

**WATERSIDE VILLAGE OF PALM BEACH  
CONDOMINIUM ASSOCIATION, INC.**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**Held on January 25, 2020 at 1:30 pm at the Clubhouse**

**PRESENT:**

Andre Mongrain, President  
Normand Cadieux, Vice President  
Jean Claude Goyette, Secretary  
Jacques Lacoursiere, Treasurer  
Marian Petrescu, Director  
Celine Poissant, Director  
Michael Shane, Director

and

Stacey Casey, Manager

1. Quorum

A quorum was present, as all seven directors attended the meeting.

2. Approval of the agenda

The president indicated that the agenda should be amended to include the following items:

Item 6. Resolution for modified use of working capital reserve;

Item 7. Approval of contracts awarded after October 30, 2019;

Item 8. Adjournment

The approval of the agenda as amended was moved by Normand Cadieux, seconded by Celine Poissant and unanimously approved.

3. Approval of the Minutes of the Board Meeting held on December 21, 2019

The approval of the Minutes of the meeting of the Board of Directors held on December 21, 2019 was moved by Marian Petrescu, seconded by Celine Poissant and unanimously approved.

4. Review of the audited financial statement for the year 2018-2019

President Andre Mongrain made a detailed review of the audited financial statement.

The audited financial statement for the year 2018-2019 is appended to the Minutes and form part of the Minutes as Appendix 1.

The approval of the financial statement was moved by Michael Shane, seconded by Jacques Lacoursiere and unanimously approved.

5. Appointment of the auditor for the fiscal year 2018 - 2019

President Andre Mongrain recommended to mandate Danzinger & Associates, CPA as the Auditor.

The appointment of Danzinger & Associates, CPA as auditor for the fiscal year 2019-2020 was moved by Normand Cadieux, seconded by Marian Petrescu, and unanimously approved.

6. Resolution regarding working capital reserve usage

It was moved by Celine Poissant and seconded by Jacques Lacoursiere and unanimously approved that usage from the Working Capital Reserve be restricted to the following situations:

1. The payment of a portion of the insurance policies premium. The amount used for this purpose needs to be refunded by the operating account before the end of the fiscal year (October 31) in the year it was borrowed.

2. Funds can be used from the Working Capital Reserve, following a vote of the owners for a special project in accordance with the Association documents. Conditions and reimbursement to the Working Capital Reserve of such usage needs to be included in the voting documentations.
3. In case of an emergency, the Board of Directors is authorized to use funds available in the Working Capital Reserve. It needs a formal communication to the owners before use and the amount needs to be reimbursed within 30 days of the last usage date of the Working Capital Reserve under this article, either following an insurance settlement, the collection of a special assessment or from a transfer from the operating fund.

This motion is valid until the Board of Director meeting to be held on January 30, 2021 at which meeting a new motion will be voted. If no motion is tabled than this resolution remains in full force and effect.

7. Approval of the contracts awarded since October 30, 2019

President Andre Mongrain provided information on all contracts awarded after October 30, 2019. The President also mentioned that each contract is awarded after having been approved by all Directors individually. The list of contracts awarded since October 30, 2019 is appended to the Minutes and forms a part of the Minutes as Appendix 2.

The formal approval was moved by Normand Cadieux, seconded by Celine Poissant and unanimously approved.

8. Adjournment

The adjournment of the meeting was moved by Michael Shane, seconded by Celine Poissant, and unanimously approved. The meeting was adjourned at 1:25 pm

Jean Claude Goyette, Secretary  
January 25, 2020

**WATERSIDE VILLAGE OF PALM BEACH,  
CONDOMINIUM ASSOCIATION, INC.**

FINANCIAL STATEMENT

October 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Waterside Village of Palm Beach, Condominium Association Inc, which are comprised of the balance sheet as of October 31, 2019, 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.

