

# Cole & Associates, LLC

*Certified Public Accountants*

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407-351-4730  
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To: Board of Directors

Vacation Village Condominium Association, Inc.

Enclosed are the following items for your association's financial and tax reporting:

- |  |                        |
|--|------------------------|
| • Bound copies of your financial statements                                      | <u>2</u>               |
| • Unbound copies of your financial statements                                    | <u>1</u>               |
| • Management representation letter, please<br>sign and return on your letterhead | <u>Sent separately</u> |
| • Copy of AJEs for posting on your books,<br>Please sign and return              | <u>1</u>               |
| • Tax returns (please follow separate instructions)                              | <u>1</u>               |
| • Invoice  | <u>1</u>               |
| • Number of boxes to be returned   | <u>n/a</u>             |

# **Vacation Village Condominium Association, Inc.**

Financial Statements and  
Supplementary Information

December 31, 2020

**Cole & Associates, LLC**

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of  
Vacation Village Condominium Association, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Vacation Village Condominium Association, Inc., which comprise the balance sheet as of December 31, 2020, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vacation Village Condominium Association, Inc. as of December 31, 2020, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vacation Village Condominium Association, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vacation Village Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Vacation Village Condominium Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vacation Village Condominium Association, Inc.'s ability to continue as a going concern for a reasonable amount of time.

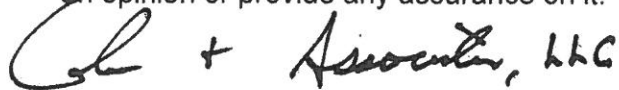
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Repairs and Replacements on page 14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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.

#### ***Disclaimer of Opinion on Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Comparison Statements of Operating Fund Revenues and Expenditures on pages 15 and 16, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Cole & Associates, CPA, LLC  
Certified Public Accountants  
April 20, 2021



# VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

## BALANCE SHEET

**DECEMBER 31, 2020**

	Operating Fund	Replacement Fund	Rental Operations	Total
<b>ASSETS:</b>				
Cash	\$ 123,564	\$ 78,313	\$ 57,081	\$ 258,958
Assessments receivable (Note 3)	29,637	-	-	29,637
Prepaid expenses	67,225	-	-	67,225
Restricted cash	1,050	-	-	1,050
Investments in CD's	-	108,040	-	108,040
Net inter-association receivable	(592)	-	592	-
Due from operating fund	-	60,001	-	60,001
Due to replacement fund	(60,001)	-	-	(60,001)
Property & equipment net of depreciation (Note 5)	-	-	25,846	25,846
<b>TOTAL ASSETS</b>	<b>\$ 160,883</b>	<b>\$ 246,354</b>	<b>\$ 83,519</b>	<b>\$ 490,756</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 36,647	\$ -	\$ 14,687	\$ 51,334
Payroll liabilities	6,719	-	-	6,719
Sales tax payable	-	-	3,057	3,057
Other liabilities	1,050	-	37,555	38,605
Prepaid assessments	23,273	-	-	23,273
Contract liabilities (Assessments received in advance - Replacement: Note 2)	-	246,354	-	246,354
<b>TOTAL LIABILITIES</b>	<b>67,689</b>	<b>246,354</b>	<b>55,299</b>	<b>369,342</b>
<b>FUND BALANCE</b> (Replacement: Note 2)	<b>93,194</b>	<b>-</b>	<b>28,220</b>	<b>121,414</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 160,883</b>	<b>\$ 246,354</b>	<b>\$ 83,519</b>	<b>\$ 490,756</b>

