and 2011, respectively, of which \$6,000 and \$-- were then due and included in prepaid expenses and other assets in the Balance Sheets. The commitment has no stated expiration date.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events occurring through September 7, 2012, the date that the accompanying financial statements were available to be issued, and determined that there were no events or transactions which require recognition or disclosure in the financial statements.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

FOR THE YEAR ENDED MARCH 31, 2012
(Unaudited)

An independent engineer conducted a study in March of 2012 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from licensed contractors who inspected the property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property.

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES (YEARS)</u>	<u>ESTIMATED CURRENT REPLACEMENT COSTS</u>
<u>Paving:</u>		
2' Cap –Asphalt Pavement	2	\$161,530
Decorative Concrete Pavers (Ibis Ln Cir @ 5 yrs)	6	93,373
Decorative Concrete Pavers (Plaza Deck & Remaining @ 5 Years)	23	312,195
Concrete Sidewalk (Ibis Pools & Playground)	25	33,575
Stamped Concrete (Ibis Pools & Playground)	25	17,712
Colored Concrete Pool Deck-Centre Court	20	55,224
Colored Concrete Pool Deck-Garden	15	27,918
Colored Concrete Pool Deck-Ocean Side	23	23,490
Concrete Hot Tub Deck (Ocean Side)	5	8,500
Concrete Sidewalk (Plaza Deck)	23	152,320
<u>Illumination:</u>		
20' Aluminum Street Lights (over 5 yrs)	15	178,750
Plaza Bollard Lighting	18	18,000
Bollard Lighting-Walkways	18	18,000

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2012

(Unaudited)

Fencing:

10' High Chainlink -Tennis Ct	20	\$11,520
4' High Chainlink -Tennis Ct	20	3,465
4' Aluminum (Ibis Pool & Playground)	20	21,105
4' Aluminum (Centre Court)	6	30,870
4' Railing (Centre Court)	6	3,276
4' High Aluminum (Garden Pool)	7	19,656
4' High Aluminum (Ocean Side)	18	50,400
8' Chainlink (Pool Heaters)	6	2,358
8' High Vinyl Privacy	25	18,813
4' Vinyl (Townhomes 400, 500 & 600)	30	30,020
5' Vinyl (Townhomes 30, 500, 600 & 700)	30	16,195
6' Vinyl (Townhomes 300 Series)	30	18,338
7' Vinyl (Townhomes 300 Series)	30	9,436
6' Vinyl Fencing -Dune Drive	26	32,396
6' Wool Fence (replace with Vinyl)	1	3,540

Recreation:

Tennis Court Resurface	2	17,600
Tennis Court Reconstruction	15	92,000
Basketball Court Resurface	5	8,800
Basketball Backstop & Hoops	15	4,400
Tot Lot & Swing Set	5	23,200
Pool Coping & Waterline Tile-Ibis Pool/Spa	10	13,200
Pool Resurfacing -Centre Court (all)	4	8,469
Pool Coping & Waterline Tile-(Centre Court)	12	35,400
Pool Resurfacing - Garden	3	6,480
Pool Coping & Waterline Tile-(Garden)	11	9,900
Pool / Spa Resurfacing (Ocean Side)	3	25,650
Pool Coping & Waterline Tile-(Ocean Side)	14	25,800

Ibis Exterior Components:

Pool Furniture	5	20,000
Aluminum Gutters	15	1,393
Aluminum Leaders	15	628

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2012
(Unaudited)

