

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2014
(WITH COMPARATIVE INFORMATION FOR 2013)

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Seapointe Village Master Association, Inc., which comprise the balance sheet as of March 31, 2014, and the related statements of revenues, expenses and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Seapointe Village Master Association, Inc.'s 2013 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 30, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2013, is consistent in all material respects with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of information on future major repairs and replacements on pages 14 through 18 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.

Marcum LLP

Bala Cynwyd, PA
November 10, 2014

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

BALANCE SHEETS

MARCH 31, 2014

(With Comparative Information for 2013)

	March 31, 2014				March 31,
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	2013
					Total
Assets					
Cash and cash equivalents	\$ 101,704	\$ 197,209	\$ 302,611	\$ 601,524	\$ 459,612
Due from Villages and other receivables	--	--	--	--	1,678
Insurance reimbursement receivable	--	--	--	--	15,000
Prepaid expenses and other assets	37,330	--	--	37,330	26,504
Property and equipment, net	1,341,973	--	--	1,341,973	1,319,960
Interfund balances	<u>--</u>	<u>78,060</u>	<u>110,435</u>	<u>188,495</u>	<u>158,768</u>
Total Assets	<u>\$ 1,481,007</u>	<u>\$ 275,269</u>	<u>\$ 413,046</u>	<u>\$ 2,169,322</u>	<u>\$ 1,981,522</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable and accrued expenses	\$ 51,566	\$ --	\$ --	\$ 51,566	\$ 64,393
Payroll expenses and taxes payable	20,077	--	--	20,077	12,911
Due to Villages	12,220	--	--	12,220	--
Interfund balances	<u>188,495</u>	<u>--</u>	<u>--</u>	<u>188,495</u>	<u>158,768</u>
Total Liabilities	<u>272,358</u>	<u>--</u>	<u>--</u>	<u>272,358</u>	<u>236,072</u>
Fund Balance					
Board designated funds	--	275,269	413,046	688,315	556,055
Undesignated funds	<u>1,208,649</u>	<u>--</u>	<u>--</u>	<u>1,208,649</u>	<u>1,189,395</u>
Total Fund Balance	<u>1,208,649</u>	<u>275,269</u>	<u>413,046</u>	<u>1,896,964</u>	<u>1,745,450</u>
Total Liabilities and Fund Balance	<u>\$ 1,481,007</u>	<u>\$ 275,269</u>	<u>\$ 413,046</u>	<u>\$ 2,169,322</u>	<u>\$ 1,981,522</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, 2014

(With Comparative Information for 2013)

	2014			2013	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
Revenues					
Master fees from Villages	\$ 1,838,477	\$ 32,000	\$ 226,398	\$ 2,096,875	\$ 2,054,532
Reimbursements from Villages	173,105	--	--	173,105	189,941
Initial assessments	16,538	--	--	16,538	19,321
Interest income	--	696	626	1,322	728
Service charges	86,431	--	--	86,431	80,263
Beach tags and pool fees	11,671	--	--	11,671	9,569
Vending commissions	3,370	--	--	3,370	6,242
Lease fees - Beach Hut	26,000	--	--	26,000	26,000
Total Revenues	<u>2,155,592</u>	<u>32,696</u>	<u>227,024</u>	<u>2,415,312</u>	<u>2,386,596</u>
Expenses					
Administrative expenses	357,290	--	--	357,290	353,737
Payroll and employee expenses	998,049	--	--	998,049	992,200
Utilities and insurance	423,768	--	--	423,768	413,257
Residential and maintenance services	357,231	--	--	357,231	381,919
Major repairs and replacements	--	20,101	107,359	127,460	151,964
Total Expenses	<u>2,136,338</u>	<u>20,101</u>	<u>107,359</u>	<u>2,263,798</u>	<u>2,293,077</u>
Excess of Revenue over Expenses	19,254	12,595	119,665	151,514	93,519
Fund Balance - Beginning	<u>1,189,395</u>	<u>262,674</u>	<u>293,381</u>	<u>1,745,450</u>	<u>1,651,931</u>
Fund Balance - Ending	<u>\$ 1,208,649</u>	<u>\$ 275,269</u>	<u>\$ 413,046</u>	<u>\$ 1,896,964</u>	<u>\$ 1,745,450</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, 2014

(With Comparative Information for 2013)

