EAGLE TREE CONDOMINIUM ASSOCIATION, INC.
REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

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templeton
& COMPANY
Certified Public Accountants and Consultants

Report of Independent Auditors

To the Board of Directors of
Eagle Tree Condominium Association, Inc.

We have audited the accompanying financial statements of Eagle Tree Condominium Association, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of revenue, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to those 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.

Auditor's 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 Eagle Tree Condominium Association, Inc. as of December 31, 2015, 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.

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Other Matters

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 13 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 (FASB), who considers it to be an essential part of the 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 response 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.

Templeton & Company, LLP

West Palm Beach, Florida
April 8, 2016

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET
December 31, 2015
(with comparative totals for 2014)

	Operating Fund	Replacement Fund	Property Tax Fund	Totals 2015	Totals 2014
ASSETS					
Cash and cash equivalents	$ 6,741,917	$ 1,880,539	$ 676,715	$ 9,299,171	$ 12,176,102
Investments	-	2,970,975	-	2,970,975	4,165,191
Club dues receivable	315,260	21,254	17,711	354,225	861,831
Allowance for doubtful accounts	(328,681)	-	-	(328,681)	(732,711)
Other receivables	27,617	-	-	27,617	27,463
Prepaid expenses	52,646	-	-	52,646	177,660
Foreclosed inventory	166,089	-	-	166,089	235,089
Deposits	102,250	-	-	102,250	102,250
Due from (to) funds	(374,321)	(73,568)	447,889	-	-
Total assets	$ 6,702,777	$ 4,799,200	$ 1,142,315	$ 12,644,292	$ 17,012,875
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	$ 326,812	$ -	$ -	$ 326,812	$ 499,470
Unearned maintenance fees	6,316,830	624,741	-	6,941,571	7,670,771
Total liabilities	6,643,642	624,741	-	7,268,383	8,170,241
Fund balances	59,135	4,174,459	1,142,315	5,375,909	8,842,634
Total liabilities and fund balances	$ 6,702,777	$ 4,799,200	$ 1,142,315	$ 12,644,292	$ 17,012,875

See notes to financial statements.

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2015
(with comparative totals for 2014)

	Operating Fund	Replacement Fund	Property Tax Fund	Totals 2015	Totals 2014
Revenue:					
Operating club dues income	$ 7,514,791	$ -	$ -	$ 7,514,791	$ 6,104,905
Operating bank income	88,067	-	79	88,146	(951)
Operating interest and late fee income	47	-	-	47	85,647
Reserve for replacement	-	660,324	-	660,324	1,670,035
Reserve interest income	-	23,606	-	23,606	28,927
Property tax assessment	-	-	405,037	405,037	500,034
Member per diem	167,430	-	-	167,430	275,504
Other income	61,193	28,020	-	89,213	489,267
Total revenue	7,831,528	711,950	405,116	8,948,594	9,153,368
Expenses:					
Common expenses:					
Accounting	191,143	-	-	191,143	246,601
Administration	674,386	-	-	674,386	688,150
Audit fees	14,276	-	-	14,276	12,490
Bad debt expenses	469,366	-	-	469,366	468,013
Board of directors expenses	6,139	-	-	6,139	5,748
Owner services	802,789	-	-	802,789	699,708
Master association assessment	555,750	-	-	555,750	332,164
Valuation adjustment for foreclosed inventory	27,000	-	-	27,000	183,163
Florida Division of Land Sales fee	5,344	-	-	5,344	5,200
Human resources	159,952	-	-	159,952	120,447
Insurance	198,109	-	-	198,109	233,869
Income tax expense	3,690	-	-	3,690	9,073
Landscaping	282,188	-	-	282,188	256,833
Loss prevention	223,102	-	-	223,102	258,145
Maintenance and engineering	127,434	-	-	127,434	196,391
Management fees	269,113	-	-	269,113	249,966
Legal fees	36,574	-	-	36,574	108,964
Spa expense and recreation	250,000	-	-	250,000	202,860
Administrative utilities	20,732	-	-	20,732	19,533
Total common expenses	4,317,087	-	-	4,317,087	4,297,318
Vacation plan expenses:					
Club services and reservations	198,642	-	-	198,642	184,905
Electricity	188,057	-	-	188,057	271,811
Maintenance and engineering	382,303	-	-	382,303	589,174
Gas	99,836	-	-	99,836	149,906
Housekeeping	1,205,525	-	-	1,205,525	1,352,931
Insurance	24,407	-	-	24,407	25,928
Membership program fee	150,000	-	-	150,000	-
Management fees	220,184	-	-	220,184	162,481
Water / sewer	99,463	-	-	99,463	35,179
Total vacation plan expenses	2,568,417	-	-	2,568,417	2,772,315
Transition expenses:					
Transition - Timbers traditional expenses	-	-	-	-	637,905
Transition - Ritz traditional expenses	-	-	-	-	101,800
Total transition expenses	-	-	-	-	739,705
Replacement expenses:					
Roof	-	-	-	-	127,434
Cabling system	-	-	-	-	12,720
Fixtures	-	4,268,502	-	4,268,502	72,858
Consulting	-	229,678	-	229,678	65,873
Exterior building maintenance	-	730,024	-	730,024	-
Total replacement expenses	-	5,228,204	-	5,228,204	278,885
Property tax fund expenses:					
Property taxes	-	-	301,611	301,611	396,765
Bank fees	-	-	-	-	2,500
Total property tax fund expenses	-	-	301,611	301,611	399,265
Total expenses	6,885,504	5,228,204	301,611	12,415,319	8,487,488
Excess (deficiency) of revenue over expenses	946,024	(4,516,254)	103,505	(3,466,725)	665,880
Fund balances (deficit), beginning of year	(886,889)	8,690,713	1,038,810	8,842,634	8,176,754
Fund balances, end of year	$ 59,135	$ 4,174,459	$ 1,142,315	$ 5,375,909	$ 8,842,634

See notes to financial statements.

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015
(with comparative totals for 2014)

	Operating Fund	Replacement Fund	Property Tax Fund	Totals 2015	Totals 2014
Cash flows from operating activities:					
Excess (deficiency) of revenue over expenses	$ 946,024	$(4,516,254)	$ 103,505	$ (3,466,725)	$ 665,880
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities:					
Unrealized (gain) loss on fair value of investments	-	(28,020)	-	(28,020)	8,578
Changes in operating assets and liabilities:					
Club dues and other receivables	13,421	69,486	20,669	103,576	133,107
Prepaid expenses and deposits	124,596	264	-	124,860	76,392
Foreclosed inventory	69,000	-	-	69,000	(31,755)
Accounts payable and accrued expenses	(172,658)	-	-	(172,658)	183,658
Decrease in due from Marriott Vacations Worldwide Corporation	-	-	-	-	(513,354)
Due from Eagle Tree Property Owners' Association, Inc.	-	-	-	-	9,287
Due from Ritz Carlton Management Company, LLC	-	-	-	-	51,235
Due to RBF, LLC	-	-	-	-	(149,774)
Unearned maintenance fees	(510,376)	164,615	(383,439)	(729,200)	850,038
Change in interfund balances	(645,613)	369,903	275,710	-	-
Net cash provided by (used in) operating activities	(175,606)	(3,940,006)	16,445	(4,099,167)	1,283,292
Cash flows from investing activities:					
Proceeds from maturities of investments	-	1,222,236	-	1,222,236	1,468,456
Net cash provided by investing activities	-	1,222,236	-	1,222,236	1,468,456
Net increase (decrease) in cash and cash equivalents	(175,606)	(2,717,770)	16,445	(2,876,931)	2,751,748
Cash and cash equivalents, beginning of year	6,917,523	4,598,309	660,270	12,176,102	9,424,354
Cash and cash equivalents, end of year	$ 6,741,917	$ 1,880,539	$ 676,715	$ 9,299,171	$12,176,102

See notes to financial statements.

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Eagle Tree Condominium Association, Inc. (the Association) was incorporated on September 24, 2001 in the State of Florida. The purpose of the Association is to operate and maintain, on behalf of the owners of Club Homes and/or Club Home Interests, the facilities known as Timbers Jupiter. As of December 31, 2015, there were 390 interests (362 five-week interests, 28 two and three week interests) and 3 wholly-owned Club Homes. Each owner of a Club Home Interest will own 1/8th fraction for a five week interest, 3/40th for a three week interest and 1/20th for a two-week interest, 21 days each year for a three-week interest and 14 days each year for a two-week interest. The Association's declaration of condominium provides that each Club Home Interest owner has an undivided interest in the common elements of the Association and, accordingly, the condominium assets are not recorded in the financial records of the Association. The Association began operations on November 8, 2003 and was managed under an agreement with Ritz-Carlton Management Company, LLC (RCMC) until September 13, 2014. As of September 13, 2014, the Association began doing business as Timbers Jupiter and is managed under an agreement with Timbers Resorts Management (Timbers).

Eagle Tree Condominium Association, Inc., also known as the Club Owners' Association (COA), is a part of a greater community on property known as the Property Owners' Association (POA). The POA is the master association which takes care of all of the common elements on property for the greater resort, such as common roadways and landscaping. In addition to the POA, there is a golf course on property. This golf course, clubhouse and spa area, formerly known as The Ritz-Carlton Golf Club & Spa, Jupiter, was sold by a subsidiary of Marriott Vacations Worldwide Corporation on December 4, 2012 to Jupiter Golf Club, LLC which is a Trump organization entity. Before the sale of the golf course property in 2012 and the transition of management companies for the COA from RCMC to Timbers in September 2014, RCMC managed all associations and golf-related businesses on property (COA, POA & Golf Club). As of September 13, 2014, the Ritz-Carlton is no longer affiliated with the property at any level. The COA is managed by Timbers, the POA is managed by Jupiter Golf Club, LLC, who is also the owner and operator of the golf course, clubhouse and spa.

The Association's significant accounting policies used in preparing the financial statements follow:

Basis of presentation

The financial statements of the Association have been prepared using the accrual basis of accounting.

Fund accounting

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the Operating Fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the Replacement Fund may be made only for purchases and maintenance of common property.

Operating fund

The Association's fees and earnings from operations, which are restricted for the use and benefit of Association members, are recorded in the Operating Fund.

Note 1 – Organization and Summary of Significant Accounting Policies, Continued

Property tax fund

The Association established a fund for the accumulation of funds and the payments of assessed property taxes on the facility. Accumulated funds are held in separate savings accounts and generally are not available for normal operations.

Reserve for replacement fund

The Association accumulates funds for future major repairs and replacements which are held in separate savings accounts and generally are not available for normal operations.

The Association's Board (the Board) contracts with a third party to conduct on-going studies to estimate the remaining useful lives and the replacement costs of the components of common property.

The Board funds for major repairs and replacements based on the components' estimated remaining useful lives, estimates of current replacement costs, and considering amounts previously accumulated in the Reserve for Replacement Fund. Accordingly, the funding requirement of $482,971 was included in the fiscal year 2015 budget. An additional $177,353 was received from RCMC as a catch up of its portion of the Reserve for Replacement Fund.

Funds are accumulated in the Reserve for Replacement Fund based on estimates of future needs for repairs and replacement of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the Reserve for Replacement Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Real and commonly-owned assets

The Association's policy for recognizing common property as assets on its balance sheet is to recognize (a) common personal property and (b) real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

Accordingly, real and common area property acquired from the Developer is not capitalized in the Association's financial statements as it is owned by the individual owners in common and not the Association. As a result, improvements made to the real property and common areas are not capitalized, but accounted for as expenses in the Reserve for Replacement Fund.

Cash and cash equivalents

The Association considers money in checking accounts and money market funds and short-term investments with an original maturity of three months or less, at the date of purchase, to be cash equivalents.

The Association places its cash and cash equivalents and certificates of deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation (FDIC) provides for deposit at FDIC insured institutions to be insured up to $250,000. The Association has not incurred any losses on such accounts.

Note 1 – Organization and Summary of Significant Accounting Policies, Continued

Investments

Investments consist of federally-insured certificates of deposit which are carried at fair market value. The Association's certificates of deposit are held in FDIC insured institutions, with balances under the insured limit.

In addition, certain investments held by the Association consist of equity-linked certificates of deposit which are principal protected structured products. These investments are bank issued certificates of deposit that are insured by the FDIC up to $250,000 per certificate of deposit. At maturity, the Association will receive the principal plus a "supplemental payment" or minimum interest, if any, that is based on the performance of an underlying index or market measure.

Equity-linked certificates of deposit are accounted for under the fair value option at the end of each period with unrealized gains (losses) shown as a component of revenues.

Fair value measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The authoritative guidance describes a fair value hierarchy based on three levels of input, of which the first two are considered observable and the last is considered unobservable, that may be used to measure fair value.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Association's fair value measurement for the equity-linked certificates of deposit is considered to be level 2 input.

Note 1 – Organization and Summary of Significant Accounting Policies, Continued

Concentrations of credit risk

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents and investments.

In an effort to fulfill its fiduciary responsibility to protect and maintain assets for the Association, the Board has implemented a formal investment policy statement in reference to all cash, cash equivalents and investable funds for the reserve for replacement, operating and property tax funds. The investment policy statement stipulates all funds shall be invested in federally insured or guaranteed vehicles with no risk to principal as long as these investments are held to maturity.

Since the Board has incorporated an analysis to identify the use of these funds at specific times; and the investments are structured with maturity dates to coincide with these anticipated expenditures; notwithstanding emergencies not under the control of the Board, the Association is able to, and has the ability to, hold these investments to their stated maturity dates.

Club dues receivable

Club dues receivable are carried at the original charges amount less an estimate for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of accounts. Club dues are written off when deemed uncollectable. Recoveries of club dues receivable previously written off are recorded when received.

A club dues receivable is considered to be past due if not paid by the statement due date. An administrative late fee and interest is charged on club dues receivable that are outstanding for more than 30 days and is recognized as it is charged.

Unearned maintenance fees

Club dues for all Club Home Interests and wholly-owned club homes are receivables as of the beginning of each fiscal year. Unearned club dues represent prepayment of the next year’s club dues. The fees for the Club Home Interest and wholly-owned club homes for the current year’s dues and assessments are classified as revenue.

Revenue recognition

Operating club dues, property tax and reserve for replacement assessments are recognized as revenue on a pro rata basis over the period covered by the billing. All other revenues are recognized when earned.

Foreclosed inventory

From time to time, the Association acquires inventory previously sold to an owner for unit week interests which hold no mortgage, but for which the owner is delinquent in the payment of assessments on that unit week interest. The inventory acquired is stated at the lower of cost or market.

Note 1 – Organization and Summary of Significant Accounting Policies, Continued

Income taxes

For federal income tax purposes, the Association has the option of being treated as a regular corporation or as a homeowners' association under Section 528 of the Internal Revenue Code. For regular income tax purposes, assessments for major repairs and replacements are treated as non-taxable capital contributions. Under Section 528, income from all assessments required to be paid by unit owners is exempt from taxation. Non-exempt income, such as interest earned, is taxed at a rate of 32%.

If the Association elects to be taxed under Section 528, it is subject to tax at regular corporate rates. This choice is made on an annual basis and the Association elected to file as a homeowners' association for 2015 and 2014.

The Association did not identify any tax positions for which it believes it is reasonably possible that the total amounts of any unrecognized taxes will significantly increase or decrease. Interest and penalties attributable to income taxes, if any, are included in operating expenses. No such interest or penalties were recorded for the year 2015. The Association is no longer subject to income tax examinations for years prior to 2012.

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cost allocation methods

The Association has two classes of operating expenses which include common expenses and those specific to the vacation plan. These two classes of expenses are defined within the condominium declaration. All fifty homes participate in sharing the common expenses of the Association, while only the fractionalized homes (forty-seven homes total) share the vacation plan specific expenses. Vacation plan specific expenses are any expenses related to the interior of the fractionalized homes which include repairs and maintenance, furniture, fixtures and equipment, interior insurance coverage, and utilities. Because there are certain expenses which relate to both the common elements and interior portions of the homes, there are methods allocating these shared expenses. The allocation methods vary by department and type of expense, and include such bases as square footage, number of units or lots, etc. The shared costs to be allocated consist of engineering, management fees, insurance, utilities, and concierge operations.

Comparative summarized financial information for 2014

Comparative summarized financial information as of December 31, 2014 and for the year then ended is presented, in total, as 2014 information in the accompanying financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2014.

Note 2 – Investments

Investments are summarized as follows as of December 31, 2015:

	Amortized Cost	Fair Market Value
Equity-linked certificates of deposit	$ 500,000	$ 521,362
Other certificates of deposit (held to maturity)	2,450,000	2,449,613
	$ 2,950,000	$ 2,970,975

For the year ended December 31, 2015, the equity-linked certificates of deposit had unrealized gains of $28,020 which are included in the accompanying statement of revenue, expenses and changes in fund balance – Reserve for Replacement Fund.

Note 3 – Line of Credit

The Association has a working capital line of credit with a financial institution which allows for borrowings based on eligible certificates of deposit which approximated $3,120,000 at December 31, 2015. The line of credit bears interest at 3.25% based on assets under management by the financial institution. There were no borrowings outstanding as of December 31, 2015.

Note 4 – Income Taxes

Income tax expense for 2015 consisted of current federal income taxes. The difference between income tax expense and the provision calculated by applying the statutory federal rate to the excess of revenue over expenses, primarily relates to the exclusion of exempt function income.

Pursuant to the applicable Florida Statutes, the total income tax expense is reported in the Operating Fund, regardless of the fund in which the income was recorded.

Note 5 – Management Agreement

The Association has a management agreement with Jupiter Management, LLC (Timbers Agreement) which provides management services beginning September 13, 2014 and expiring September 2017 when the Timbers Agreement automatically extends for an additional three years through 2020. The Timbers Agreement includes all management services not assumed by the Board. For the year ended December 31, 2015, the cost under the Timbers Agreement totaled approximately $489,000. The Timbers Agreement's annual cost through 2017 is expected to approximate $450,000 or 8% of all Association expenses estimated in the budget of agreed-upon budget years. The Timbers Agreement also includes an incentive fee in addition to the base management fee equal to 10% of the cost of savings in any major line-item as categorized in the 2015 budget. The incentive fee will be agreed upon by the Board of Directors after expense items for payment is requested, provided for and approved by the Board.

Note 6 – Eagle Tree Property Owners' Association, Inc. Assessment

A portion of the operating fund maintenance fees received by the Association is remitted to a related master association which is responsible for maintaining all of the common property within the boundaries of the master association, except for those obligations of the Association. The Association's share of the Eagle Tree Property Owners' Association, Inc. dues was $555,750 for the year ended December 31, 2015, which is included in the accompanying statement of revenue, expenses and changes in fund balance.

Note 7 – Reserve for Replacement Fund

Changes in the components of the reserve for replacement fund balance for the year ended December 31, 2015 follow:

	Components of Fund Balance as of January 1, 2015	Revenues and Transfers	Expenses	Components of Fund Balance as of December 31, 2015
Roof	$ 229,368	$ 173,546	$ -	$ 402,914
Furniture and fixtures	7,364,435	189,499	4,998,526	2,555,408
Building painting	427,208	62,181	-	489,389
External building maintenance	532,689	20,750	-	553,439
Pavement resurfacing	137,013	36,296	-	173,309
Consulting	-	229,678	229,678	-
	$ 8,690,713	$ 711,950	$ 5,228,204	$ 4,174,459

Interest earned on reserve fund bank accounts is returned to the reserve fund for future use in that fund. The Board approved and adopted the Association's reserves and budget for the year ended December 31, 2015.

Note 8 – Subsequent Events

The Association evaluated events occurring subsequent to December 31, 2015 through April 8, 2016, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTARY INFORMATION

EAGLE TREE CONDOMINIUM ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
December 31, 2015
(UNAUDITED)

The Board of Directors authorized a study dated July 21, 2015 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from a reserve specialist together with more current replacement cost information as provided by management. The following table summarizes the estimated remaining useful lives and estimated current replacement costs of common property together with the 2016 budgeted funding requirement.

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	2016 Budgeted Funding	Replacement Fund Balance at December 31, 2015
Roof	17	$ 2,575,162		
Furniture and fixtures	10 - 20	16,815,643		
Painting and restoration	1	941,430		
Building maintenance	8	210,510		
Pavement resurfacing	11	484,275		
Common area maintenance	4	220,761		
Pooled reserve	n/a		$ 688,015	$ 4,174,459
		$ 21,247,781	$ 688,015	$ 4,174,459