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Operating Fund	Replacement Fund	Rental Operations	Total
<b>REVENUE:</b>				
Assessment income	\$ 679,520	57,289	\$ -	\$ 736,809
Contractual collections/liability adjustment	14,092	(1,988)	-	12,104
Laundry income	4,587	-	-	4,587
Cable TV income	77,600	-	-	77,600
Clubhouse & beach house rental	4,816	-	-	4,816
Rental income	13,718	-	479,528	493,246
PPP Loan forgiveness	-	-	37,400	37,400
Interest income	3	1,988	-	1,991
Other income	5,870	-	17,007	22,877
<b>TOTAL REVENUE</b>	<b>\$ 800,206</b>	<b>\$ 57,289</b>	<b>\$ 533,935</b>	<b>\$ 1,391,430</b>
<b>EXPENDITURES:</b>				
Accounting & legal	\$ 9,450	\$ -	\$ -	\$ 9,450
Advertising & website	-	-	6,698	6,698
Building repairs & maintenance	17,611	-	25,867	43,478
Clubhouse maintenance	1,997	-	-	1,997
Consulting	38,800	-	1,026	39,826
Contracts grounds maintenance	44,923	-	13,293	58,216
Employee benefits	18,567	-	14,997	33,564
Insurance	60,085	-	-	60,085
Janitorial	-	-	30,485	30,485
Licenses, permits, & taxes	1,299	-	640	1,939
Management fees	12,000	-	-	12,000
Management payroll	82,770	-	-	82,770
Office & other expenses	24,186	-	19,835	44,021
Other grounds maintenance	17,073	-	2,010	19,083
Other pool maintenance	11,396	-	-	11,396
Payroll expense	183,782	-	32,386	216,168
Pest control	52,360	-	1,550	53,910
Rental unit expenses	7,680	-	338,637	346,317
Safety & security	825	-	-	825
Trash removal	526	-	-	526
Utilities	163,125	-	798	163,923
Vehicle expense	575	-	912	1,487
Reserves expenditures	-	57,289	-	57,289
<b>TOTAL EXPENDITURES</b>	<b>\$ 749,030</b>	<b>\$ 57,289</b>	<b>\$ 489,134</b>	<b>\$ 1,295,453</b>
<b>REVENUE IN EXCESS OF EXPENDITURES</b>	<b>51,176</b>	<b>-</b>	<b>44,801</b>	<b>95,977</b>
<b>BEGINNING FUND BALANCE</b>	<b>42,018</b>	<b>-</b>	<b>(16,581)</b>	<b>25,437</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 93,194</b>	<b>\$ -</b>	<b>\$ 28,220</b>	<b>\$ 121,414</b>

The accompanying notes are an integral part of the financial statements.

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**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Operating Fund	Replacement Fund	Rental Operations
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Assessment fees collected	\$ 741,316	\$ 56,379	\$ -
Laundry income	4,587	-	-
Cable TV income	77,600	-	-
Clubhouse & beach house rental	4,816	-	-
Rental income	13,718	-	517,083
PPP Loan forgiveness	-	-	37,400
Interest received	3	1,988	-
Other income	5,870	-	17,007
Cash paid for operating expenses	(776,525)	-	(498,499)
Replacement expenses paid	-	(68,889)	-
Net cash provided (used) by operating activities:	71,385	(10,522)	72,991
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase/sale of CD's	-	5,291	-
Reinvested interest/dividends	-	(357)	-
Net cash provided (used) by investing activities:	-	4,934	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Purchases/disposals of equipment	-	-	(25,846)
Net cash provided (used) by financing activities:	-	-	(25,846)
<b>NET CHANGE IN CASH</b>	71,385	(5,588)	47,145
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	53,229	83,901	9,936
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 124,614</u>	<u>\$ 78,313</u>	<u>\$ 57,081</u>

# VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Replacement Fund	Rental Operations
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF NET REVENUES OVER EXPENDITURES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Excess of revenues over expenditures	\$ 51,176	\$ -	\$ 44,801
Adjustment to reconcile net revenues over expenditures to net cash provided by operating activities:			
Contractual collections adjustment	(14,092)	-	-
(Increase) decrease in:			
Assessments receivable	12,924	-	-
Inter-association receivables	(9,187)	-	9,187
Prepaid expenses	(26,911)	-	1,833
Due from operating fund	-	(60,001)	-
Due to reserve fund	60,001	-	-
Increase (decrease) in:			
Accounts payable and accrued expenses	(10,472)	(11,600)	(18,884)
Payroll liabilities	4,983	-	-
Prepaid assessments	2,963	-	-
Contract liabilities	-	61,079	-
Net cash provided (used) by operating activities:	<u>71,385</u>	<u>(10,522)</u>	<u>72,991</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase/sale of CD's	-	5,291	-
Reinvested interest/dividends	-	(357)	-
Net cash provided (used) by investing activities:	<u>-</u>	<u>4,934</u>	<u>-</u>
<b>NET CHANGE IN CASH</b>	<u>71,385</u>	<u>(5,588)</u>	<u>47,145</u>
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>53,229</u>	<u>83,901</u>	<u>9,936</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u><u>\$ 124,614</u></u>	<u><u>\$ 78,313</u></u>	<u><u>\$ 57,081</u></u>

# VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization

Vacation Village Condominium Association, Inc. (the "Association") is incorporated in the State of Florida. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 193 residential units located in Lake County, Florida. The Association is governed by a Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions, by-laws, and rules and regulations.

##### Financial Statements

The accompanying financial statements were prepared pursuant to the requirements of Florida Statutes and the American Institute of Certified Public Accountants.

##### Fund Accounting

The Association presents its financial statements on the accrual basis using fund accounting. The financial statements are therefore segregated into funds based upon different funding policies established for operating and capital expenditures.

The Operating Fund reflects the maintenance assessments paid by unit owners to meet the regular, recurring costs of operations. Expenditures from this fund are limited to those connected with daily operations.