	2014			2013	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
Cash Flows from Operating Activities					
Excess of revenues over expenses	\$ 19,254	\$ 12,595	\$ 119,665	\$ 151,514	\$ 93,519
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:					
Depreciation expense	14,523	--	--	14,523	8,559
Changes in operating assets and liabilities:					
Due to Villages	13,898	--	--	13,898	12,727
Insurance reimbursement receivable	15,000	--	--	15,000	(15,000)
Prepaid expenses and other assets	(10,826)	--	--	(10,826)	(7,982)
Accounts payable and accrued expenses	(12,827)	--	--	(12,827)	26,524
Payroll taxes and payroll expenses payable	7,166	--	--	7,166	(432)
Total Adjustments	<u>26,934</u>	<u>--</u>	<u>--</u>	<u>26,934</u>	<u>24,396</u>
Net Cash Provided by Operating	<u>46,188</u>	<u>12,595</u>	<u>119,665</u>	<u>178,448</u>	<u>117,915</u>
Cash Flows Used in Investing Activities					
Acquisitions of property and equipment	<u>(36,536)</u>	<u>--</u>	<u>--</u>	<u>(36,536)</u>	<u>(23,106)</u>
Cash Flows from Financing Activities					
Interfund (repayments) borrowings, net	29,727	7,648	(37,375)	--	--
Principal payments of note payable	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(654)</u>
Net Cash Provided by (Used in) Financing Activities	<u>29,727</u>	<u>7,648</u>	<u>(37,375)</u>	<u>--</u>	<u>(654)</u>
Net Increase in Cash and Cash Equivalents	39,379	20,243	82,290	141,912	94,155
Cash and Cash Equivalents - Beginning	<u>62,325</u>	<u>176,966</u>	<u>220,321</u>	<u>459,612</u>	<u>365,457</u>
Cash and Cash Equivalents - Ending	<u>\$ 101,704</u>	<u>\$ 197,209</u>	<u>\$ 302,611</u>	<u>\$ 601,524</u>	<u>\$ 459,612</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the years for:

Interest	\$ 262	\$ --	\$ --	\$ 262	\$ 29
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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, 2014
(With Comparative Information for 2013)

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

Seapointe Village Master Association, Inc. (the "Master 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 Master 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 ("Villages"): Seapointe Village I through V, Seapointe Village VII and Single Family Homes at Seapointe Village.

FUND ACCOUNTING

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

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Master 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, 2014
(With Comparative Information for 2013)

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

PROPERTY AND EQUIPMENT

In accordance with prevalent industry practice, the Master 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 Master 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, 2014 and 2013, property not capitalized consists of sidewalks, roadways, parking areas and open areas. The Master 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 Master 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 Master 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.

INTEREST EARNED

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

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014 (With Comparative Information for 2013)

NOTE 2 - INCOME TAXES

Under the Internal Revenue Code, the Master Association may be taxed as a Condominium Management Association at its election, or as a regular corporation. The Master 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 Master Association is free to select either method in future years. By filing as a regular corporation, an association is generally taxed at a lower rate than by filing as a Condominium Management Association.

For the years ended March 31, 2014 and 2013, the Master Association has not elected to be taxed as a Condominium Management Association. The Master Association will therefore be taxed as a corporation. For each of the years ended March 31, 2014 and 2013, there were no income taxes based on the comparison of non-membership income to non-membership expenses.

The Master 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 Master Association follows the guidance for accounting for uncertainty in income taxes. The Master Association had no unrecognized tax benefits at March 31, 2014 and 2013. The Master Association's Federal income tax returns prior to fiscal year 2011 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Master 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, 2014 and 2013.

NOTE 3 - REPLACEMENT FUND

The Master Association's governing documents require that funds accumulate for future major repairs and replacements. At March 31, 2014 and 2013, accumulated fund balances are \$413,046 and \$293,381, respectively. Replacement funds are held in separate accounts and are generally not available for expenditures or operating purposes.

The Board of Directors 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, 2014 and 2013, the Board of Directors funded \$226,398 and \$226,854 in total monthly assessments and \$626 and \$358 in interest income for the basic annual contribution, respectively.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014
(With Comparative Information for 2013)

NOTE 3 - REPLACEMENT FUND (CONTINUED)

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 Master 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 Master Association maintains cash in accounts in excess of the FDIC insured amount.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	2014	2013	Estimated Useful Lives
Land	\$1,275,000	\$1,275,000	--
Improvements	26,519	26,519	27.5 years
Furniture, fixtures and equipment	<u>160,574</u>	<u>225,599</u>	5-10 years
	1,426,093	1,527,118	
Less: Accumulated depreciation	<u>(120,120)</u>	<u>(207,158)</u>	
Property and Equipment, net	<u>\$1,341,973</u>	<u>\$1,319,960</u>	

