

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM
ASSOCIATION, INC.

FINANCIAL STATEMENTS

OCTOBER 31, 2017 & 2018

MARC LABOSSIERE PA
CERTIFIED PUBLIC ACCOUNTANT

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.

INDEX TO FINANCIAL STATEMENTS

OCTOBER 31, 2017 & 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Waterside Village of Palm Beach Condominium Association, Inc.

I have audited the accompanying financial statements of Waterside Village of Palm Beach Condominium Association, Inc., which comprise the balance sheets as of October 31, 2017 and October 31, 2018, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I have conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterside Village of Palm Beach Condominium Association, Inc. as of October 31, 2017 and October 31, 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a statement on Future major repairs and replacements on pages 14 & 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is

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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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I 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.

Marc Labossiere PA

Fort Lauderdale, Florida

December 20, 2018

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
As of October 31, 2017, & 2018

<u>ASSETS</u>	10/2017			10/2018		
	<u>OPERATING FUND</u>	<u>RESTRICTED FUND</u>	<u>TOTAL</u>	<u>OPERATING FUND</u>	<u>RESTRICTED FUND</u>	<u>TOTAL</u>
Cash in Banks	\$ 62,983	\$ 73,905	\$ 136,888	\$ 60,663	\$ 50,176	\$ 110,839
Certificate of Deposit	-0-	590,000	590,000	-0-	790,000	790,000
Annuities	-0-	204,500	204,500	-0-	200,007	200,007
Due to/From Fund	2,710	(2,710)	-0-	-0-		-0-
Regular Assessments Receivable	36,283		36,283	23,872		23,872
Less: Provision for Bad Debts	(36,492)		(36,492)	(20,752)		(20,752)
Special Assessments Receivable	61,650		61,650	525		525
Prepaid Expenses	145,364		145,364	141,800		141,800
Deposits	2,235		2,235	2,235		2,235
Property and equipment -- net of accumulated depreciation of \$ 273,649	<u>233,734</u>	.....	<u>233,734</u>	<u>231,066</u>	.....	<u>231,066</u>
 TOTAL ASSETS	 <u>\$ 508,467</u>	 <u>\$ 865,695</u>	 <u>\$ 1,374,162</u>	 <u>\$ 439,409</u>	 <u>\$ 1,040,183</u>	 <u>\$ 1,479,592</u>
 <u>LIABILITIES & FUND BALANCES</u>						
Accounts Payable & Accrued Liabilities	132,539		132,539	69,744		69,744
Prepaid Maintenance Assessments	<u>41,278</u>		<u>41,278</u>	<u>33,014</u>	.....	<u>33,014</u>
Total Liabilities	173,817	-0-	173,817	102,758	-0-	102,758
 FUND BALANCES	 <u>334,650</u>	 <u>865,695</u>	 <u>1,200,345</u>	 <u>336,651</u>	 <u>1,040,183</u>	 <u>1,376,834</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 508,467</u>	 <u>\$ 865,695</u>	 <u>\$ 1,374,162</u>	 <u>\$ 439,409</u>	 <u>\$ 1,040,183</u>	 <u>\$ 1,479,592</u>

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUE, EXPENSES
FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