The Replacement Fund is composed of capital assessments paid by unit owners to fund future replacements and major repairs. Expenditures from this fund are typically restricted to those items for which assessments were specifically collected. Interest earned on replacement funds remains in the Replacement Fund and may only be expended for components previously funded.

The Rental Operations division is used to segregate the cash, receivables and liabilities associated with the Vacation Village Resort from the regular operating fund.

##### Revenue Recognition

Regular assessments to members are recognized as revenue during the period for which they are assessed. Assessments received in advance of this period are reported as prepaid assessments on the balance sheet.

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Contract Liabilities (Assessments received in advance – Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the major repairs and replacement fund. The balances of contract liabilities as of the beginning and end of the year ended 2020 are \$185,275 and \$246,354, respectively.

Real and Common Area Property

The Association capitalizes all property and equipment to which it holds title or has other evidence of ownership. 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 unit owners in common and not by the Association. As a result, improvements made to the real property and common areas are expensed as incurred.

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 expenditures during the reporting period. Actual results could differ from those estimates.

Concentrations of Risk

The Association maintains cash balances at several banks. Deposits at banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2020, the uninsured portion of cash balances is \$0.

The Association has obtained insurance coverage for damages covered by windstorm. The Association would be responsible for losses up to the amount of the deductible and has the right to increase regular assessments, levy a special assessment or delay repairs until adequate funds are available.

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Commitments and Contingency

The Association has entered into various short-term contractual agreements with outside vendors and service providers to maintain its common property and to administer the Association. These contracts have different expiration dates and renewal terms.

Subsequent Events

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were issued.

See Note 6 for coronavirus (COVID-19) pandemic disclosure.

**NOTE 2: RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents, as well as Florida Statutes, require funds to be accumulated for future major repairs and replacements. The funds are segregated and are not generally available for expenditures for normal operations.

Florida statutes require disclosure of the amount of annual funding required to fully fund each reserve account over the remaining useful life of the applicable assets. This calculation is presented in the Supplementary Information on Future Repairs and Replacements based upon estimates of replacement values and remaining lives as discussed below. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our engagement.

In September 2019, the Association had an independent reserve study estimate the remaining useful lives and current replacement costs of common property components. Estimates were based on professional judgment, which may include contractor estimates for major components. The Association is funding for major repairs and replacements over the remaining useful lives, and considering amounts previously accumulated in the replacement fund.

The estimated required annual funding per the reserve study was \$192,000. However, at a duly called meeting, the Association membership voted to fund for future repairs and replacements at a reduced rate of \$116,380 for the year ended December 31, 2020.



**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 2: RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS (Continued)**

Actual expenditures, however, 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. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

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

COMPONENT	BEGINNING BALANCE	FUNDING DURING YEAR	INTEREST & OTHER INCOME	CHARGES TO FUND	BALANCE 12/31/2020
Pooled	\$ 185,275	\$ 116,380	\$ 1,988	\$ 57,289	\$ 246,354
TOTAL	\$ 185,275	\$ 116,380	\$ 1,988	\$ 57,289	\$ 246,354
				Contract liability portion	246,354
				Equity portion	-
					<u>\$ 246,354</u>

**NOTE 3: MEMBER ASSESSMENTS**

Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Association expenses are allocated on a pro-rata basis per unit (1/193). Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date represent fees due from unit owners. It is the Association's policy to retain legal counsel and place liens on the property of delinquent homeowners. Assessments that have been deemed to be uncollectible as of the report date have been charged to contractual collections adjustments. The allowance for uncollectible accounts is \$38,000 on December 31, 2020. The balances of assessments receivable as of the beginning and the end of the year are \$71,469 and \$67,637, respectively.

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 4: INCOME TAXES**

Associations may be taxed as homeowners' associations under Internal Revenue Code (IRC) 528 or as regular corporations under IRC 277. In 2020, the Association elected to be taxed as a regular corporation. As a regular corporation, membership income is exempt from tax if certain elections are made, and the Association is taxed on its nonmembership income, such as interest earnings, at regular federal and state corporate rates. Income tax expense was \$0 for the year then ended.

The Association follows FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, which provides guidance on accounting for uncertainty in income taxes recognized in the Association's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. As of December 31, 2020, the Association had no uncertain tax positions that require either recognition or disclosure in the Association's financial statements. Generally, the Association's tax returns remain open for three years for federal income tax examination.

**NOTE 5: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Vehicles	\$ 25,846
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Depreciation is provided on a straight-line basis over the estimated useful lives. As the vehicle was purchased on December 18, 2020, there was no depreciation expense for the year ended December 31, 2020.