<u>Ibis Interior Components:</u>		
VCT	25	\$3,935
Acoustical Ceiling Tile	25	1,828
Bathroom Renovation	15	8,000
 <u>Ibis Mechanical Components:</u>		
Pool Filters & Pumps	13	24,900
Pool Heaters – 325K Btu	13	6,400
Electric Water Heater – 40 Gallon	7	1,200
HVAC	15	15,500
 <u>Centre Court Exterior Components:</u>		
Composite Decking	20	7,680
Wooden Pedestrian Bridge (over pool)	2	12,200
Pool Equipment Shed	15	2,500
 <u>Centre Court Mechanical:</u>		
Spa Heater	4	2,200
Spa Filter & Pump	9	3,300
Pool Heaters -399K Btu	10	7,200
Pool Heater - 299K Btu	10	3,100
Pool Filters & Pumps	10	15,600
 <u>Garden Exterior Components:</u>		
Pool Furnishings	3	20,000
Beach-8'	16	2,000
 <u>Garden Mechanical Components:</u>		
Pool Heater - 250K Btu	8	3,100
Pool Heater – 399K Btu	8	7,200
ADA Pool Chair Lift	2	8,000
Pool Filters & Pumps	14	15,600
 <u>Ocean Side Exterior Components:</u>		
Lounge Chairs (8,000 allowance every other year)	5	8,000
Picnic Tables / Umbrellas	10	9,600
Trex Decking (over 3 years)	18	318,600
Trex Modular Rollout Decking	20	90,440

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2012

(Unaudited)

Ocean Side Mechanical:

ADA Pool Chair Lift	3	\$8,000
Pool Heaters	10	5,600
Pool Heaters - 175K Btu	10	7,500
Pool Pumps & Filters	10	12,900

Miscellaneous:

Trash / Recycling Receptacles (over 7 years)	3	14,400
Wood Lattice (Steel Trellis) (Replace with Vinyl)	5	50,000
Shower Towers	7	33,000
Tiki Huts	5	52,500
BBQ Grills	1	8,400
Storage Sheds (10'x12' Beach Area)	6	10,500
Restroom Renovation - Beach	5	15,000
Composite Benches / Steel Frame	13	12,000
Lagoons & Components (over 5 years)	1	50,000
Lagoons & Components (over 3 years)	3	450,000

Miscellaneous Mechanical:

Access Gates & Controllers (over 5 years)	2	23,775
Card Reader System	8	36,105
Parking Meters	6	10,000
Gatehouse HVAC	18	3,800

Vehicles:

Golf Carts	1	7,500
Golf Carts	2	2,500
Kubota Tractor w/ Front Loader	10	40,000
Food Concession Trailer	5	50,000

Pinnacle Interior Finishes

Meeting Room:

Carpet	7	7,277
Acoustical Ceiling Tiles	10	1,478
Furniture	4	15,000
Kitchen Amenities	1	1,200
Ceramic Tile	10	784

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2012
(Unaudited)

Exercise Room:

Carpet	6	\$4,582
Exercise Equipment (over 5 yrs.)	4	33,900
Acoustical Ceiling Tile	29	1,478

Game Room:

Carpet	6	3,881
Acoustical Ceiling Tile	29	1,277

Miscellaneous:

Security System – (Cameras)	10	5,300
Sauna Heater	3	1,200
Steam Generator	3	3,200

Restroom Facilities:

Ceramic Tile – (Men's & Women's)	20	26,484
Acoustical Ceiling Tile	29	1,261
Bathroom Renovation	20	25,000

Hallways:

Ceramic Tile	10	3,572
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Office (North Beach):

Office Furniture	2	<u>10,000</u>
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GRAND TOTAL \$3,313,332

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL REVENUES, EXPENSES AND
ALLOCATION TO FUNDS AS COMPARED TO BUDGET**