REVENUE	10/2017			10/2018		
	OPERATING FUND	RESTRICTED FUND	TOTAL	OPERATING FUND	RESTRICTED FUND	TOTAL
Maintenance Assessments	\$ 1,446,080	\$ 108,804	\$ 1,554,884	\$ 1,414,525	\$ 163,749	\$ 1,578,274
Irma Special Assessment	61,650		61,650	-0-	-0-	-0-
Screening Fees	26,600		26,600	27,400		27,400
Interest Income	62	13,955	14,017	2,176	10,739	12,915
Late Fees	1,650		1,650	2,925		2,925
Other Revenues	<u>6,820</u>	.....	<u>6,820</u>	<u>7,080</u>	.....	<u>7,080</u>
TOTAL REVENUES	<u>1,542,862</u>	<u>122,759</u>	<u>1,665,621</u>	<u>1,454,106</u>	<u>174,488</u>	<u>1,628,594</u>
EXPENSES						
Salaries and Benefits	216,643		216,643	205,731		205,731
Water & Sewer	243,692		243,692	241,348		241,348
Insurance	293,520		293,520	289,565		289,565
Cable Television	76,248		76,248	67,547		67,547
Repairs, Maintenance and Supplies	72,938		72,938	98,626		98,626
Electric and Gas Utilities	47,470		47,470	45,952		45,952
Depreciation Expenses	2,668		2,668	2,668		2,668
Trash Collection	44,989		44,989	46,924		46,924
Grounds Maintenance, Landscaping and Supplies	188,115		188,115	215,740		215,740
Professional Fees	30,261		30,261	32,058		32,058
Pest Control	13,261		13,261	16,288		16,288
Office Expenses and Supplies	19,527		19,527	20,061		20,061
Pool Maintenance and Supplies	23,936		23,936	23,676		23,676
Telephone & WIFI	10,224		10,224	9,954		9,954
Licenses, Taxes and Fees	6,368		6,368	6,483		6,483
Travel	1,436		1,436	890		890
Alarm System	395		395	320		320
Interest and Bank Charges	850		850	1,017		1,017
Security	53,658		53,658	54,006		54,006
Social Facilities	9,752		9,752	7,542		7,542
Uniforms	378		378	385		385
Screening Fees	9,396		9,396	8,556		8,556
Painting Program	38,492		38,492	-0-		-0-
Bad Debts (Recovery)	7,359		7,359	(15,740)		(15,740)
Cameras & Video Equipment	908		908	706		706
Contingency	7,416		7,416	20,104		20,104
Collection Costs (Recovery)	7,660		7,660	(763)		(763)
Street Lights	(691)		(691)	17,777		17,777
Pool Chairs & Tables	873		873	3,663		3,663
Streets	3,811	50,150	53,961	-0-		-0-
Awnings	8,400		8,400	2,388		2,388
Capital	-0-	101,304	101,304	-0-		-0-
Irma Expenses	9,956		9,956	-0-		-0-
Irma Special Assessment Expenses	61,650		61,650	1,964		1,964
Tennis Courts	-0-		-0-	13,850		13,850
Sprinklers	<u>32,984</u>	<u>-0-</u>	<u>32,984</u>	<u>14,567</u>	<u>-0-</u>	<u>14,567</u>
TOTAL EXPENSES	<u>1,544,543</u>	<u>151,454</u>	<u>1,695,997</u>	<u>1,453,853</u>	<u>-0-</u>	<u>1,453,853</u>
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (1,681)</u>	<u>\$ (28,695)</u>	<u>\$ (30,376)</u>	<u>\$ 253</u>	<u>\$ 174,488</u>	<u>\$ 174,741</u>

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 STATEMENT OF CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

10/2017

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
FUND BALANCE BEGINNING	\$ 336,331	\$ 894,390	\$ 1,230,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(1,681)</u>	<u>(28,695)</u>	<u>(30,376)</u>
FUND BALANCE ENDING	<u>\$ 334,650</u>	<u>\$ 865,695</u>	<u>\$ 1,200,345</u>

10/2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
FUND BALANCE BEGINNING	\$ 334,650	\$ 865,695	\$ 1,200,345
Prior Period Adjustment	1,748		1,748
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>253</u>	<u>174,488</u>	<u>174,741</u>
FUND BALANCE ENDING	<u>\$ 336,651</u>	<u>\$ 1,040,183</u>	<u>\$ 1,376,834</u>

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

	10/2017			10/2018		
	<u>OPERATING FUND</u>	<u>RESTRICTED FUND</u>	<u>TOTAL</u>	<u>OPERATING FUND</u>	<u>RESTRICTED FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
SOURCES OF CASH:						
Maintenance Assessments	\$ 1,450,802	\$ 120,318	\$ 1,571,120	\$ 1,418,672	\$ 161,039	\$ 1,579,711
Irma Assessment	-0-	-0-	-0-	61,125		61,125
Screening Fees	26,600		26,600	27,400		27,400
Interest Income	62	13,955	17,075	2,176	10,739	12,915
Late Fees	1,650		3,140	2,925		2,925
Other Income	<u>6,820</u>	.....	<u>5,922</u>	<u>7,080</u>	.....	<u>7,080</u>
TOTAL SOURCES OF CASH	<u>1,485,934</u>	<u>134,273</u>	<u>1,620,207</u>	<u>1,519,378</u>	<u>171,778</u>	<u>1,691,156</u>
USES OF CASH:						
Expenses Paid	<u>1,502,943</u>	<u>151,454</u>	<u>1,654,397</u>	<u>1,521,698</u>	-0-	<u>1,521,698</u>
TOTAL USES OF CASH	<u>1,502,943</u>	<u>151,454</u>	<u>1,654,397</u>	<u>1,521,698</u>	-0-	<u>1,521,698</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(17,009)</u>	<u>(17,181)</u>	<u>(34,190)</u>	<u>(2,320)</u>	<u>171,778</u>	<u>169,458</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
NET CASH FROM FINANCING ACTIVITIES	-0-	-0-	-0-	-0-	-0-	-0-
CASH FLOWS FROM INVESTING ACTIVITIES:						
(Increase) Decrease in certificate of deposit/Annuities	-0-	<u>65,500</u>	<u>65,500</u>	-0-	<u>(195,507)</u>	<u>(195,507)</u>
NET CASH FROM INVESTING ACTIVITIES	-0-	<u>65,500</u>	<u>65,500</u>	-0-	<u>(195,507)</u>	<u>(195,507)</u>
NET INCREASE (DECREASE) IN CASH	(17,009)	48,319	31,310	(2,320)	(23,729)	(26,049)
CASH BEGINNING BALANCE	<u>79,992</u>	<u>25,586</u>	<u>105,578</u>	<u>62,983</u>	<u>73,905</u>	<u>136,888</u>
CASH ENDING BALANCE	<u>\$ 62,983</u>	<u>\$ 73,905</u>	<u>\$ 136,888</u>	<u>\$ 60,663</u>	<u>\$ 50,176</u>	<u>\$ 110,839</u>