**NOTE 6: COVID-19 PANDEMIC**

Markets have been negatively impacted by a novel strain of coronavirus (COVID-19), which was declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The continued spread of COVID-19 and the actions being taken by governments, businesses, and individuals to limit this pandemic may adversely impact operations, including, among others, increasing the credit risk of owners and collectability of owner assessments. This has resulted in significant economic uncertainty, of which the potential impact to the Association's future financial results is difficult to measure.

VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7: FASB ASC 606 ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the ASC. Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate-Common Interest Realty Association, Revenue Recognition*, and requires the recognition of revenue when goods or services are transferred to customers in an amount that reflects the consideration to which an Association expects to be entitled in exchange for those goods or services.

As related to the replacement fund, the Association adopted the modified retrospective method of transition as of January 1, 2020, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not completed as of January 1, 2020. Adoption of the generally accepted method of application resulted in changes to our accounting policies for contract liabilities (assessments received in advance – replacement fund), as previously described.

The adoption of the new revenue recognition guidance resulted in the following change to the replacement fund balance as of January 1, 2020:

Fund Balance as previously reported January 1, 2020:	\$185,275
Adjustment	<u>185,275</u>
Fund Balance as adjusted and reported January 1, 2020:	\$ 0

Any income other than unallocated income has been included in components and has been included in contract liabilities. The effect of the adoption is a recording of a contract liability (assessments received in advance – replacement) as of December 31, 2020 of \$246,354 for the replacement fund. When the Association has major repair and replacement expenses, equity and current year income will be disbursed before the contract liabilities.

VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7: FASB ASC 606 ACCOUNTING GUIDANCE IMPLEMENTATION (Continued)

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item in our 2020 financial statements. Following are the line items for the Replacement Fund from our balance sheet as of December 31, 2020 that were affected, the amounts that would have been reported under the prior method of treating reserve assessments as satisfied over time on a pro-rata basis using the input method:

	Amounts that would have been reported	Effects of applying new method	As Reported
<b>Liabilities</b>			
Contract Liabilities	\$ -	\$ 246,354	\$ 246,354
<b>Total Liabilities</b>	\$ -	\$ 246,354	\$ 246,354
<b>Fund Balance</b>	\$ 246,354	\$ (246,354)	\$ -

The following are the line items for the Replacement Fund from the statement of revenues, expenses, and changes in fund balances and the statement of cash flows – indirect for the year ended December 31, 2020 that were affected, the amounts that would have been reported under the prior method of treating reserve assessments as satisfied over time on a pro-rata basis using the input method:

	Amounts that would have been reported	Effects of applying new method	As Reported
<b>Revenue</b>			
Assessment income	\$ 116,380	\$ (59,091)	\$ 57,289
Excess (deficit) of revenue over expenses	\$ 61,079	\$ (61,079)	\$ -
<b>Cash Flows - indirect</b>			
Excess (deficit) of revenue over expenses	\$ 61,079	\$ (61,079)	\$ -
Increase in Contract liabilities	\$ -	\$ 61,079	\$ 61,079

## **SUPPLEMENTAL INFORMATION**

# VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

## SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

December 31, 2020

In September 2019, the Association had an independent reserve study estimate the remaining useful lives and current replacement costs of common property components. Estimates were based upon professional judgment, which may include contractor estimates for major components. Florida statutes require disclosure of the amount of the annual funding required to fully fund each reserve account over the remaining useful life of the applicable asset.

The following is based on the estimate and presents significant information about the components of common property:

COMPONENT	ESTIMATED REMAINING USEFUL LIFE (YEARS)	ESTIMATED CURRENT REPLACEMENT COST	REPAIRS / REPLACEMENTS 2020	2021 STATUTORY FUNDING REQUIRED
Pooled			\$ 246,354	\$ 192,000
Roofs	4	\$ 789,955	-	-
Security / gates	4 - 11	40,729	-	-
Paving	0 - 21	272,425	-	-
Site improvements	0 - 29	136,776	-	-
Hurricane clean up	11	60,000	-	-
Insurance	14	80,000	-	-
Pool	0 - 17	169,817	-	-
Mailbox replacement	-	24,125	-	-
Common area interiors	0 - 21	119,801	-	-
Deck	19	8,600	-	-
Equipment	0 - 13	94,229	-	-
Mechanical / HVAC	0 - 8	64,520	-	-
Painting	0 - 3	127,225	-	-
Recreational amenities	0 - 4	26,240	-	-
Seawall - lake	21	41,965	-	-
Tennis court	2 - 15	25,044	-	-
		<u>\$ 2,081,451</u>	<u>\$ 246,354</u>	<u>\$ 192,000</u>

