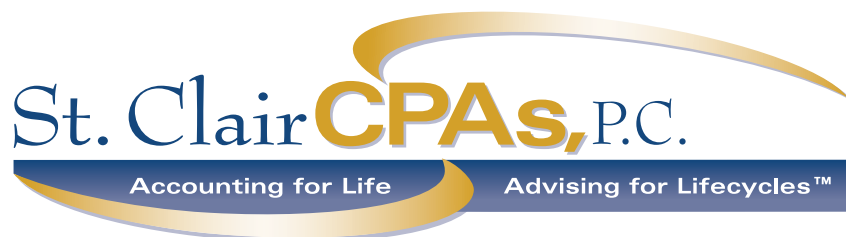


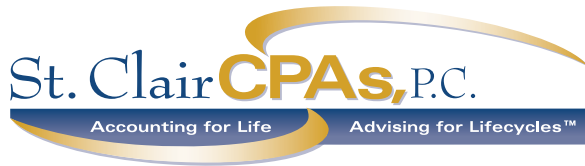
SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
FINANCIAL STATEMENTS
MARCH, 31 2017 AND 2016



SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
MARCH 31, 2017 AND 2016

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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, 2017, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Master Association as of March 31, 2017, 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.

Report on Summarized Comparative Information

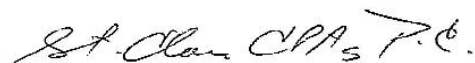
We have previously audited the Seapointe Village Master Association, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2016, 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 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, 2017 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
August 3, 2017

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.

BALANCE SHEETS

MARCH 31, 2017 AND 2016

	2017			2016	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
ASSETS					
Cash and cash equivalents	\$ 72,066	\$ 116,697	\$ 554,831	\$ 743,594	\$ 837,380
Prepaid expenses and other assets	5,000	-	-	5,000	19,110
Property and equipment, net	1,392,108	-	-	1,392,108	1,313,381
Due from villages	6,846	-	-	6,846	1,134
Interfund balances	-	109,609	-	109,609	198,328
	<u>\$ 1,476,020</u>	<u>\$ 226,306</u>	<u>\$ 554,831</u>	<u>\$ 2,257,157</u>	<u>\$ 2,369,333</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 49,790	\$ -	\$ -	\$ 49,790	\$ 27,543
Payroll expenses and taxes payable	6,073	-	-	6,073	10,089
Due to villages	2,621	-	-	2,621	14,942
Interfund balances	90,786	-	18,823	109,609	198,328
TOTAL LIABILITIES	<u>149,270</u>	<u>-</u>	<u>18,823</u>	<u>168,093</u>	<u>250,902</u>
FUND BALANCE					
Board designated funds	-	226,306	536,008	762,314	902,413
Undesignated funds	1,326,750	-	-	1,326,750	1,216,018
TOTAL FUND BALANCE	<u>1,326,750</u>	<u>226,306</u>	<u>536,008</u>	<u>2,089,064</u>	<u>2,118,431</u>
	<u>\$ 1,476,020</u>	<u>\$ 226,306</u>	<u>\$ 554,831</u>	<u>\$ 2,257,157</u>	<u>\$ 2,369,333</u>

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2017 AND 2016

	2017			2016	
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
REVENUES					
Master fees from villages	\$ 1,899,592	\$ 32,000	\$ 228,000	\$ 2,159,592	\$ 2,159,592
Reimbursements from villages	173,741	-	-	173,741	200,470
Initial assessments	26,278	-	-	26,278	22,329
Interest income	-	537	2,137	2,674	2,746
Service charges	88,428	-	-	88,428	87,852
Parking charges	9,270	-	-	9,270	8,526
Owner service charges	13,582	-	-	13,582	4,182
Beach tags and recreation fees	9,375	-	-	9,375	10,735
Vending commissions	3,228	-	-	3,228	3,337
Lease fees - beach hut	28,000	-	-	28,000	28,000
Other Income	335	-	-	335	-
TOTAL REVENUES	<u>2,251,829</u>	<u>32,537</u>	<u>230,137</u>	<u>2,514,503</u>	<u>2,527,769</u>
EXPENSES					
Administrative expenses	391,011	-	-	391,011	433,592
Payroll and employee expenses	995,916	-	-	995,916	1,006,117
Utilities and insurance	430,397	-	-	430,397	417,589
Residential and maintenance services	415,393	31,340	-	446,733	539,841
Major repairs and replacements	-	-	279,813	279,813	48,095
TOTAL EXPENSES	<u>2,232,717</u>	<u>31,340</u>	<u>279,813</u>	<u>2,543,870</u>	<u>2,445,234</u>
REVENUES (UNDER) OVER EXPENSES	19,112	1,197	(49,676)	(29,367)	82,535
FUND BALANCE, BEGINNING	1,216,018	225,109	677,304	2,118,431	2,035,896
Transfer between funds	91,620	-	(91,620)	-	-
FUND BALANCE, ENDING	<u>\$ 1,326,750</u>	<u>\$ 226,306</u>	<u>\$ 536,008</u>	<u>\$ 2,089,064</u>	<u>\$ 2,118,431</u>