### *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.

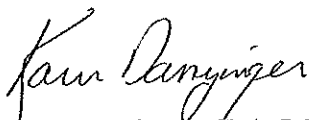
### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterside Village of Palm Beach, Condominium Association Inc as of October 31,

2019, 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

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Supplementary Information on Future Major Repairs and Replacements on page 10 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Karen M Danzinger, CPA, LCAM  
Deerfield Beach, Florida

December 4, 2019



**WATERSIDE VILLAGE OF PALM BEACH**  
**BALANCE SHEET**  
**OCTOBER 31, 2019**

<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>	Operating Fund	Reserve Fund	Total
Cash & Cash Equivalents	\$ 11,831	\$ 584,260	\$ 596,091
Assessments due	9,988		9,988
Allowance for Bad Debt	(7,163)		(7,163)
Prepaid insurance	144,365		144,365
Inter fund transfer due	23,457	(23,457)	-
Total Current Assets	<u>182,477</u>	<u>560,803</u>	<u>743,280</u>
<b>INVESTMENTS</b>			
CD's with a maturity greater than 3 mos and withdrawal penalty clause		410,000	410,000
Annuities		200,007	200,007
Total Investments	<u>-</u>	<u>610,007</u>	<u>610,007</u>
<b>FIXED ASSETS</b>			
Equipment	204,938		204,938
Buildings/Units	77,802		77,802
Land	221,974		221,974
Accumulated Depreciation	(276,318)		(276,318)
Total Fixed Assets	<u>228,396</u>	<u>-</u>	<u>228,396</u>
<b>OTHER ASSETS</b>			
Deposits	2,235		2,235
<i>Total Assets</i>	<u><u>\$ 413,108</u></u>	<u><u>\$ 1,170,810</u></u>	<u><u>\$ 1,583,919</u></u>

**LIABILITIES AND FUND BALANCE**

<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 46,930		\$ 46,930
Prepaid assessments	22,309	-	22,309
Accrued expenses	4,550		4,550
Total Current Liabilities	<u>73,789</u>	<u>-</u>	<u>73,789</u>
<b>FUND BALANCE:</b>			
Fund balance	339,319	1,170,810	1,510,130
Total Fund Balance	<u>339,319</u>	<u>1,170,810</u>	<u>1,510,130</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$ 413,108</u></u>	<u><u>1,170,810</u></u>	<u><u>\$ 1,583,919</u></u>

**WATERSIDE VILLAGE OF PALM BEACH**  
**STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2019**

<b>REVENUE:</b>	Operating Fund	Reserve Fund	Total
Maintenance assessments	\$ 1,512,060	\$ 115,500	\$ 1,627,560
Application/Estoppel fees	31,167		31,167
Late fee income	1,350		1,350
Interest income	3,990	19,024	23,014
Other income	2,482		2,482
<i>Total Revenue</i>	<u>1,551,049</u>	<u>134,524</u>	<u>1,685,573</u>
<b>EXPENDITURES:</b>			
Utilities	381,618		381,618
Salaries & Wages	240,350		240,350
Security Guards	57,294		57,294
General & Administrative			
Insurance	288,811		288,811
Professional Fees	32,762		32,762
Bad Debt & Collection Fees	(12,247)		(12,247)
Licenses, Taxes, & Fees	6,699		6,699
Office Expenses	10,243		10,243
Screening Expenses	7,140		7,140
Social Facilities	9,673		9,673
Depreciation	2,668		2,668
Misc Admin	11,470		11,470
Maintenance			
Landscaping & Grounds Maint	264,660		264,660
Building Maintenance	84,568		84,568
Pool Maint & Supplies	27,928		27,928
Other Common Amenities	38,328	23,896	62,224
Fences & Signage	16,758		16,758
Pest Control	14,330		14,330
Plumbing repairs	12,016		12,016
Lighting	11,041		11,041
Electrical repairs	5,511		5,511
Fire Safety	4,171		4,171
Janitorial Supplies	2,102		2,102
Golf Carts	2,015		2,015
Misc Other Maintenance	6,726		6,726
<i>Total Expenses</i>	<u>1,526,634</u>	<u>23,896</u>	<u>1,550,530</u>
<b>Income Over/(Under) Expenses:</b>	<b>24,415</b>	<b>110,628</b>	<b>135,043</b>
<i>Additional Transfer to Reserves</i>	(20,000)	20,000	0.00
Fund balance Oct 31 2018	334,904	1,040,183	1,375,086
Fund balance Oct 31 2019	<u>\$ 339,319</u>	<u>\$ 1,170,810</u>	<u>\$ 1,510,130</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REPORT