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUES AND EXPENDITURES  
ACTUAL TO BUDGET (UNAUDITED)**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE:</b>			
Assessment income	\$ 795,900	\$ 795,900	\$ -
Contractual collections adjustment	14,092	(15,000)	29,092
Laundry income	4,587	8,000	(3,413)
Cable TV income	77,600	-	77,600
Clubhouse & beach house rental	4,816	17,500	(12,684)
Rental income	493,246	729,446	(236,200)
PPP Loan forgiveness	37,400	-	37,400
Interest income	3	-	3
Other income	<u>22,877</u>	<u>3,600</u>	<u>19,277</u>
<b>TOTAL REVENUE</b>	<u>\$ 1,450,521</u>	<u>\$ 1,539,446</u>	<u>\$ (88,925)</u>
<b>EXPENDITURES:</b>			
Accounting & legal	9,450	15,000	(5,550)
Advertising & website	6,698	15,000	(8,302)
Building repairs & maintenance	43,478	35,280	8,198
Clubhouse maintenance	1,997	1,500	497
Consulting	39,826	5,898	33,928
Contracts grounds maintenance	58,216	58,400	(184)
Employee benefits	33,564	39,430	(5,866)
Insurance	60,085	61,000	(915)
Janitorial	30,485	18,200	12,285
Licenses, permits, & taxes	1,939	2,608	(669)
Management fees	12,000	12,000	-
Management payroll	82,770	80,575	2,195
Office & other expenses	44,021	63,332	(19,311)
Other grounds maintenance	19,083	35,500	(16,417)
Other pool maintenance	11,396	16,000	(4,604)
Payroll expense	216,168	252,000	(35,832)
Pest control	53,910	42,647	11,263
Rental unit expenses	346,317	453,854	(107,537)
Safety & security	825	500	325
Trash removal	526	1,500	(974)
Utilities	163,923	168,700	(4,777)
Vehicle expense	1,487	27,000	(25,513)
Reserve funding	<u>116,380</u>	<u>116,380</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>1,354,544</u>	<u>1,522,304</u>	<u>(167,760)</u>
<b>REVENUE IN EXCESS OF EXPENDITURES</b>	<u>\$ 95,977</u>	<u>\$ 17,142</u>	<u>\$ 78,835</u>



**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUES AND EXPENDITURES  
ACTUAL TO PRIOR YEAR (UNAUDITED)**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019	Variance
<b>REVENUE:</b>			
Assessment income	\$ 795,900	\$ 795,900	\$ -
Contractual collections adjustment	14,092	(239)	14,331
Laundry income	4,587	7,256	(2,669)
Cable TV income	77,600	-	77,600
Clubhouse & beach house rental	4,816	13,875	(9,059)
Rental income	493,246	700,720	(207,474)
	37,400	-	37,400
Interest income	3	19	(16)
Other income	22,877	6,087	16,790
<b>TOTAL REVENUE</b>	<b>\$ 1,450,521</b>	<b>\$ 1,523,618</b>	<b>\$ (73,097)</b>
<b>EXPENDITURES:</b>			
Accounting & legal	9,450	16,636	(7,186)
Advertising & website	6,698	7,016	(318)
Building repairs & maintenance	43,478	70,895	(27,417)
Clubhouse maintenance	1,997	1,298	699
Consulting	39,826	1,073	38,753
Contracts grounds maintenance	58,216	60,861	(2,645)
Employee benefits	33,564	47,891	(14,327)
Insurance	60,085	56,911	3,174
Janitorial	30,485	16,053	14,432
Licenses, permits, & taxes	1,939	6,761	(4,822)
Management fees	12,000	11,580	420
Management payroll	82,770	71,854	10,916
Office & other expenses	44,021	45,942	(1,921)
Other grounds maintenance	19,083	33,813	(14,730)
Other pool maintenance	11,396	23,474	(12,078)
Payroll expense	216,168	274,246	(58,078)
Pest control	53,910	53,376	534
Rental unit expenses	346,317	527,347	(181,030)
Safety & security	825	249	576
Trash removal	526	1,326	(800)
Utilities	163,923	163,066	857
Vehicle expense	1,487	4,639	(3,152)
Reserve funding	116,380	120,000	(3,620)
<b>TOTAL EXPENDITURES</b>	<b>1,354,544</b>	<b>1,616,307</b>	<b>(261,763)</b>
<b>REVENUE IN EXCESS OF EXPENDITURES</b>	<b>\$ 95,977</b>	<b>\$ (92,689)</b>	<b>\$ 188,666</b>

# Cole & Associates, LLC

*Certified Public Accountants*

Ronald A. Cole, CPA  
Ron@ColeCPA.com

www.colecpa.com

407-351-4730  
Fax 407-654-1544

Vacation Village Condominium Association, Inc.