NOTE 6 - MASTER FEES FROM VILLAGES

All Villages are obligated to collect the Master Association 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:

	2014	2013
Seapointe Village I Condominium Association, Inc.	\$ 439,248	\$ 430,224
Seapointe Village II Condominium Association, Inc.	438,967	430,224
Seapointe Village III Condominium Association, Inc.	313,608	307,176
Seapointe Village IV Condominium Association, Inc.	202,164	197,952
Seapointe Village V Condominium Association, Inc.	295,008	288,912
Single Family Homes at Seapointe Village	100,080	98,160
Seapointe Village VII Condominium Association, Inc.	<u>307,800</u>	<u>301,884</u>
Master Fees from Villages, total	<u>\$2,096,875</u>	<u>\$2,054,532</u>

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014 (With Comparative Information for 2013)

NOTE 7 - 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 \$16,538 and \$19,321 the years ended March 31, 2014 and 2013, respectively.

NOTE 8 - REIMBURSEMENTS FROM VILLAGES

The Master Association pays for various offices, maintenance and custodial expenses, which are allocated to the Villages and included in revenue as reimbursements from the Villages. Revenues totaled \$173,105 and \$189,941 for the years ended March 31, 2014 and 2013, respectively.

NOTE 9 - AMENITIES USAGE FEE

The Master Association charges an amenities usage fee to an unrelated association. The monthly commitment was approximately \$6,700 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 \$80,000 and \$76,000 for the years ended March 31, 2014 and 2013, respectively. The commitment has no stated expiration date.

NOTE 10 – COMMITMENT

The Master Association financed its annual insurance premiums through a financing company in the amount of \$23,564, payable in monthly installments of approximately \$2,400, including interest at 4.93% per annum, matured August 2013. The outstanding principal as of March 31, 2013 was \$11,514. The premium could have been repaid should the policy have been canceled at any time with appropriate notice.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events occurring through November 10, 2014, 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
SCHEDULE OF TOTAL REVENUES, EXPENSES AND
ALLOCATION TO FUNDS AS COMPARED TO BUDGET**

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	March 31, 2014		Variance Favorable (Unfavorable)	March 31,
	Actual	Budget (Unaudited)		2013
Revenues				
Master fees from Villages	\$ 2,096,875	\$ 2,095,622	\$ 1,253	\$ 2,054,532
Reimbursements from Villages	173,105	185,000	(11,895)	189,941
Initial assessments	16,538	12,000	4,538	19,321
Interest income	1,322	--	1,322	728
Service charges	86,431	84,122	2,309	80,263
Beach tags and pool fees	11,671	8,500	3,171	9,569
Vending commissions	3,370	5,500	(2,130)	6,242
Lease fees - Beach Hut	26,000	26,000	--	26,000
Total Revenues	<u>2,415,312</u>	<u>2,416,744</u>	<u>(1,432)</u>	<u>2,386,596</u>
Expenses				
Administrative expenses:				
Management fees	231,580	222,000	(9,580)	224,880
Bad debts expense	13,504	12,607	(897)	12,607
Bank service charges	40	--	(40)	118
Depreciation expense	14,523	18,289	3,766	8,559
Dues and subscriptions	--	1,000	1,000	410
Gifts and contributions	239	--	(239)	276
Interest expense	262	--	(262)	29
Licenses and permits	1,874	1,300	(574)	1,244
Meeting expenses	1,190	1,200	10	1,173
Miscellaneous expense	--	--	--	1,606
Office supplies and expense	21,527	24,000	2,473	22,203
Postage and delivery	5,282	6,000	718	5,926
Printing and reproduction	573	--	(573)	1,810
Professional fees	39,793	49,000	9,207	46,391
Rent	19,500	19,500	--	19,500
Taxes and fees	7,283	7,000	(283)	6,946
Travel and entertainment	120	--	(120)	59
Total Administrative Expenses	<u>357,290</u>	<u>361,896</u>	<u>4,606</u>	<u>353,737</u>
Payroll and employee expenses:				
Salaries and wages	823,270	835,000	11,730	812,981
Payroll taxes	115,316	116,900	1,584	117,992
Group insurance and benefits	59,463	52,800	(6,663)	61,227
Total Payroll and Employee Expenses	<u>998,049</u>	<u>1,004,700</u>	<u>6,651</u>	<u>992,200</u>
Utilities and insurance:				
Cable TV	9,911	8,500	(1,411)	8,209
Electricity	127,212	126,000	(1,212)	124,902
Gas	46,666	42,500	(4,166)	40,084
Insurance	112,479	110,400	(2,079)	112,894
Telephone	20,207	19,000	(1,207)	18,803
Water and sewer	107,293	107,500	207	108,365
Total Utilities and Insurance	<u>\$ 423,768</u>	<u>\$ 413,900</u>	<u>\$ (9,868)</u>	<u>\$ 413,257</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 YEARS ENDED MARCH 31, 2014 AND 2013