FOR THE YEAR ENDED MARCH 31, 2012

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)
Revenues			
Master fees from associations	\$ 2,015,172	\$ 2,014,557	\$ 615
Reimbursements from associations	204,728	165,000	39,728
Initial assessments	13,236	10,000	3,236
Interest income	517	--	517
Service charges	76,591	76,006	585
Beach tags and pool fees	7,507	6,000	1,507
Vending commissions	5,281	5,000	281
Lease fees - Beach Hut	25,074	26,000	(926)
Total Revenues	<u>2,348,106</u>	<u>2,302,563</u>	<u>45,543</u>
Expenses			
Administrative expenses:			
Management fees	220,764	206,793	(13,971)
Bank service charges	140	--	(140)
Depreciation expense	15,886	--	(15,886)
Dues and subscriptions	715	500	(215)
Gifts and contributions	--	250	250
Interest expense	443	--	(443)
Licenses and permits	1,241	1,000	(241)
Meeting expenses	818	1,250	432
Miscellaneous expense (including master fee reimbursements)	(6,049)	35,464	41,513
Office supplies and expense	22,357	23,000	643
Postage and delivery	5,697	6,000	303
Printing and reproduction	1,396	--	(1,396)
Professional fees	45,758	51,000	5,242
Rent	19,500	19,500	--
Taxes and fees	6,854	7,000	146
Travel and entertainment	250	500	250
Total Administrative Expenses	<u>335,770</u>	<u>352,257</u>	<u>16,487</u>
Payroll and employee expenses:			
Salaries and wages	815,645	779,040	(36,605)
Payroll taxes	113,005	91,500	(21,505)
Group insurance and benefits	68,279	48,000	(20,279)
Total Payroll and Employee Expenses	<u>996,929</u>	<u>918,540</u>	<u>(78,389)</u>
Utilities and insurance:			
Cable TV	8,111	6,500	(1,611)
Electricity	114,571	136,000	21,429
Gas	43,676	50,000	6,324
Insurance	142,705	100,670	(42,035)
Telephone	18,260	15,000	(3,260)
Water and sewer	101,905	100,000	(1,905)
Total Utilities and Insurance	<u>\$ 429,228</u>	<u>\$ 408,170</u>	<u>\$ (21,058)</u>

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL REVENUES, EXPENSES AND
ALLOCATION TO FUNDS AS COMPARED TO BUDGET - CONTINUED**

FOR THE YEAR ENDED MARCH 31, 2012

	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)
Expenses and Fund Allocations (Continued)			
Residential and maintenance services:			
Custodial supplies and materials	\$ 47,663	\$ 17,500	\$ (30,163)
Damaged/insured loss contingency	5,173	--	(5,173)
Exterminator	777	3,500	2,723
Heating, ventilation and air-conditioning	775	--	(775)
Landscaping	154,914	146,000	(8,914)
Pool, spa and lagoon supplies and maintenance	74,093	80,000	5,907
Repairs and maintenance	65,405	73,000	7,595
Security supplies and equipment	10,078	9,200	(878)
Trash collection	17,871	25,000	7,129
Uniforms	9,454	11,000	1,546
Total Residential and Maintenance Services	<u>386,203</u>	<u>365,200</u>	<u>(21,003)</u>
Major repairs and replacements:			
Pool maintenance	17,384	--	(17,384)
Recreation facilities	11,266	--	(11,266)
Beach-related projects	3,000	--	(3,000)
Perimeter fence	32,209	--	(32,209)
New trash dumpsters	2,547	--	(2,547)
New golf cars	7,233	--	(7,233)
Exterior maintenance	7,139	--	(7,139)
Interior maintenance	14,208	--	(14,208)
Professional fees - engineering	8,374	--	(8,374)
Total Major Repairs and Replacements	<u>103,360</u>	<u>--</u>	<u>(103,360)</u>
Total Expenses	<u>2,251,490</u>	<u>2,044,167</u>	<u>(207,323)</u>
Excess (Deficiency) of Revenues over Expenses	<u>96,616</u>	<u>258,396</u>	<u>(161,780)</u>
Deferred maintenance fund allocations:			
Allocated assessments	60,000	60,000	--
Allocated interest income	244	--	244
Major repairs and replacements	(16,703)	--	(16,703)
Total Deferred Maintenance Fund Allocations	<u>43,541</u>	<u>60,000</u>	<u>(16,459)</u>
Replacement fund allocations:			
Allocated assessments	198,396	198,396	--
Allocated interest income	269	--	269
Major repairs and replacements	(86,657)	--	(86,657)
Total Replacement Fund Allocations	<u>112,008</u>	<u>198,396</u>	<u>(86,388)</u>
Total Fund Allocations, Net of Expenses	<u>155,549</u>	<u>258,396</u>	<u>(102,847)</u>
Deficiency of Revenues over Expenses, Net of Fund Allocations	<u>\$ (58,933)</u>	<u>\$ --</u>	<u>\$ (58,933)</u>

See independent auditors' report.