To the Board of Directors:

In conjunction with the audit of the financial statements of the Association for the year ended December 31, 2020, we noted items for improving the efficiency and effectiveness of the control system and accounting environment. None of the items below are considered material reportable conditions, but are areas for improvement:

## Fraud Risks:

Based on the current financial and regulatory environment, the AICPA and Statement on Auditing Standards No. 99 reiterate management's responsibility for the detection and prevention of fraud. Management should perform an analysis of fraud risks, document safeguards against those risks and address any deficiencies.

## Cash and investments:

1. As of December 31, 2020, the Association had no funds in excess of FDIC insurance limits. We recommend that the Association continue to maintain cash balances below the FDIC insurance limit with each bank.
2. The Board of Directors purchased a work vehicle for the Association using a counter check at the bank to withdraw the necessary funds. As this method allows any signer to draw upon the Association's funds without going through the normal procedures used to safeguard the Association's assets by circumventing controls, we strongly recommend that all bank accounts be restricted to disbursements by properly signed and authorized checks or by authorized ACH payments to previously approved vendors.
3. Changes were made to the Rental Operation's bank account on its books to make the balance agree to the bank statement, rather than allowing the reconciliation to provide for outstanding checks and deposits in transit. As the State of Florida requires the Association's books to be on the accrual basis, we strongly recommend against changing the Association's books to be equal to the bank statement balance.

## Replacement Funds:

Expenditures from the Replacement fund should be approved and noted in the minutes of the Board of Directors' meetings, including the amount approved and the vendor selected.

Working Capital:

Due to unforeseen expenditures, which may be significant and deplete the Association's cash, we recommend that the Association maintain working capital equal to 60 days of expenditures in the Operating Fund.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt", is written over the printed name.

Cole & Associates, CPA, LLC  
*Certified Public Accountants*  
April 23, 2021

# Cole & Associates, LLC

*Certified Public Accountants*

Ronald A. Cole, CPA  
Ron@ColeCPA.com

www.colecpa.com

407-351-4730  
Fax 407-654-1544

Vacation Village Condominium Association, Inc.  
To the Board of Directors:

We have audited the financial statements of Vacation Village Condominium Association, Inc. for the year ended December 31, 2020, and have issued our report thereon dated April 20, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter for the year ending 2020. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

You are responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Vacation Village Condominium Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Your estimate of the allowance for doubtful accounts is based on historical defaults by homeowners and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in performing and completing our audit.

### *Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, if any.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain management representations from management that are included in the management representation letter dated April 20, 2021.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### *Required Supplementary Information*

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and management of Vacation Village Condominium Association, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,



Cole & Associates, CPA, LLC  
Certified Public Accountants  
April 20, 2021

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

**Condominium Association's Books**

Client's Post Closing AJEs for entry to 2021

12/31/2020

JE No.	Client Acct.	WP REF	Description	- Dr -	- Cr -	P/L Effect	Rsv FB Effect
AJE04	new asset acct 2650	P-5	Due from Rental operations Prior year surplus <i>Reclassify matured CDs posted to expense</i>	6,807.50	6,807.50	6,807.50	
AJE05	2650 1260	B-2	Prior year surplus Allowance for doubtful accts <i>Adjust allowance for doubtful accts</i>	9,265.00	9,265.00	(9,265.00)	
AJE06	2124 new asset acct	TB-2	Payroll protection program Due from Rental operations <i>Reclassify PPP Loan posted on both Assn &amp; Rental</i>	37,400.00	37,400.00		
AJE10	new asset acct 2271	N-1	Due from Rental operations Pooled reserves <i>Reclassify purchase of truck to Rental operations</i>	30,000.00	30,000.00		30,000.00
AJE11	2650 8080 8010 5260 6152 5120	I-2	Prior year surplus CPA services Onsite management Water & sewer Electricity Labor wages <i>Accrue additional expenses for 2020</i>	14,890.56	6,400.00 2,777.00 1,610.00 161.56 3,942.00	(14,890.56)	
RJE02	2640 2271	N-1	Transfer restricted (if not cleared) Pooled reserves <i>Reverse transfer reserve to operating intended as loan</i>	30,000.00	30,000.00	(30,000.00)	30,000.00
				128,363.06	128,363.06	(47,348.06)	60,000.00

**Fund Balance Reconciliation:**

	Operating	Replacement
Fund Balance per client	140,541.00	186,354.00
Adjustments	(47,348.06)	60,000.00
Rounding	1.06	
Fund Balance per report	93,194.00	246,354.00

Discussed with Client:

Position \_\_\_\_\_

Date \_\_\_\_\_

Approved by:

Position \_\_\_\_\_

Date \_\_\_\_\_

**VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.**

Rental Operations AJEs

12/31/2020

JE No.	WP REF	Description	- Dr -	- Cr -	P/L Effect	Rsv FB Effect
AJE01		Miscellaneous income	3,724.23		(3,724.23)	
		Accounts payable		3,724.23		
**	I-1.2a	<i>Reverse negative AP items for which BoD member voided stale dated checks</i>				
AJE02		Operating - Suntrust Security Deposits	22,273.38			
		Refundable security deposits		23,800.38		
		Bank supply expense	50.90		(50.90)	
		Credit Card expense	1,461.10		(1,461.10)	
		Maintenance fee from bank	15.00		(15.00)	
	TB-1.3	<i>Record balances from QB file created just for Security deposits</i>				
AJE03		Unit Rental income	29,540.30		(29,540.30)	
		Ask My Accountant		29,540.30		
	GP-1a	<i>Reclassify adjustment by BoD member increasing income against Ask My Accountant</i>				
AJE04		Unit Rental income	6,807.50		(6,807.50)	
		Due from HOA		6,807.50		
	P-5	<i>Reclassify matured Assn CDs posted to Rental income</i>				
AJE06		PPP Loan 2020	37,400.00			
		Operating fund balance		37,400.00	37,400.00	
		Due from HOA	37,400.00			
		PPP Loan forgiveness		37,400.00	37,400.00	
	TB-2	<i>Reclassify PPP Loan posted to fund balance, record forgiveness</i>				
AJE07		Unit Rental income	13,754.62		(13,754.62)	
		Security deposits held		13,754.62		
	J-3	<i>Reclassify deposits held over to future reservations</i>				
AJE08		Income - SunTrust	4,608.36			
		Various expenses		2,888.09	2,888.09	
		Insurance for Rental employees		1,720.27	1,720.27	
	A-3.2	<i>Void ck #18531 &amp; 18540 - duplicates of online/phone payments</i>				
AJE09		Income - SunTrust	42,118.46			
		Unit Rental income		29,540.30	29,540.30	
		Miscellaneous income		12,578.16	12,578.16	
**	I-1.2a	<i>Reverse entries posted by BoD member to change GL balance to Bank stmt balance</i>				
AJE10		Vehicles	25,846.16			
		Unit rental income	30,000.00		(30,000.00)	
		Due from HOA		30,000.00		
		Vehicle expense		25,846.16	25,846.16	
	N-1	<i>Reclassify purchase of truck to Rental Operations</i>				
AJE11		Owner payment - unit expense	14,415.83		(14,415.83)	
		Unit rental income	3,057.09		(3,057.09)	
Reversed in 2021		Accrued expenses		17,472.92		
	I-2	<i>Accrue additional expenses for 2020</i>				
			272,472.93	272,472.93	44,546.41	-

AJEs 02, 03, 04, 06, 07, 08, 10 & 11 are included in QB import file, see pgs 3-6

\*\* Not included in import, will need to be done manually when on-site

4/20/2021 8:13 PM

0000002J02



VACATION VILLAGE CONDOMINIUM ASSOCIATION, INC.

AJEs

12/31/2020

JE No.	WP REF	Description	- Dr -	- Cr -	P/L Effect	Rsv FB Effect
--------	-----------	-------------	--------	--------	------------	------------------

**Fund Balance Reconciliation:**

	Operating	Replacement
Fund Balance per client	(16,325.00)	-
Adjustments	44,546.41	-
Rounding	(1.41)	
Fund Balance per report	28,220.00	-

Discussed with Client: \_\_\_\_\_  
Position

\_\_\_\_\_  
Date

Approved by: \_\_\_\_\_  
Position

\_\_\_\_\_  
Date

## Vacation Village Condominium Association 2

## Adjusting Journal Entries

February 2020 through January 2021

Date	Num	Memo	Account	Debit	Credit
04/17/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	0.44	0.44
05/28/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	0.44 123.50	0.44 123.50
06/09/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	123.50 200.00	123.50 200.00
06/10/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	200.00 70.04	200.00 70.04
07/08/2020	Refund	Moored Charelene Moored Charelene	Security deposits held SunTrust - Security Deposits	70.04 500.00	70.04 500.00
07/08/2020	Refund	VOID: Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	500.00 0.00 0.00	500.00 0.00
07/10/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	0.00 100.00	0.00 100.00
07/10/2020	Refund	VOID: & Douglas Luna Bibi F Sataur - De Luna & Douglas Luna Bibi F Sataur - De Luna	Security deposits held SunTrust - Security Deposits	100.00 0.00 0.00	100.00
07/10/2020	CC fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	0.00 139.03	0.00 139.03
07/27/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	139.03 500.00	139.03 500.00
08/10/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	500.00 200.00	500.00 200.00
				200.00	200.00