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2017 AND 2016

	2017				2016
	Operating Fund	Deferred Maintenance Fund	Replacement Fund	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenues (under) over expenses	\$ 19,112	\$ 1,197	\$ (49,676)	\$ (29,367)	\$ 82,535
Adjustments to reconcile revenues (under) over expenses to net cash provided by operating activities					
Depreciation expense	12,893	-	-	12,893	12,892
(Increase) decrease in assets					
Due from/to villages	(18,033)	-	-	(18,033)	40,022
Prepaid expenses and other assets	14,110	-	-	14,110	19,277
Increase (decrease) in liabilities					
Accounts payable and accrued expenses	22,247	-	-	22,247	(28,948)
Payroll taxes and payroll expenses payable	(4,016)	-	-	(4,016)	319
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>46,313</u>	<u>1,197</u>	<u>(49,676)</u>	<u>(2,166)</u>	<u>126,097</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	-	-	(91,620)	(91,620)	-
NET CASH USED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(91,620)</u>	<u>(91,620)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Interfund (repayments) borrowings, net	(107,542)	-	107,542	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(107,542)</u>	<u>-</u>	<u>107,542</u>	<u>-</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(61,229)	1,197	(33,754)	(93,786)	126,097
CASH AND CASH EQUIVALENTS, BEGINNING	<u>133,295</u>	<u>115,500</u>	<u>588,585</u>	<u>837,380</u>	<u>711,283</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 72,066</u>	<u>\$ 116,697</u>	<u>\$ 554,831</u>	<u>\$ 743,594</u>	<u>\$ 837,380</u>
SUPPLEMENTAL NON-CASH TRANSACTIONS					
Interfund transfer	\$ 91,620	\$ -	\$ (91,620)	\$ -	\$ -

See accompanying notes.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

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, 2017 AND 2016

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, 2017 and 2016, 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, 2017 and 2016, the Master Association has elected to be taxed as a Condominium Management Association. For each of the years ended March 31, 2017 and 2016, 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, 2017 AND 2016

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, 2017 and 2016. The Master Association's Federal income tax returns prior to fiscal year 2014 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, 2017 and 2016.

NOTE 4 REPLACEMENT FUND

The Master Association's governing documents require that funds accumulate for future major repairs and replacements. At March 31, 2017 and 2016, accumulated fund balances are \$536,008 and \$677,304, 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, 2017 and 2016, the board of directors funded \$228,000 and \$249,975 in total monthly assessments and \$2,137 and \$2,264 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, 2017 AND 2016

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31:

	<u>2017</u>	<u>2016</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>252,194</u>	<u>160,574</u>	5 - 10 years
	1,553,713	1,462,093	
Less accumulated depreciation	<u>(161,605)</u>	<u>(148,712)</u>	
Property and equipment, net	<u>\$ 1,392,108</u>	<u>\$ 1,313,381</u>	

Depreciation expense totaled \$12,893 and \$12,892 for the years ended March 31, 2017 and 2016, 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>2017</u>	<u>2016</u>
Seapointe Village I Condominium Association, Inc.	\$ 452,436	\$ 452,436
Seapointe Village II Condominium Association, Inc.	452,436	452,436
Seapointe Village III Condominium Association, Inc.	322,980	322,980
Seapointe Village IV Condominium Association, Inc.	208,212	208,212
Seapointe Village V Condominium Association, Inc.	303,912	303,912
Single Family Homes at Seapointe Village	102,960	102,960
Seapointe Village VII Condominium Association, Inc.	<u>316,656</u>	<u>316,656</u>
Total master fees from villages	<u>\$ 2,159,592</u>	<u>\$ 2,159,592</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 \$26,278 and \$22,329 the years ended March 31, 2017 and 2016, respectively.

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

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 \$173,741 and \$200,470 for the years ended March 31, 2017 and 2016, 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 for both years ended March 31, 2017 and 2016, 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, 2017 (the financial statement date) through August 3, 2017, 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, 2017