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

	10/2017			10/2018		
	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>TOTAL</u>	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>		<u>FUND</u>	<u>FUND</u>	
RECONCILIATION OF EXCESS REVENUE TO CASH FROM OPERATING ACTIVITIES:						
Excess (Deficiency) of Revenues over expenses	\$ (1,681)	\$ (28,695)	\$ (30,376)	\$ 253	\$ 174,488	\$ 174,741
Adjustments to Reconcile Excess of Revenue to Net Cash Provided by Operating Activities:						
Depreciation expenses	2,668		2,668	2,668		2,668
(Increase) Decrease in Maintenance Assessments receivable	5,790		5,790	12,411		12,411
(Increase) Decrease In Special Assessment Receivable	(61,650)		(61,650)	61,125		61,125
Increase (Decrease) In Provision for Bad Debts	2,068		2,068	(15,740)		(15,740)
Due to/from Fund	(11,514)	11,514	-0-	2,710	(2,710)	-0-
Prior Period Adjustment	-0-		-0-	1,748		1,748
Decrease (increase) in prepaid expenses	(604)		(604)	3,564		3,564
Increase (decrease) in accounts payable	48,982		48,982	(62,795)		(62,795)
(Decrease) increase in prepaid maintenance assessments	(1,068)	.....	(1,068)	(8,264)	.....	(8,264)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (17,009)</u>	<u>\$ (17,181)</u>	<u>\$ (34,190)</u>	<u>\$ (2,320)</u>	<u>\$ 171,778</u>	<u>\$ 169,458</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Income Taxes \$ -0-

Cash Paid for Interest \$ -0-

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Waterside Village of Palm Beach Condominium Association, Inc. (the Association) was incorporated in the State of Florida as a not-for-profit corporation on September 16, 1988. It is located in the town of Hypoluxo. The Association was formed to maintain and protect the common areas owned by the individual unit owners in common and consists of 412 units. One unit is used as the Association Office.

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned as of the date of billing and expenses are deducted in the period in which they are incurred.

The Association's financial statements use the fund method for presentation purposes. This method separates the assets, liabilities, and revenues and expenses of the operating and restricted funds (reserves). Disbursements from the operating fund are generally at the discretion of the Board of Directors whereas restricted funds may only be used for their designated purpose.

This financial statement is prepared in accordance with Florida Statute Section 718.301 (4) (c).

Cash Equivalents

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

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title. Furniture and equipment are recorded at cost. Depreciation is computed principally on the accelerated cost recovery system method over the estimated remaining useful lives of the assets which range from five to thirty-one and one-half years.

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

2. MAINTENANCE ASSESSMENTS

The Association's declaration provides that each owner is chargeable for their share of common expenses based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings. The Association provides an allowance for losses on receivables based on a review of the current status of existing receivables, where applicable.

3. CERTIFICATES OF DEPOSITS

At October 31, 2018, the Association's certificates of deposit consist of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
UBS BK USA	3.1%	10/18/21	\$ 100,000
Iberia Bank	Varies	02/28/22	100,000
Iberia Bank	Varies	05/30/22	50,000
Bank of the West	Varies	11/26/21	160,000
Ally Bank	3.1%	10/18/21	100,000
Synchrony Bank	2.713%	01/11/20	180,000
Barclays Bank	Varies	10/28/20	<u>100,000</u>
Total			<u>\$ 790,000</u>

READ INDEPENDENT AUDITOR'S REPORT

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

4. ANNUITIES

As of October 31, 2018, the Association Annuities consist of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Security Benefit Annuity Reserve	2.25%	10/17/21	\$ 100,000
Security Benefit Annuity Reserve	2.25%	10/18/21	<u>100,007</u>
Total			<u>\$ 200,007</u>

5. DEPOSITS

As of October 31, 2018, the Association's deposits consist of amounts on deposit with utility companies to obtain electric service.