	March 31, 2014			March 31, 2013
	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)	Actual
Expenses and Fund Allocations (Continued)				
Residential and maintenance services:				
Custodial supplies and materials	\$ 43,553	\$ 49,500	\$ 5,947	\$ 43,861
Damaged/insured loss contingency	--	--	--	5,360
Exterminator	3,231	3,250	19	3,075
Heating, ventilation and air-conditioning	1,535	--	(1,535)	2,101
Landscaping	164,391	154,600	(9,791)	158,927
Pool, spa and lagoon supplies and maintenance	64,190	74,000	9,810	65,576
Repairs and maintenance	44,670	52,500	7,830	60,881
Security supplies and equipment	6,737	9,000	2,263	8,634
Trash collection	18,806	25,000	6,194	25,434
Uniforms	10,118	10,000	(118)	8,070
Total Residential and Maintenance Services	<u>357,231</u>	<u>377,850</u>	<u>20,619</u>	<u>381,919</u>
Major repairs and replacements:				
Pool maintenance	26,370	--	(26,370)	12,062
Recreation facilities	21,019	--	(21,019)	19,182
Beach-related projects	9,651	--	(9,651)	16,849
Perimeter fence	--	--	--	34,806
Office furniture	2,913	--	(2,913)	--
Lobby air conditioner unit	2,150	--	(2,150)	--
Security system upgrade	2,371	--	(2,371)	--
Carpeting and tiles	--	--	--	4,470
Exterior maintenance	43,362	--	(43,362)	45,607
Interior maintenance	15,894	--	(15,894)	13,165
Plaza deck survey	3,730	--	(3,730)	5,823
Total Major Repairs and Replacements	<u>127,460</u>	<u>--</u>	<u>(127,460)</u>	<u>151,964</u>
Total Expenses	<u>2,263,798</u>	<u>2,158,346</u>	<u>(105,452)</u>	<u>2,293,077</u>
Excess (Deficiency) of Revenues over Expenses	<u>151,514</u>	<u>258,398</u>	<u>(106,884)</u>	<u>93,519</u>
Deferred maintenance fund allocations:				
Allocated assessments	32,000	32,000	--	32,000
Allocated interest income	696	--	696	368
Major repairs and replacements	(20,101)	--	(20,101)	(44,234)
Total Deferred Maintenance Fund Allocations	<u>12,595</u>	<u>32,000</u>	<u>(19,405)</u>	<u>(11,866)</u>
Replacement fund allocations:				
Allocated assessments	226,398	226,398	--	226,854
Allocated interest income	626	--	626	358
Major repairs and replacements	(107,359)	--	(107,359)	(107,730)
Total Replacement Fund Allocations	<u>119,665</u>	<u>226,398</u>	<u>(106,733)</u>	<u>119,482</u>
Total Fund Allocations, Net of Expenses	<u>132,260</u>	<u>258,398</u>	<u>(126,138)</u>	<u>107,616</u>
Excess (Deficiency) of Revenues over Expenses, Net of Fund Allocations	<u>\$ 19,254</u>	<u>\$ --</u>	<u>\$ 19,254</u>	<u>\$ (14,097)</u>

See independent auditors' report.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

FOR THE YEAR ENDED MARCH 31, 2014
(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, but they do take into account the effect of inflation of 3% 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, 2014

(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, 2014
(Unaudited)

Ibis Interior Components:

VCT	25	\$3,935
Acoustical Ceiling Tile	25	1,828
Bathroom Renovation	15	8,000

Ibis Mechanical Components:

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

Centre Court Exterior Components:

Composite Decking	20	7,680
Wooden Pedestrian Bridge (over pool)	2	12,200
Pool Equipment Shed	15	2,500

Centre Court Mechanical:

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

Garden Exterior Components:

Pool Furnishings	3	20,000
Beach-8'	16	2,000

Garden Mechanical Components:

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

Ocean Side Exterior Components:

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, 2014

(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, 2014
(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.