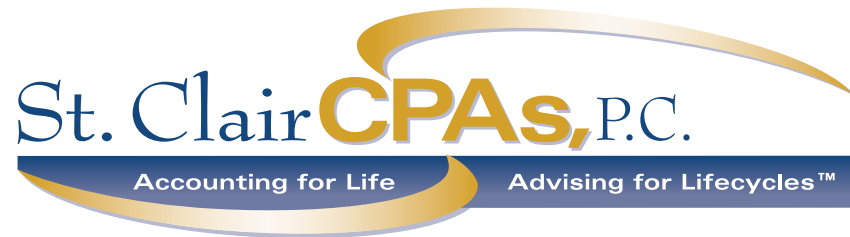


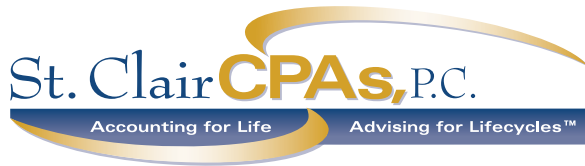
SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
FINANCIAL STATEMENTS
MARCH, 31 2016 AND 2015



SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
MARCH 31, 2016 AND 2015

TABLE OF CONTENTS

<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Fund Balances	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 10
SUPPLEMENTARY INFORMATION	
Schedules of Revenues, Expenses and Allocation to Funds as Compared to Budget	11 - 12
Supplementary Information on Future Major Repairs & Replacements (Unaudited)	13 - 18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Seapointe Village Master Association, Inc.
Wildwood Crest, New Jersey

We have audited the accompanying financial statements of Seapointe Village Master Association, Inc. (the "Master Association") which comprise the balance sheet as of March 31, 2016, 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 auditor's 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 2016 financial statements referred to above present fairly, in all material respects, the financial position of the Master Association as of March 31, 2016, 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.

Prior Period Financial Statements

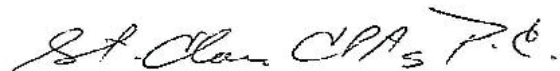
The financial statements of the Master Association as of March 31, 2015, were audited by other auditors whose report, dated November 30, 2015, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues, expenses and allocation to funds as compared to budget on pages 11 and 12 are presented for purposes of additional analysis, and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, that information is fairly stated in all material respects in relation to the financial statements 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 13 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 for the year ended March 31, 2016 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.



Certified Public Accountants

Conshohocken, Pennsylvania
November 8, 2016

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

BALANCE SHEETS

MARCH 31, 2016 AND 2015

	2016				2015
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
ASSETS					
Cash and cash equivalents	\$ 133,295	\$ 115,500	\$ 588,585	\$ 837,380	\$ 711,283
Prepaid expenses and other assets	19,110	-	-	19,110	38,387
Property and equipment, net	1,313,381	-	-	1,313,381	1,326,273
Due from villages	1,134	-	-	1,134	39,718
Interfund balances	-	109,609	88,719	198,328	217,948
	<u>\$ 1,466,920</u>	<u>\$ 225,109</u>	<u>\$ 677,304</u>	<u>\$ 2,369,333</u>	<u>\$ 2,333,609</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 27,543	\$ -	\$ -	\$ 27,543	\$ 56,491
Payroll expenses and taxes payable	10,089	-	-	10,089	9,770
Due to villages	14,942	-	-	14,942	13,504
Interfund balances	198,328	-	-	198,328	217,948
TOTAL LIABILITIES	<u>250,902</u>	<u>-</u>	<u>-</u>	<u>250,902</u>	<u>297,713</u>
FUND BALANCE					
Board designated funds	-	225,109	677,304	902,413	826,998
Undesignated funds	1,216,018	-	-	1,216,018	1,208,898
TOTAL FUND BALANCE	<u>1,216,018</u>	<u>225,109</u>	<u>677,304</u>	<u>2,118,431</u>	<u>2,035,896</u>
	<u>\$ 1,466,920</u>	<u>\$ 225,109</u>	<u>\$ 677,304</u>	<u>\$ 2,369,333</u>	<u>\$ 2,333,609</u>