	2017			2016
	Actual	Budget (Unaudited)	Variance Favorable (Unfavorable)	Actual
REVENUES				
Master fees from villages	\$ 2,159,592	\$ 2,159,964	\$ (372)	\$ 2,159,592
Reimbursements from villages	173,741	170,000	3,741	200,270
Initial assessments	26,278	22,000	4,278	22,329
Interest income	2,674	-	2,674	2,746
Service charges, parking, and IBIS	111,280	108,177	3,103	100,760
Beach tags and pool fees	9,375	10,000	(625)	10,735
Vending commissions	3,228	2,000	1,228	3,337
Lease fees - beach hut	28,000	28,000	-	28,000
Other income	335	-	335	-
TOTAL REVENUES	2,514,503	2,500,141	14,362	2,527,769
EXPENSES AND FUND ALLOCATIONS				
ADMINISTRATIVE				
Management fees	247,172	245,000	(2,172)	241,720
Bad debts expense	-	12,321	12,321	10,656
Depreciation expense	12,893	12,000	(893)	12,892
Dues and subscriptions	1,355	500	(855)	440
Gifts and contributions	97	-	(97)	328
Licenses and permits	1,486	1,000	(486)	913
Meeting expenses	665	3,300	2,635	654
Office supplies and expense	26,154	22,000	(4,154)	27,492
Postage and delivery	5,185	5,000	(185)	5,570
Professional fees	65,601	58,000	(7,601)	65,117
Rent	19,500	19,500	-	19,500
Taxes and fees	9,354	8,700	(654)	8,647
Travel and entertainment	1,549	-	(1,549)	1,604
TOTAL ADMINISTRATIVE	391,011	387,321	(3,690)	395,533
PAYROLL AND EMPLOYEE EXPENSES				
Salaries and wages	827,311	855,000	27,689	840,005
Payroll taxes	114,259	120,000	5,741	121,810
Group insurance and benefits	54,346	51,600	(2,746)	44,302
TOTAL PAYROLL AND EMPLOYEE EXPENSES	995,916	1,026,600	30,684	1,006,117
UTILITIES AND INSURANCE				
Cable TV	13,674	12,000	(1,674)	11,229
Electricity	113,629	128,000	14,371	117,295
Gas	35,272	47,000	11,728	35,978
Insurance	129,967	124,300	(5,667)	121,809
Telephone	19,515	17,500	(2,015)	19,301
Water and sewer	118,340	117,000	(1,340)	111,977
TOTAL UTILITIES AND INSURANCE	430,397	445,800	15,403	417,589

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SCHEDULES OF REVENUES, EXPENSES AND ALLOCATION TO FUNDS
AS COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2017

	2017		Variance Favorable (Unfavorable)	2016
	Actual	Budget (Unaudited)		Actual
RESIDENTIAL AND MAINTENANCE SERVICES				
Custodial supplies and materials	84,627	91,000	6,373	136,219
Damaged insured loss contingency	138	-	(138)	1,126
Exterminator	6,643	4,000	(2,643)	3,445
Heating, ventilation and air-conditioning	780	-	(780)	754
Landscaping	149,203	121,000	(28,203)	138,184
Pool, spa and lagoon supplies and maintenance	61,488	74,000	12,512	67,213
Repairs and maintenance	104,557	51,000	(53,557)	36,972
Security supplies and equipment	12,485	9,000	(3,485)	17,125
Trash collection	20,772	20,000	(772)	14,461
Uniforms	6,040	11,000	4,960	16,484
TOTAL RESIDENTIAL AND MAINTENANCE SERVICES	446,733	381,000	(65,733)	431,983
MAJOR REPAIRS AND REPLACEMENTS				
Pool maintenance	22,250	-	(22,250)	11,277
Recreation facilities	23,660	-	(23,660)	32,674
Beach-related projects	-	-	-	84,902
Professional fees - oceanfront hot tub project	178,636	-	(178,636)	37,917
Office equipment	-	-	-	67
Security supplies	6,373	-	(6,373)	2,889
Supplies, repairs and maintenance	28,222	-	(28,222)	5,605
Equipment repairs	-	-	-	5,605
Exterior maintenance	15,662	-	(15,662)	5,605
Interior maintenance	5,010	-	(5,010)	5,605
TOTAL MAJOR REPAIRS AND REPLACEMENTS	279,813	-	(279,813)	192,146
TOTAL EXPENSES	2,543,870	2,240,721	(303,149)	2,443,368
REVENUES OVER (UNDER) EXPENSES	(29,367)	259,420	(288,787)	84,401
DEFERRED MAINTENANCE FUND ALLOCATIONS				
Allocated assessments	32,000	32,000	-	32,000
Allocated interest income	537	-	537	481
Exterior maintenance	(31,340)	-	(31,340)	(15,293)
TOTAL DEFERRED MAINTENANCE FUND ALLOCATIONS	1,197	32,000	(30,803)	17,188
REPLACEMENT FUND ALLOCATIONS				
Allocated assessments	228,000	227,420	580	249,975
Allocated interest income	2,137	-	2,137	2,264
Major repairs and replacements	(279,813)	-	(279,813)	(192,146)
TOTAL REPLACEMENT FUND ALLOCATIONS	(49,676)	227,420	(277,096)	60,093
TOTAL FUND ALLOCATIONS, NET OF EXPENSES	(48,479)	259,420	(307,899)	77,281
REVENUES OVER EXPENSES, NET OF FUND ALLOCATIONS	\$ 19,112	\$ -	\$ 19,112	\$ 7,120

SEAPOINTE VILLAGE MASTER ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
MARCH 31, 2017 (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

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(CONTINUED)
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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

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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 Heaters — 325K Btu	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

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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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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

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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