**WATERSIDE VILLAGE OF PALM BEACH**  
**STATEMENT OF CASH FLOWS**  
**OCTOBER 31, 2019**

	Operating Fund	Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Member assessments collected	\$ 1,515,764	\$ 115,500	\$ 1,631,264
Late fees	1,350		1,350
Interest received	3,990	19,024	23,014
Application/Estoppel fees	31,167		31,167
Other income received	2,482		2,482
Allowance for bad debt	(13,589)		(13,589)
Extra transfer to reserves	(20,000)	20,000	0
Cash paid for operating expenditures	(1,544,795)	(23,896)	(1,568,691)
<i>Net cash provided (used) by</i> <i>Operating Activities</i>	(23,631)	130,628	106,997
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interfund transfer	(25,202)	23,457	(1,745)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase)/Decrease in certificates of deposit		(125,000)	(125,000)
Cash and cash equivalents at October 31, 2018	60,663	50,176	110,838
Cash and cash equivalents at October 31, 2019	<u>\$ 11,831</u>	<u>\$ 79,260</u>	<u>\$ 91,091</u>
<b>Reconciliation of revenues over Expenses to net cash used in Operating activities:</b>			
Revenues in excess of expenses:	\$ 4,415	\$ 130,628	\$ 135,043
Depreciation expense	2,668		2,668
(Increase) Decrease in assessments due	14,409		14,409
Increase (Decrease) in allow for doubtful accts	(13,589)		(13,589)
(Increase) Decrease in prepaid insurance	(2,565)		(2,565)
Interfund transfer			0
Increase (Decrease) in accounts payable	(18,264)		(18,264)
Increase (Decrease) in prepaid assessments	(10,705)		(10,705)
Increase (Decrease) in accruals	0		0
<i>Net cash provided (used) by Operating</i> <i>Activities</i>	<u>\$ (23,631)</u>	<u>\$ 130,628</u>	<u>\$ 106,997</u>

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED OCTOBER 31, 2019

**NOTE A – NATURE OF ORGANIZATION**

Waterside Village of Palm Beach, Condominium Association, Inc., is a statutory condominium association incorporated in the State of Florida on September 16, 1988. The Association is responsible for the operation and maintenance of the common property of Waterside Village of Palm Beach, Condominium Association, Inc and consists of 412 units. One unit is used as the Association Office.

**NOTE B – DATE OF MANAGEMENT’S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through December 4, 2019, the date of Accountants’ Report.

**NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fund Accounting

The Association’s governing documents provide certain guidelines for governing its financial activities. The Association prepares its financial statements on the accrual basis and presents them as separate funds based on its different funding policies for operations and capital replacements.

The *Operating Fund* reflects the operating assessments paid by unit owners to meet the regular recurring costs of operation. Expenditures of this fund are limited to those connected with the day-to-day operations and non-recurring unanticipated expenditures.

The *Replacement Fund* is composed of assessments paid by unit owners to meet the regular replacements, major repairs and purchases of additional commonly owned assets. Expenditures from this fund are restricted to those items for which assessments were levied.

Member Assessments & Assessments Receivable

Association members are subject to monthly assessments spread equally over all units, as provided in the condominium documents. These assessments provide funds for both the Association’s operating expenses and their future capital acquisitions, major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. Assessments are recognized as revenue when they become due; they are deferred when collected in advance and become receivable if not collected when due. The Association’s policy is to retain legal counsel and to place liens on the properties of unit owners

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED OCTOBER 31, 2019

whose assessments become delinquent. Any excess assessments at year-end are generally retained by the Association for use in the succeeding year.

Revenue Recognition

Revenue from maintenance fees is recognized in the period to which it applies, and payments in advance are deferred to the appropriate future period.

Special Assessments

Special assessments are recognized as revenue when the funds are used for the purpose intended. Special assessment revenue is deferred if the expenditure has not yet been incurred.

Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Association considers demand deposits with banks, certificates of deposit, money market funds and any other highly-liquid debt instruments purchased with a maturity of three months or less or with no penalty for early withdrawal to be cash equivalents.

Allocation of Expenses

The responsibility for payment of common expenses is allocated equally among individual unit owners as set forth in the governing documents.

Income Tax

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended October 31, 2019. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government and at 5.5% by the State of Florida.

The Association's tax filings are subject to audit by various taxing authorities. At report date, the Association's federal income tax returns for 2016, 2017, and 2018 remain open to examination by the Internal Revenue Service. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances. The Association has zero income tax due for the year ended October 31, 2019.

Property and Equipment

The Association capitalizes all property and equipment to which it holds title or has other evidence of ownership. Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements because those properties are owned by the

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED OCTOBER 31, 2019

individual unit owners in common and not by the Association. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method.

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

The Association's financial instruments consist primarily of cash, certificate of deposit, accounts receivable, accounts payable, insurance payable, and prepaid maintenance assessments. The carrying amount of these instruments approximate their fair value due to the short-term nature of such instruments.

Comprehensive Income

ASC 220 (formerly SFAS No. 130) requires "a full set of general purpose financial statements" to be expanded to include the reporting of comprehensive income. Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended October 31, 2019, there were no items that qualify as comprehensive income.

**NOTE D – UNINSURED CASH BALANCES**

The Association maintains accounts at multiple banks in Palm Beach County. Accounts located at each bank 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, the Association did not have any funds in excess of these limits.

**NOTE E – INSURANCE DEDUCTIBLES**

In compliance with the Association's governing documents and Florida statute, the Association maintains multiple types of insurance policies, including property, wind, flood, crime, directors & officers, liability and an umbrella policy. The policies have various deductibles, some of which are considerable (e.g. Wind). In the event of a disaster, the Association could be exposed to losses for damages in excess of insurance coverage limits, as well as the stated deductibles. Management considers the risk of loss to be remote and its insurance coverage adequate. Information on any of these policies is

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED OCTOBER 31, 2019

available from the management office, or you may request a Certificate of Insurance from the Association's insurance agent.

**NOTE F – LONG TERM CONTRACTS**

In September 2019, the Board of Directors signed a 5-year contract with Packard Technologies for the equipment required for the Dish TV television services to the Association.

**NOTE G – BAD DEBT**

Associations are now facing an increased risk of bad debt write-offs due to the foreclosure market. Florida statutes currently state that in the event of a bank foreclosure, the bank is required to pay the Association the equivalent of twelve months regular maintenance or 1% of the original mortgage note, whichever is less. The remaining balance must be written off and absorbed by the Association. Bad debt provisions may not be sufficient to cover these losses.

The Association currently is including an estimate of bad debt in the operating budget to cover these potential losses. As of October 31, 2019, there is a provision in the amount of \$7,163. The provision is estimated based upon the balances of accounts delinquent more than three months.

In the event of a significant shortfall, the Association has the right, subject to member approval, to increase regular assessments, levy special assessments, or add the shortfall to the following year's budget.

**NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$1,170,810 at October 31, 2019, are held in a separate account and are generally not available for operating purposes. The Board of Directors conducted an informal study to estimate the remaining useful lives and the replacement costs of the common property and components.

The Association's members are fully funding for such major repairs and replacements. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. If additional funds are needed, the Association has the right to increase regular assessments, levy special assessments, or delay repairs and replacements until funds are available.

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED OCTOBER 31, 2019

The activity within the replacement fund for the year ended October 31, 2019 is presented as follows:

	Balance		PY Interest		Expense	Transfer	Balance	
	10/31/2018	Additions	Alloc	CY Interest			10/31/2019	
Roof	\$ 403,224	41,500	4,180				\$ 448,904	
Painting	\$ 12,126		126				\$ 12,252	
Asphalt	\$ 206,057	34,500	2,195				\$ 242,752	
Pools	\$ 70,422	4,500	738				\$ 75,660	
Awning	\$ 78,686		816				\$ 79,502	
Sprinklers	\$ 55,577	5,000	576				\$ 61,153	
TV Infrastructure	\$ 90,688		941		(23,896)		\$ 67,733	
Working Capital	\$ 112,664	30,000	1,167			20,000	\$ 163,831	
Interest	\$ 10,739		(10,739)	19,024			\$ 19,024	
<b>Total</b>	<b>\$ 1,040,183</b>	<b>115,500</b>	<b>-</b>	<b>19,024</b>	<b>(23,896)</b>	<b>20,000</b>	<b>\$ 1,170,810</b>	

#### NOTE I – EXPENSES

##### Utilities:

Electricity	44,247.89
Water & Sewer	201,517.42
Garbage & Recycling	46,652.90
Propane	102.72
Cable TV	78,196.38
Telephone	7,968.99
WiFi	2,931.55
<b>Total:</b>	<b>381,617.85</b>

#### NOTE J – INVESTMENTS

At October 31, the Association's investments consist of the following:

##### Certificates of Deposit:

<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Yearend Value</u>
UBS Bank USA	3.1%	10/18/2021	100,000.
Iberia Bank	Varies	2/28/2022	100,000.
Iberia Bank	Varies	6/30/2022	50,000.
Bank of the West	Varies	11/21/2021	160,000.
Ally Bank	3.1%	10/18/2021	100,000.
Synchrony Bank	2.71%	1/11/2020	180,000.
Barclay's Bank	Varies	10/28/2020	100,000.
State Bank of India	2.45%	7/30/2024	<u>125,000.</u>
<b>Total</b>			<b>\$915,000</b>

WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENT  
 FOR THE YEAR ENDED OCTOBER 31, 2019

## Annuities:

<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Yearend Value</u>
Security Benefit	2.25%	10/17/2021	100,004
Security Benefit	2.25%	10/18/2021	<u>100,003</u>
Total			\$200,007

**NOTE K: PROPERTY & EQUIPMENT**

As of October 31, 2019, the Association's fixed assets are comprised of the following:

Equipment	\$ 10,641
Maintenance Building	6,701
TV System	194,297
Condominium Unit	71,101
Mizner Road Land	96,916
Land	<u>125,059</u>
Total	\$ 504,714
Less: Accum Depr	<u>(276,318)</u>
Fixed Assets: Net	<u>\$ 228,396</u>

Included in Equipment 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 and Equipment, but rather to expense them in the year they occur, with the exception of Land Purchases.

# SUPPLEMENTARY INFORMATION

SEE ACCOUNTANTS' REPORT



WATERSIDE VILLAGE OF PALM BEACH, CONDOMINIUM ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS  
 AND REPLACEMENTS (UNAUDITED)

The Association has not conducted an independent study to estimate the replacement costs and remaining useful lives of the components of common property. Instead, the Board of Directors conducts a review of the estimate of the remaining useful lives and the replacement costs of the components of common property each year as part of the budget preparation process. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of study. 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 following information is based on the study and presents significant information about the components of common property (amounts are rounded to the nearest dollar).

Components	Estimated Life (years)	Estimated Remaining Useful Life (Years)	Estimated Replacement Costs	Component Fund Balance, 10/31/19	19/20 Required Minimum Funding
Roof	30	15	1,075,000	448,904	41,740
Painting	4	1	12,500	12,252	248
Asphalt	12	8	575,000	242,752	41,531
Pools	40	2	85,000	75,660	4,670
Awning	4	1	81,000	79,502	1,498
Sprinklers	4	4	80,000	61,153	4,712
TV Infrastructure	6	6	100,000	67,733	5,378
Working Capital		1	185,000	163,831	21,169
Interest				19,024	
Total Reserves			2,193,500	1,170,810	120,946

**CONTRACTS SINCE THE MEETING OF OCTOBER 30, 2019**

Martell & Son	New Heat Pump	\$5,500.00
Aqua Cal	Compressor Replacement For heat pump	\$ 725.00
Mid South	Pressure Cleaning	\$4,000.00
Mako Pools	Replace erosion feeder System for spa	\$ 740.00
Mako Pools	Replace spa light fixture	\$ 630.00