## Vacation Village Condominium Association 2

## Adjusting Journal Entries

February 2020 through January 2021

Date	Num	Memo	Account	Debit	Credit
08/10/2020	ACH	Check printing fee Check printing fee	Office Supplies SunTrust - Security Deposits	50.90	50.90
08/10/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	50.90	50.90
09/10/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	199.12	199.12
09/10/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Credit Card Expense SunTrust - Security Deposits	199.12	199.12
09/10/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	108.64	108.64
09/16/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	331.61	331.61
09/16/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	331.61	331.61
09/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	400.00	400.00
09/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	400.00	400.00
10/13/2020	CC Fees	Merchant fees Merchant fees	Security deposits held SunTrust - Security Deposits	420.00	420.00
10/15/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	500.00	500.00
10/26/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Credit Card Expense SunTrust - Security Deposits	500.00	500.00
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Credit Card Expense SunTrust - Security Deposits	170.37	170.37
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	170.37	170.37
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	1,384.55	1,384.55
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	1,384.55	1,384.55
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	100.31	100.31
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	100.31	100.31
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	1,143.04	1,143.04
10/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	1,143.04	1,143.04

## Vacation Village Condominium Association 2

## Adjusting Journal Entries

February 2020 through January 2021

Date	Num	Memo	Account	Debit	Credit
11/09/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	261.63	261.63
11/10/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	261.63 401.52	261.63 401.52
11/10/2020	Refund	& Douglas Luna Bibi F Sataur- De Luna & Douglas Luna Bibi F Sataur- De Luna	Security deposits held SunTrust - Security Deposits	401.52 1,295.19	401.52 1,295.19
11/16/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	1,295.19 895.10	1,295.19 895.10
11/18/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	895.10 477.33	895.10 477.33
11/23/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	477.33 500.00	477.33 500.00
12/07/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	500.00 840.81	500.00 840.81
12/07/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	840.81 909.22	840.81 909.22
12/15/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	909.22 367.22	909.22 367.22
12/17/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	367.22 260.78	367.22 260.78
12/20/2020	CC Fees	Merchant fees Merchant fees	Credit Card Expense SunTrust - Security Deposits	260.78 248.44	260.78 248.44
				248.44	248.44

# Vacation Village Condominium Association 2

## Adjusting Journal Entries

### February 2020 through January 2021

Date	Num	Memo	Account	Debit	Credit
12/28/2020	Refund	Security deposit returned to guest Security deposit returned to guest	Security deposits held SunTrust - Security Deposits	400.00	400.00
12/31/2020	CPA01	Net Opening Balance Equity with Retained Earnings Net Opening Balance Equity with Retained Earnings	Retained Earnings Opening Balance Equity	173,177.89	173,177.89
12/31/2020	AJE06	Reverse PPP Loan recorded on Association Reverse PPP Loan recorded on Association Reverse PPP Loan recorded on Association Reverse PPP Loan recorded on Association	PPP Loan Opening Balance Equity Due from HOA Miscellaneous Income	173,177.89 37,400.00 37,400.00	173,177.89 37,400.00 37,400.00
12/31/2020	AJE03	Reclassify adjustments by BoD member increasing income Reclassify adjustments by BoD member increasing income	Unit Rental Income Ask My Accountant	74,800.00 29,540.30	74,800.00 29,540.30
12/31/2020	AJE07	Reclassify deposits held over for future reservations Reclassify deposits held over for future reservations	Unit Rental Income Security deposits held	29,540.30 13,754.62	29,540.30 13,754.62
12/31/2020	AJE10	Reclassify purchase of truck to Rental Operations Reclassify purchase of truck to Rental Operations Reclassify purchase of truck to Rental Operations Reclassify purchase of truck to Rental Operations	Vehicles Unit Rental Income Due from HOA Vehicle Expense	13,754.62 25,846.16 30,000.00	13,754.62 25,846.16 30,000.00
12/31/2020	AJE11	Accrue additional expenses for 2020 Accrue additional expenses for 2020 Accrue additional expenses for 2020	Owner Payment - Income Expense Unit Rental Income Accrued expenses	55,846.16 14,415.83 3,057.09	55,846.16 17,472.92
12/31/2020	AJE04	Reclassify matured Assn CDs posted to rental income Reclassify matured Assn CDs posted to rental income	Unit Rental Income Due from HOA	17,472.92 6,807.50	17,472.92 6,807.50
01/01/2021	AJE11R	Reverse of GJE AJE11 - Accrue additional expenses for 2020 Accrue additional expenses for 2020 Accrue additional expenses for 2020	Owner Payment - Income Expense Unit Rental Income Accrued expenses	6,807.50 17,472.92	6,807.50 14,415.83 3,057.09
<b>TOTAL</b>				<b>402,371.10</b>	<b>402,371.10</b>