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2016 AND 2015

	2016				2015
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
REVENUES					
Master fees from villages	\$ 1,877,617	\$ 32,000	\$ 249,975	\$ 2,159,592	\$ 2,138,580
Reimbursements from villages	200,470	-	-	200,470	164,781
Initial assessments	22,329	-	-	22,329	17,351
Interest income	1	481	2,264	2,746	1,856
Service charges	87,852	-	-	87,852	86,395
Parking charges	8,526	-	-	8,526	5,289
Owner service charges	4,182	-	-	4,182	-
Beach tags and recreation fees	10,735	-	-	10,735	11,656
Vending commissions	3,337	-	-	3,337	3,163
Lease fees - beach hut	28,000	-	-	28,000	26,000
TOTAL REVENUES	2,243,049	32,481	252,239	2,527,769	2,455,071
EXPENSES					
Administrative expenses	395,533	-	38,059	433,592	399,411
Payroll and employee expenses	1,006,117	-	-	1,006,117	954,553
Utilities and insurance	417,589	-	-	417,589	432,002
Residential and maintenance services	416,690	15,293	107,858	539,841	386,080
Major repairs and replacements	-	-	48,095	48,095	144,093
TOTAL EXPENSES	2,235,929	15,293	194,012	2,445,234	2,316,139
REVENUES OVER EXPENSES	7,120	17,188	58,227	82,535	138,932
FUND BALANCE, BEGINNING	1,208,898	207,921	619,077	2,035,896	1,896,964
FUND BALANCE, ENDING	\$ 1,216,018	\$ 225,109	\$ 677,304	\$ 2,118,431	\$ 2,035,896

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2016 AND 2015

	2016				2015
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenues over expenses	\$ 7,120	\$ 17,188	\$ 58,227	\$ 82,535	\$ 138,932
Adjustments to reconcile revenues over expenses to net cash provided by operating activities					
Depreciation expense	12,892	-	-	12,892	15,700
(Increase) decrease in assets					
Due from/to villages	40,022	-	-	40,022	(38,434)
Prepaid expenses and other assets	19,277	-	-	19,277	(1,057)
Increase (decrease) in liabilities					
Accounts payable and accrued expenses	(28,948)	-	-	(28,948)	4,925
Payroll taxes and payroll expenses payable	319	-	-	319	(10,307)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>50,682</u>	<u>17,188</u>	<u>58,227</u>	<u>126,097</u>	<u>109,759</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Interfund (repayments) borrowings, net	(19,620)	-	19,620	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(19,620)</u>	<u>-</u>	<u>19,620</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	31,062	17,188	77,847	126,097	109,759
CASH AND CASH EQUIVALENTS, BEGINNING	<u>102,233</u>	<u>98,312</u>	<u>510,738</u>	<u>711,283</u>	<u>601,524</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 133,295</u>	<u>\$ 115,500</u>	<u>\$ 588,585</u>	<u>\$ 837,380</u>	<u>\$ 711,283</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
INTEREST PAID	\$ -	\$ -	\$ -	\$ -	\$ 194

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 1 NATURE OF ORGANIZATION

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the replacement fund generally may be made only for designated purposes. 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 account for financial resources available for the general operations of the Master Association.

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. The annual budget and assessments of the villages are determined by the board of directors and are approved by the owners. 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 THE FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 2 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, 2016 and 2015, 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 accounts and investments to the corresponding replacement funds and deferred maintenance funds.

NOTE 3 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, 2016 and 2015, the Master Association has elected to be taxed as a Condominium Management Association. For each of the years ended March 31, 2016 and 2015, there were no income taxes based on the comparison of non-membership income to non-membership expenses.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 3 INCOME TAXES (continued)

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, 2016 and 2015. The Master Association's Federal income tax returns prior to fiscal year 2013 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, 2016 and 2015.

NOTE 4 REPLACEMENT FUND

The Master Association's governing documents require that funds accumulate for future major repairs and replacements. At March 31, 2016 and 2015, accumulated fund balances are \$677,304 and \$510,738, 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, 2016 and 2015, the board of directors funded \$249,975 and \$226,398 in total monthly assessments and \$2,264 and \$1,204 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 Master Association has the right to increase regular assessments, levy special assessments, or delay such repairs and replacements until funds are available.

NOTE 5 CONCENTRATION OF CREDIT RISK

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

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,275,000	\$ 1,275,000	-
Improvements	26,519	26,519	27.5 years
Furniture, fixtures and equipment	<u>160,574</u>	<u>160,574</u>	5 - 10 years
	1,462,093	1,462,093	
Less accumulated depreciation	<u>(148,712)</u>	<u>(135,820)</u>	
Property and equipment, net	<u>\$ 1,313,381</u>	<u>\$ 1,326,273</u>	

Depreciation expense totaled \$12,892 and \$15,700 for the years ended March 31, 2016 and 2015, respectively.

NOTE 7 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:

	<u>2016</u>	<u>2015</u>
Seapointe Village I Condominium Association, Inc.	\$ 452,436	\$ 447,984
Seapointe Village II Condominium Association, Inc.	452,436	447,984
Seapointe Village III Condominium Association, Inc.	322,980	319,896
Seapointe Village IV Condominium Association, Inc.	208,212	206,184
Seapointe Village V Condominium Association, Inc.	303,912	300,816
Single Family Homes at Seapointe Village	102,960	102,000
Seapointe Village VII Condominium Association, Inc.	<u>316,656</u>	<u>313,716</u>
Total master fees from villages	<u>\$ 2,159,592</u>	<u>\$ 2,138,580</u>

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 \$22,329 and \$17,351 the years ended March 31, 2016 and 2015, respectively.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 9 REIMBURSEMENTS FROM VILLAGES

The Master Association pays for various office, maintenance, and custodial expenses, which are allocated to the Villages and included in revenue as reimbursements for the Villages. Revenues totaled \$200,470 and \$164,781 the years ended March 31, 2016 and 2015, respectively.

NOTE 10 AMENITIES USAGE FEE

The Master Association charges an amenities usage fee to an unrelated association. The monthly commitment was approximately \$7,300 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 \$88,000 and \$84,000 for the years ended March 31, 2016 and 2015, respectively. The commitment has no stated expiration date.

NOTE 11 SUBSEQUENT EVENTS

The Master Association has evaluated events or transactions that have occurred after March 31, 2016 (the financial statement date) through November 8, 2016, the date the financial statements were available to be issued. During the period, the Master Association did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

SUPPLEMENTARY INFORMATION

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SCHEDULES OF REVENUES, EXPENSES AND ALLOCATION TO FUNDS
AS COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2016

	2016			2015
	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)	Actual
REVENUES				
Master fees from villages	\$ 2,159,592	\$ 2,159,964	\$ (372)	\$ 2,138,580
Reimbursements from villages	200,270	170,000	30,270	164,781
Initial assessments	22,329	19,000	3,329	17,351
Interest income	2,746	-	2,746	1,856
Service charges - IBIS amenity	100,760	92,457	8,303	91,684
Beach tags and pool fees	10,735	11,000	(265)	11,656
Vending commissions	3,337	3,000	337	3,163
Lease fees - beach hut	28,000	28,000	-	26,000
TOTAL REVENUES	2,527,769	2,483,421	44,348	2,455,071
EXPENSES AND FUND ALLOCATIONS				
ADMINISTRATIVE				
Management fees	241,720	235,000	(6,720)	236,364
Bad debts expense	10,656	13,896	3,240	7,488
Depreciation expense	12,892	10,000	(2,892)	15,700
Dues and subscriptions	440	500	60	850
Gifts and contributions	328	-	(328)	189
Interest expense	-	-	-	194
Licenses and permits	913	1,200	287	1,260
Meeting expenses	654	1,200	546	1,390
Miscellaneous expense	-	-	-	2,639
Office supplies and expense	27,492	22,000	(5,492)	21,704
Postage and delivery	5,570	5,000	(570)	5,721
Printing and reproduction	-	-	-	1,881
Professional fees	65,117	54,000	(11,117)	74,175
Rent	19,500	19,500	-	19,500
Taxes and fees	8,647	8,300	(347)	9,606
Travel and entertainment	1,604	-	(1,604)	750
TOTAL ADMINISTRATIVE	395,533	370,596	(24,937)	399,411
PAYROLL AND EMPLOYEE EXPENSES				
Salaries and wages	840,005	830,000	(10,005)	801,793
Payroll taxes	121,810	116,200	(5,610)	99,472
Group insurance and benefits	44,302	54,000	9,698	53,288
TOTAL PAYROLL AND EMPLOYEE EXPENSES	1,006,117	1,000,200	(5,917)	954,553
UTILITIES AND INSURANCE				
Cable TV	11,229	10,000	(1,229)	10,389
Electricity	117,295	126,000	8,705	123,543
Gas	35,978	47,500	11,522	47,896
Insurance	121,809	123,150	1,341	117,160
Telephone	19,301	19,000	(301)	19,556
Water and sewer	111,977	116,000	4,023	113,458
TOTAL UTILITIES AND INSURANCE	417,589	441,650	24,061	432,002

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SCHEDULES OF REVENUES, EXPENSES AND ALLOCATION TO FUNDS
AS COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2016

	2016		Variance Favorable (Unfavorable)	2015
	Actual	Budget (Unaudited)		Actual
RESIDENTIAL AND MAINTENANCE SERVICES				
Custodial supplies and materials	136,219	93,000	(43,219)	56,255
Damaged insured loss contingency	1,126	-	(1,126)	1,551
Exterminator	3,445	4,000	555	3,996
Heating, ventilation and air-conditioning	754	-	(754)	840
Landscaping	138,184	121,000	(17,184)	160,196
Pool, spa and lagoon supplies and maintenance	67,213	74,000	6,787	74,168
Repairs and maintenance	36,972	56,000	19,028	47,888
Security supplies and equipment	17,125	8,500	(8,625)	6,159
Trash collection	14,461	22,500	8,039	25,393
Uniforms	16,484	10,000	(6,484)	9,634
TOTAL RESIDENTIAL AND MAINTENANCE SERVICES	431,983	389,000	(42,983)	386,080
MAJOR REPAIRS AND REPLACEMENTS				
Pool maintenance	11,277	-	(11,277)	14,986
Recreation facilities	32,674	-	(32,674)	43,437
Beach-related projects	84,902	-	(84,902)	8,298
Professional fees	37,917	-	(37,917)	4,339
Office equipment	67	-	(67)	706
Security barrier gates	2,889	-	(2,889)	8,915
Supplies, repairs and maintenance	5,605	-	(5,605)	14,405
Equipment repairs	8,054	-	(8,054)	17,457
Interior maintenance	10,627	-	(10,627)	-
TOTAL MAJOR REPAIRS AND REPLACEMENTS	194,012	-	(194,012)	112,543
TOTAL EXPENSES	2,445,234	2,201,446	(243,788)	2,284,589
REVENUES OVER (UNDER) EXPENSES	82,535	281,975	(199,440)	170,482
DEFERRED MAINTENANCE FUND ALLOCATIONS				
Allocated assessments	32,000	32,000	-	32,000
Allocated interest income	481	-	481	652
Exterior maintenance	(15,293)	-	(15,293)	-
TOTAL DEFERRED MAINTENANCE FUND ALLOCATIONS	17,188	32,000	(14,812)	32,652
REPLACEMENT FUND ALLOCATIONS				
Allocated assessments	249,975	249,975	-	248,920
Allocated interest income	2,264	-	2,264	1,204
Major repairs and replacements	(194,012)	-	(194,012)	(112,543)
TOTAL REPLACEMENT FUND ALLOCATIONS	58,227	249,975	(191,748)	137,581
TOTAL FUND ALLOCATIONS, NET OF EXPENSES	75,415	281,975	(206,560)	170,233
REVENUES OVER EXPENSES, NET OF FUND ALLOCATIONS	\$ 7,120	\$ -	\$ 7,120	\$ 249

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
MARCH 31, 2016 (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.

Components	Original 2012 Schedule (unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Paving:		
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
Illumination:		
20' Aluminum Street Lights (over 5 yrs)	15	178,750
Plaza Bollard Lighting	18	18,000
Bollard Lighting-Walkways	18	18,000

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(CONTINUED)
MARCH 31, 2016 (UNAUDITED)

Components	Original 2012 Schedule (unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
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
T Vinyl (Townhomes 300 Series)	30	9,436
6' Vinyl Fencing —Dune Drive	26	32,396
6'Woof 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

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(CONTINUED)
MARCH 31, 2016 (UNAUDITED)

Components	Original 2012 Schedule (unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Ibis Exterior Components:		
Pool Furniture	5	20,000
Aluminum Gutters	15	1,393
Aluminum Leaders	15	628
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 Filters & Pumps	13	6,400
Pool Heaters — 325K Btu	7	1,200
Electric Water Heater — 40 Gallon 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

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(CONTINUED)
MARCH 31, 2016 (UNAUDITED)

Components	Original 2012 Schedule (unaudited)	
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Garden Mechanical Components:		
Pool Heater - 250K Btu	8	3,100
Pool Heater — 399K Btu	8	7,200
ADA Pool Chair Lift (Garden & CC Pool)	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
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

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SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(CONTINUED)
MARCH 31, 2016 (UNAUDITED)

Components	Original 2012 Schedule (unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
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
Exercise Room:		
Flooring	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

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(CONTINUED)
MARCH 31, 2016 (UNAUDITED)

Components	Original 2012 Schedule (unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Hallways:		
Ceramic Tile	10	3,572
Office (North Beach):		
Office Furniture	2	10,000
GRAND TOTAL		\$ 3,313,332