6. PROPERTY AND EQUIPMENT

As of October 31, 2018, Property and Equipment consists of the following:

Condominium unit	\$ 71,101
Maintenance Building	6,701
Equipment	10,641
Miner Road land	96,916
Land	125,059
Satellite TV System	<u>194,297</u>
	504,715
Less: Accumulated Depreciation	<u>273,649</u>
Property and Equipment – Net	<u>\$ 231,066</u>

Included in Equipment above is \$ 18,000 of personal property which was transferred to the Association by the developer on the date of turnover. Such property was recorded based on values provided by the developer.

The Association has decided not to capitalize any purchases of Property & Equipment but rather to expense them in the year they occur, with the exception of Land Purchase.

READ INDEPENDENT AUDITOR'S REPORT

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

7. RESTRICTED FUNDS - RESERVES

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purposes unless modified by a qualified unit owner vote.

The approved budget includes provisions for reserves for capital improvements and deferred maintenance. These funds are being accumulated based on the estimates of future needs for repairs and replacements of common property components as disclosed in the supplemental information. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the 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 to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The balance at October 31, 2018, consists of the following:

	<u>BEGINNING FUND BALANCE 10/31/17</u>	<u>ADDITIONS</u>	<u>AMOUNTS DISBURSED</u>	<u>ENDING FUND BALANCE 10/31/18</u>
Roofs	\$ 363,921	\$ 39,303	\$ -0-	\$ 403,224
Painting	11,952	174	-0-	12,126
Streets	174,102	31,955	-0-	206,057
Pools and Spa	64,975	5,447	-0-	70,422
Awnings	77,555	1,131	-0-	78,686
Sprinklers	52,315	3,262	-0-	55,577
TV Cable				
Infrastructure	77,066	13,623	-0-	90,689
Interest	13,955	10,739	13,955	10,739
Working Capital	<u>29,854</u>	<u>82,809</u>	<u>-0-</u>	<u>112,663</u>
	<u>\$ 865,695</u>	<u>\$ 188,443</u>	<u>\$ 13,955</u>	<u>\$ 1,040,183</u>

READ INDEPENDENT AUDITOR'S REPORT

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

8. INCOME TAXES

The Association is treated as a tax-exempt organization under section 528 of the Internal Revenue Code with respect to its operating business income. It is taxed at the usual corporate income tax rates on its non-business income such as interest earned. At report date, the Association's federal income tax returns for 2016, 2017, and 2018 remain open to examination by the Internal Revenue Service. The Association has zero income tax due for the year ended October 31, 2018.

9. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

10. UNINSURED CASH BALANCES

The Association maintains its operating and replacement cash balances at Regions Bank, Iberia Financial Services, Bank of the west, Barclays Bank, Ally Bank, UBS Bank, Security Benefit Life insurance benefits and Synchrony Bank. Accounts located at commercial banks are secured by the Federal Deposit Insurance Corporation up to \$ 250,000. From time to time, the Association may have cash in financial institutions in excess of federally insured Limits. As of October 31, 2018, the Association did not have cash in excess of FDIC limits.

11. INSURANCE

The association maintains multiple insurance policies to remain compliant with the requirements set forth in the association's governing documents and chapter 718 F.S. Detailed information on any of these policies is available in the management office.

12. SPECIAL ASSESSMENT

The Board of directors voted for a special assessment to cover the expenses of the damages from hurricane Irma in October 2017. The assessment is for \$ 61,650. As of October 31, 2018, \$ 61,125 of the assessment has been collected from the unit owners. As of October 31, 2018, the full \$ 61,650 has been spent.

READ INDEPENDENT AUDITOR'S REPORT

WATERSIDE VILLAGE OF PALM BEACH CONDOMINIUM ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2017 & 2018

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 20, 2018, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

READ INDEPENDENT AUDITOR'S REPORT

SUPPLEMENTARY INFORMATION

SUPPLEMENTAL SCHEDULE

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS

OCTOBER 31, 2018

(Compiled)

The Association has not conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates that were provided by the management. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The association does not currently have enough funds in its reserve accounts to cover reserve components based on the schedule therefore the association might be required to have a special assessment or assessments to cover these components.

The following presents significant information about the components of common property:

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES</u>	<u>ESTIMATED REPLACEMENT COSTS</u>	<u>APPROXIMATE ANNUAL FUNDING REQUIREMENT</u>
Roofs	16 Years	\$ 1,075,000	\$ 41,500
Painting	1-6 Years	12,000	-0-
Streets	9	575,000	34,500
Pools and Spas	2-4 Years	85,000	4,500
Cable TV	4	100,000	-0-
Infrastructure			
Awnings	2 Years	80,000	-0-
Working Capital	NA		-0-
Sprinklers	1 Years	60,000	5,000
		<u>\$ 1,987,000</u>	<u>\$ 85,500</u>

READ INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES