



MASTER & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

April 21, 2018

To the Board of Directors
International Village Association, Inc.

We have audited the financial statements of International Village Association, Inc. for the year ended December 31, 2017, and have issued our report thereon dated April 12, 2018. 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 letter to you dated November 17, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by International Village Association, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. 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 prepared by management and are based on management's 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(s) affecting the financial statements was (were):

Management's estimate of the allowance for doubtful accounts is based on the review of past due balances due from owners and others. We evaluate the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of Windstorm Deductible in Note C to the financial statements regarding the deductible amount of 3% for windstorm coverage for named hurricanes.

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

Difficulties Encountered in Performing the Audit

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

Corrected and 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The following material misstatements detected as a result of audit procedures were corrected by management:

1. Adjustments to reclassify allowance for bad debt to allowance for due from alliance totaling \$199,902.
2. Adjustments to allowance for bad debt, bad debt recovery and bad debt expense totaling \$270,955.

3. Adjustments to reclass repairs from fund balance to building repairs totaling \$241,434.
4. Adjustments to prepaid insurance, insurance payable and insurance expense totaling \$322,937.
5. Adjustments to accrued expenses totaling \$70,108.
6. Adjustments to reclass unclaimed estimated deposits to Pooled Reserves Account in the amount of \$183,000.
7. Adjustments to write off obsolete/unused assets to accumulated depreciation per Board Instructions in the amount totaling \$131,938.

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 representations from management that are included in the management representation letter dated April 12, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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.

Supplementary Information Accompanying the Audited Financial Statements

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 it 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 of International Village Association, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

Master and Company, P.A.

Master And Company, P.A.

International Village Association, Inc.

Financial Statements

December 31, 2017

International Village Association, Inc.

Financial Statements

December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
International Village Association, Inc.
Lauderhill, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of International Village Association, Inc., which comprise the Balance Sheet as of December 31, 2017, and the related Statement of Revenues, Expenses and Changes in Fund Balance, and Cash Flows for the year then ended, and the related Notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Village Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in Schedule of Operating Expenses, is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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.

Master And Company, P.A.

Davie, FL

April 12, 2018

International Village Association, Inc.

Balance Sheet

December 31, 2017

	Operating Fund	Replacement Fund	Total
Assets			
Cash and Cash Equivalents	\$ 1,154,211	\$ -	\$ 1,154,211
Assessments Receivable	542,565	-	542,565
Allowance for Doubtful Accounts	(320,679)	-	(320,679)
Unbilled Special Assessment Receivable	209,291	-	209,291
Prepaid Insurance	336,778	-	336,778
Property and Equipment, net	98,721	-	98,721
Due from/to Funds	<u>(183,000)</u>	<u>183,000</u>	<u>-</u>
Total Assets	<u>\$ 1,837,887</u>	<u>\$ 183,000</u>	<u>\$ 2,020,887</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 70,108	\$ -	\$ 70,108
Insurance Loan Payable	304,201	-	304,201
Prepaid Assessments	153,362	-	153,362
Deferred Cable Income	34,320	-	34,320
Note Payable - Special Assessment	146,721	-	146,721
Refundable Tenant Deposits	160,447	-	160,447
Refundable Maintenance Deposits	<u>153,892</u>	<u>-</u>	<u>153,892</u>
Total Liabilities	1,023,051	-	1,023,051
Fund Balance	<u>814,836</u>	<u>183,000</u>	<u>997,836</u>
Total Liabilities and Fund Balance	<u>\$ 1,837,887</u>	<u>\$ 183,000</u>	<u>\$ 2,020,887</u>

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

International Village Association, Inc.
Statement of Revenues, Expenses and Changes in Fund Balance
For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
Revenues			
Maintenance Assessments	\$ 3,362,251	\$ -	\$ 3,362,251
Bad Debt Recovery	42,811	-	42,811
Laundry	110,757	-	110,757
Screening Fees	34,220	-	34,220
Cable	12,480	-	12,480
Other	<u>96,326</u>	<u>-</u>	<u>96,326</u>
Total Revenues	<u>3,658,845</u>	<u>-</u>	<u>3,658,845</u>
Expenses			
Administrative and General	319,936	-	319,936
Contract Services	546,248	-	546,248
Depreciation	22,500	-	22,500
Insurance	406,263	-	406,263
Maintenance	557,840	-	557,840
Payroll	894,080	-	894,080
Recreation Area	3,334	-	3,334
Utilities	<u>1,000,868</u>	<u>-</u>	<u>1,000,868</u>
Total Expenses	<u>3,751,069</u>	<u>-</u>	<u>3,751,069</u>
(Deficiency) of Revenues Over Expenses	(92,224)	-	(92,224)
Fund Balance - Beginning of Year	907,060	-	907,060
Transfers	<u>-</u>	<u>183,000</u>	<u>183,000</u>
Fund Balance - End of Year	<u>\$ 814,836</u>	<u>\$ 183,000</u>	<u>\$ 997,836</u>

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

International Village Association, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
Cash Flows from Operating Activities			
(Deficiency) of Revenues Over Expenses	\$ (92,224)	\$ -	\$ (92,224)
Adjustments to Reconcile (Deficiency) of Revenues Over Expenses to Net Cash Provided by Operating Activities:			
Bad Debt Recovery	(42,811)	-	(42,811)
Depreciation	22,500	-	22,500
Decrease (Increase) in:			
Assessments Receivable	(23,854)	-	(23,854)
Allowance for Doubtful Accounts	(288,264)	-	(288,264)
Unbilled Special Assessment Receivable	376,048	-	376,048
Prepaid Insurance	(105,256)	-	(105,256)
Due from Alliance	196,552	-	196,552
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	(12,928)	-	(12,928)
Insurance Loan Payable	101,892	-	101,892
Prepaid Assessments	9,802	-	9,802
Deferred Cable Income	(12,480)	-	(12,480)
Refundable Tenant Deposits	736	-	736
Refundable Maintenance Deposits	<u>42,399</u>	<u>-</u>	<u>42,399</u>
Net Cash Provided by Operating Activities	<u>172,112</u>	<u>-</u>	<u>172,112</u>
Cash Flows from Financing Activities			
Interfund Borrowings	183,000	(183,000)	-
Interfund Transfers	(183,000)	183,000	-
Repayments of long-term borrowings	<u>(211,967)</u>	<u>-</u>	<u>(211,967)</u>
Net Cash (Used in) Financing Activities	<u>(211,967)</u>	<u>-</u>	<u>(211,967)</u>
Net (Decrease) in Cash and Cash Equivalents	(39,855)	-	(39,855)
Cash and Cash Equivalents - Beginning of Year	<u>1,194,066</u>	<u>-</u>	<u>1,194,066</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,154,211</u>	<u>\$ -</u>	<u>\$ 1,154,211</u>
Supplemental Cash Flow Disclosure:			
Cash Paid for Interest	\$ 11,346	\$ -	\$ 11,346

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

International Village Association, Inc.

Notes to the Financial Statements

December 31, 2017

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization – International Village Association, Inc. (Association) is a statutory condominium association incorporated as a not-for-profit corporation in the State of Florida in 1970. The Association is responsible for the operation and maintenance of the common property within the development. The Association consists of 832 residential units located in Lauderhill, Florida.
2. Fund Accounting – The Association uses fund accounting which requires that funds such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the replacement fund may be made only for their designated purposes.
3. Use of Estimates in the Preparation of Financial Statement – 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.
4. Member Assessments – Member assessments are billed monthly based upon their proportionate share of ownership and recognized as revenue on a pro rata basis over the period covered by the billing. Member assessments are based upon estimates of amounts necessary to provide funds for the Association's operating expenses and future major repairs and replacements. Assessments receivable from members are reported at the outstanding balance due from the members. It is the Association's policy to retain legal counsel and place liens on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for reduction of member assessments in future years. As of December 31, 2017, an allowance for doubtful accounts has been established totaling \$320,679.
5. Interest Income – The Board of Directors' policy is to allocate to the operating and replacement funds all interest earned on their respective cash accounts.
6. Income Taxes – In 2017, the Association plans to elect to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under this section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses.
7. Concentration of Credit Risk – The Association maintains its cash balances at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017, the Association's uninsured cash balances total \$842,711. The Association has not incurred losses related to these investments.
8. Recognition of Assets – 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 at cost and depreciates it using the straight-line method over the estimated useful lives of the assets.
9. Cash and Cash Equivalents – For purposes of the December 31, 2017 balance sheet and statement of cash flows for the year then ended, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.
10. Fair Value of Financial Instruments – The carrying amounts of cash, receivables, and payables approximate their fair values due to their short-term maturities.

International Village Association, Inc.

Notes to the Financial Statements

December 31, 2017

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. 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 December 31, 2017, there were no items that qualify as comprehensive income.

12. 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.

NOTE B – REPLACEMENT FUND

The Association's governing documents and Florida statutes require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

In 2017, when preparing the 2018 budget, the Board of Directors estimated the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on these estimates.

The funding program was included in the proposed budget for 2018, which was presented to unit owners at a general meeting. At that meeting, a majority of owners voted not to include funding for major repairs and replacements in the annual budget for 2018. For that reason, and because actual expenditures may vary from estimated future expenditures and the variations may be material, 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 activity in the replacement fund was as follows:

Components	Balance 1/1/2017	Additions	Expenditures	Transfers	Balance 12/31/2017
Pooled	\$ -	\$ -	\$ -	\$ 183,000	\$ 183,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,000</u>	<u>\$ 183,000</u>

The Association approved the transfer from Refundable Maintenance Deposits to the Reserve Fund in the amount of \$183,000.

NOTE C – WINDSTORM INSURANCE

The insurance policy for windstorm coverage renewed November 1, 2017. The deductible amount for named hurricane storms is estimated at \$2,926,755, which represents 3% of the insured value of the residential buildings, which is estimated to be \$97,558,500.

NOTE D – CABLE REBATE

During 2010, the Association entered a contract to receive \$124,800 as consideration for the Association entering into a ten (10) year Services Agreement with the Company. As of December 31, 2017, \$34,320 had been recorded as a deferred cable income and will be recognized as revenue during the term of agreement.

International Village Association, Inc.
Notes to the Financial Statements
December 31, 2017

NOTE E – PROPERTY AND EQUIPMENT

At December 31, 2017, the fixture and equipment balance consisted of the following:

		<u>Useful Life (Years)</u>
Laundry Equipment	\$ 135,068	6
	135,068	
Less: Accumulated Depreciation	<u>(36,347)</u>	
Property and Equipment, net	<u>\$ 98,721</u>	

Depreciation expense was \$22,500 for the year ended December 31, 2017.

NOTE F – COMMITMENTS

The Association has entered into several contracts with various services providers to maintain the common property. These contracts include, but are not limited to, landscaping, accounting, and trash and recycling. Each contract differs in expiration, renewal and terms.

NOTE G – LOAN PAYABLE

On August 17, 2016, the Association entered into a loan with Home Federal in the amount of \$428,000 to refinance the unpaid balance of the then existing loan from Wells Fargo Bank. The Association will pay \$18,647 monthly for principle and interest. The loan matures on August 17, 2018. For the current year ended December 31, 2017, the association had \$223,313 of loan payments consisting of \$211,967 of principal and \$11,346 of interest. The balance on the loan as of December 31, 2017 is \$146,721.

NOTE H – 2006 SPECIAL ASSESSMENT

On December 26, 2006, a special assessment, in the amount of \$7,000,000, was approved to fund legal fees, common property repairs, and repayment of the Wells Fargo loan (Note G).

This was due either in full by February 15, 2007, or in monthly installments plus interest over a period of eleven and one-half (11 ½) years commencing on February 15, 2007. The unbilled Special Assessment as of December 31, 2017 is \$209,291.

NOTE I – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 12, 2018, the date that the financial statements were available to be issued.

NOTE J – LEGAL MATTERS

Alliance CAS, LLC

The Association has a dispute with Alliance CAS, LLC for delinquent assessments that were paid by the unit owners. As of December 31, 2017, the monies owed from Alliance totaled \$199,902.

International Village Association, Inc.

Notes to the Financial Statements

December 31, 2017

NOTE J – LEGAL MATTERS (continued)

International Village Association v. Former Property Manager (Levy) and Management Company (AMG)

The Association is currently in the process of litigating against a former property manager and Property management company. The outcome of the pending litigation is unknown.

Prospective Resident v. International Village Association

There is a pending suit against the Association for defamation of character of a potential resident which is being handled by the Association's Insurance company. The outcome of the suit is unknown.

Weiss vs. International Village Association

The Association was the prevailing party in a Florida DBPR arbitration case, and is currently pending a hearing to determine the amount to be awarded to the Association.

International Village Association v. Alliance

The association is seeking damages in a material amount against Alliance who is claimed to have been involved with improper agreements between tweek the former manager and Alliance. The outcome of the pending litigation is unknown.

International Village vs. Ms. Paola

The association is involved with litigation against a unit owner in connection with fire damages to a unit and the surrounding common elements. The case is currently pending, and the outcome is unknown.

International Village v. Florida Community Law Group (FCLG)

International Village sued FCGL (who was the "preferred attorney designated by Alliance for collection matters) for breach of fiduciary duty. The case is currently pending, and the outcome is unknown.

Indebtedness for Services and Expenses

The Association of is indebted to the law firm of Trapani in the amount of \$306,047 for various matters the Firm is handling for the Association, subject to contingency agreements for the Levy/AMG, Alliance, and FCLG case.

NOTE K – SPECIAL ASSESSMENT FUND BALANCE

In 2014, the Association used money from the operating fund to help paydown the loan from Wells Fargo Bank (Note G). The money used will be paid back to the operating fund from the special assessment fund. As of December 31, 2017, the operating fund is owed \$495,939 from the special assessment fund. The \$495,939 is included in the fund balance on the balance sheet.

International Village Association, Inc.
Notes to the Financial Statements
December 31, 2017

NOTE L – REFUNDABLE MAINTENANCE AND TENANT DEPOSITS

Refundable Maintenance Deposits

Per the Association's documents, each purchaser will remit funds equal to 3 months of maintenance fees to the Association. The funds will be maintained in an interest-bearing account and shall not be commingled with other funds of the Association. The funds will be reimbursed when the buyer has established an on time payment history with the Association for 36 consecutive months. As of December 31, 2017, the Association had a maintenance deposits balance of \$153,892.

Refundable Tenant Deposits

The Association collects a refundable security deposit totaling \$400 on all rentals. Unit owners will be returned the security deposit upon the tenant vacating with no damages on request from the owner. As of December 31, 2017, the Association had refundable tenant deposits of \$160,447.

Supplementary Information

International Village Association, Inc.
Supplementary Information on Future Major Repairs and Replacements
December 31, 2017
(Unaudited)

In 2017, yet subsequent to preparing the 2018 budget, the Board of Directors estimated the remaining useful lives and the replacement cost of the components of common property. The following table is based on those estimates and presents significant information about the components of common property:

Component	Estimated Remaining Useful Life	Estimated Replacement Cost	Replacement Fund Balance 12/31/2017
Air Conditioners	10	\$ 132,000	\$ -
Elevators	10	825,000	-
Lighting	3	96,000	-
Office, Pool and Furniture Equipment	5	150,000	-
Painting	5	250,000	-
Plumbing	5	250,000	-
Pooled		-	183,000
Roadways	10	300,000	-
Roofs	15	<u>5,400,000</u>	<u>-</u>
Total		<u>\$ 7,403,000</u>	<u>\$ 183,000</u>

International Village Association, Inc.

Schedule of Operating Expenses

For the Year Ended December 31, 2017

Administrative and General

Auditing Fees	\$ 7,300
Bank Charges	41
Computer Expense	13,067
Division Fees	3,389
Interest Expense	11,346
Legal Fees	163,250
Master Association Fees	64,896
Office Equipment	2,653
Office Supplies	9,540
Other	11,629
Permits, Taxes and Licenses	3,348
Postage and Delivery	15,588
Printing and Copying	753
Screening Fees	13,035
Signage	<u>101</u>
Total Administrative and General	<u>319,936</u>

Contract Services

Accounting Fees	52,667
Air Conditioning Contract	7,710
Alarm Monitoring	4,296
Cable Television	361,849
Carpet Contract	3,003
Copier Equipment Lease	9,362
Elevator Contract	5,840
Landscape Contract	44,285
Pest Control	6,112
Trash and Recycling	48,331
Water Cooler Contract	<u>2,793</u>
Total Contract Services	<u>546,248</u>

International Village Association, Inc.

Schedule of Operating Expenses

For the Year Ended December 31, 2017

Maintenance

Air Conditioning	10,600
Ariel Lifts	3,064
Building Repairs and Restoration	250,973
Doors, Locks and Keys	923
Electrical	4,199
Elevator Repairs and Maintenance	9,302
Entry System Devices	2,266
Golf Cart	8,815
Irrigation Supplies and Repair	716
Janitorial Supplies	11,458
Landscape	62,788
Maintenance Supplies	70,215
Maintenance Vehicle	732
Painting Supplies	751
Pest Control - Mice, Bees and Termites	14,140
Plumbing	13,880
Pool Chemicals	10,859
Pool, Spa and Fountains	37,842
Rental Expense	20,485
Roof Repairs and Replacement	18,676
Security and Fire Safety	2,603
Trash Compactor	<u>2,553</u>
Total Maintenance	<u>557,840</u>

Recreation Area

Gym	1,897
Social Department, Music and Entertainment	1,086
Tennis Courts	<u>351</u>
Total Recreation Area	<u>3,334</u>

International Village Association, Inc.

Schedule of Operating Expenses

For the Year Ended December 31, 2017

Utilities

Electricity	197,072
Gas	1,783
Telephone	6,486
Telephone - Cellular	4,236
Telephone - Elevator	4,071
Telephone - Fire Panel	28,151
Telephone - Guard House	151
Water and Sewer	<u>758,918</u>
Total Utilities	<u>1,000,868</u>

Insurance

406,263

Depreciation

22,500

Payroll

894,080

Total Operating Expenses

\$ 3,751,069

International Village Association, Inc.

Adjusted Trial Balance

Account	Description	WP Ref	12/31/2017 Unadjusted	Book Adjustments	12/31/2017 Adjusted
1102	Accounts Receivable		428,982.98		428,982.98
1111	A/R Special Assessment		111,091.06		111,091.06
1115	Other Receivables		2,490.00		2,490.00
1120	Allowance For Bad Debt		(791,535.63)		(320,679.04)
	CPA01			199,902.08	
	CPA02			270,954.51	
1121	Due from Alliance		199,902.08		199,902.08
1130	Allowance for Due from Alliance		-		(199,902.08)
	CPA01			(199,902.08)	
115	Bank United Operating 6609		488,379.07		488,379.07
1200	Prepaid Insurance		13,841.00		336,778.11
	CPA05			322,937.11	
125	Home Federal Debt Service		60,317.56		60,317.56
126	Home Federal Cap Exp		100,529.28		100,529.28
127	Bank United Sec Dep 3368		160,446.92		160,446.92
128	Bank United Escrow 6633		336,892.14		336,892.14
129	Bank United S/A 1842		7,645.34		7,645.34
1500	Vehicle		31,601.82		-
	CPA08			(31,601.82)	
1502	Laundry Equipment		135,068.55		135,068.55
1505	Equipment		71,848.30		-
	CPA08			(71,848.30)	
1510	Office Equipment		26,487.38		-
	CPA08			(26,487.38)	
1515	Accumulated Depreciation		(145,784.73)		(36,347.23)
	CPA08			131,937.50	
	CPA09			(22,500.00)	
1518	Purchased Units		2,000.00		-
	CPA08			(2,000.00)	
1520	Unbilled S/A II Wells Fargo		209,290.82		209,290.82
3000	Prepaid Maintenance		(153,362.27)		(153,362.27)
3007	Accrued Expenses		-		(70,107.83)
	CPA06			(70,107.83)	
3009	Insurance Payable		-		(304,200.47)
	CPA05			(304,200.47)	
3012	Deferred Cable Income		(46,800.00)		(34,320.00)
	CPA10			12,480.00	

International Village Association, Inc.

Adjusted Trial Balance

Account	Description	WP Ref	12/31/2017 Unadjusted	Book Adjustments	12/31/2017 Adjusted
3019	Tenant Deposits		(160,446.92)		(160,446.92)
3020	Maintenance Deposits		(336,892.14)		(153,892.14)
	CPA07			183,000.00	
3032	Note Interest		(8,358.00)		-
	CPA03			8,358.00	
3033	Note Payable-Home Federal		(140,808.00)		(146,720.79)
	CPA03			(5,912.79)	
4500	Retained Earnings		(488,650.94)		(411,120.24)
	CPA11			77,530.70	
4501	Retained Earnings S/A		(176,974.40)		(495,939.15)
	CPA04			(241,434.05)	
	CPA11			(77,530.70)	
4600	Pooled Reserves		-		(183,000.00)
	CPA07			(183,000.00)	
5000	Maintenance Assessment		(3,362,251.00)		(3,362,251.00)
5500	Screening Fees		(34,220.00)		(34,220.00)
5501	Late Fees		(1,695.00)		(1,695.00)
5502	NSF Fees		(1,577.00)		(1,577.00)
5503	Gate Keys		(860.00)		(860.00)
5504	Elevator Fees		(4,392.00)		(4,392.00)
5505	Misc Income		(66,760.78)		(80,551.99)
	CPA03			(13,791.21)	
5510	Cable Income		-		(12,480.00)
	CPA10			(12,480.00)	
5515	Condo Documents		(2,085.75)		(2,085.75)
5530	Interest Income		(745.03)		(745.03)
5536	Rental Income Tea Shop		(2,618.50)		(2,618.50)
5537	Rental Income-Beauty Salon		(1,800.00)		(1,800.00)
5540	Laundry Income		(110,757.00)		(110,757.00)
5600	Bad Debt Recovery		-		(42,810.64)
	CPA02			(42,810.64)	
7005	Telephone		6,485.94		6,485.94
7006	Telephone-Fire Panel		28,150.97		28,150.97
7007	Telephone Cellular		4,235.64		4,235.64
7008	Telephone-Elevator		4,070.61		4,070.61
7009	Telephone-Guardhouse		151.05		151.05
7110	Electricity		197,072.06		197,072.06

International Village Association, Inc.

Adjusted Trial Balance

Account	Description	WP Ref	12/31/2017 Unadjusted	Book Adjustments	12/31/2017 Adjusted
7112	Water & Sewer		709,401.74		758,917.54
	CPA06			49,515.80	
7113	Gas		1,783.03		1,783.03
7116	Trash/Recycling		48,331.10		48,331.10
7122	Water Cooler Contract		2,792.57		2,792.57
7125	Elevator Contract		5,839.79		5,839.79
7126	A/C Contract		7,710.00		7,710.00
7220	Carpet Contract		3,002.74		3,002.74
7225	Alarm Monitoring		4,296.30		4,296.30
7226	Equipment Lease-Copier		9,361.73		9,361.73
7227	Cable TV		361,849.23		361,849.23
7228	Landscape Contract		44,285.00		44,285.00
7229	Pest Control		6,111.63		6,111.63
7230	Pest Control (Mice/Bees/Term)		14,140.00		14,140.00
7305	Roof Repairs/Replacement		18,676.00		18,676.00
7310	Maintenance Supplies		70,214.73		70,214.73
7312	Janitorial Supplies		11,457.86		11,457.86
7314	Painting Supplies		750.88		750.88
7316	Pool Chemicals		10,859.24		10,859.24
7410	Building Repairs		8,947.30		250,973.38
	CPA04			241,434.05	
	CPA06			592.03	
7415	Irrigation Supplies & Repair		716.09		716.09
7417	Plumbing		13,880.00		13,880.00
7418	Electrical		4,199.34		4,199.34
7420	Elevator R&M		9,302.05		9,302.05
7426	Trash Compactor		2,553.00		2,553.00
7430	Landscape		62,788.49		62,788.49
7433	Pool/Spa/Fountain		37,842.07		37,842.07
7516	Door Lock Keys		922.50		922.50
7517	Security and Fire Safety		2,602.80		2,602.80
7520	Maintenance Vehicle		732.00		732.00
7521	Golf Cart		8,814.97		8,814.97
7530	Air Conditioning		10,600.00		10,600.00
7532	Entry System Devices		2,265.50		2,265.50
7533	Ariel Lifts		3,063.72		3,063.72
7534	Rental Expense		20,484.64		20,484.64

International Village Association, Inc.

Adjusted Trial Balance

Account	Description	WP Ref	12/31/2017 Unadjusted	Book Adjustments	12/31/2017 Adjusted
9010	Auditing Fees		7,300.00		7,300.00
9012	Legal Fees		143,249.92		163,249.92
	CPA06			20,000.00	
9015	Accounting Fees		52,666.68		52,666.68
9020	Bank Charges		41.30		41.30
9021	Computer Expense		13,066.69		13,066.69
9023	Interest Expense		-		11,346.00
	CPA03			11,346.00	
9025	Screening Fees		13,035.00		13,035.00
9030	Printing and Copying		753.14		753.14
9031	Postage & Delivery		15,587.59		15,587.59
9032	Office Equipment		2,653.09		2,653.09
9033	Office Supplies		9,540.10		9,540.10
9035	Misc Expense		11,631.66		11,631.66
9075	Permits, Taxes & Licenses		3,348.27		3,348.27
9076	Division fees		3,389.25		3,389.25
9079	Bad Debt Expense		228,143.87		-
	CPA02			(228,143.87)	
9080	Signage		100.58		100.58
9085	Master Association Fees		64,896.00		64,896.00
9550	Rec Center-Gym		1,896.66		1,896.66
9560	Rec Center-Tennis Courts		350.62		350.62
9660	Social Dept-Music & Entertainment		1,085.63		1,085.63
9772	Insurance		425,000.04		406,263.40
	CPA05			(18,736.64)	
9773	Payroll Expenses		678,459.75		678,459.75
9774	Payroll Burden		214,608.25		214,608.25
9775	Insurance / Health / Afflac		1,012.39		1,012.39
9800	Depreciation Expense		-		22,500.00
	CPA09			22,500.00	
Total			-	-	-
Net Income			62,798.73	29,425.52	92,224.25

International Village Association, Inc.

Adjusting Journal Entries

Account	Description	WP-Ref	Debit	Credit
CPA01 as of 12/31/2017				
<i>To re-class full amount of due from Alliance into separate allowance account per client instructions</i>				
1120	Allowance For Bad Debt		199,902.08	
1130	Allowance for Due from Alliance			199,902.08
Total			199,902.08	199,902.08

CPA02 as of 12/31/2017		B-2		
<i>To adjust allowance and bad debt per analysis of 12/31/2017 aging report</i>				
1120	Allowance For Bad Debt		270,954.51	
5600	Bad Debt Recovery			42,810.64
9079	Bad Debt Expense			228,143.87
Total			270,954.51	270,954.51

CPA03 as of 12/31/2017		BB-3		
<i>To adjust Note Payable Per Statement, Record Interest Expense, and Clear out Note Interest (#3032), and post net Difference in Misc. Income</i>				
9023	Interest Expense		11,346.00	
3033	Note Payable-Home Federal			5,912.79
3032	Note Interest		8,358.00	
5505	Misc Income			13,791.21
Total			19,704.00	19,704.00

International Village Association, Inc.

Adjusting Journal Entries

Account	Description	WP-Ref	Debit	Credit
CPA04 as of 12/31/2017		SS-1		
<i>To class repairs from fund balance</i>				
7410	Building Repairs		241,434.05	
4501	Retained Earnings S/A			241,434.05
Total			241,434.05	241,434.05

CPA05 as of 12/31/2017		D-1		
<i>To adjust Prepaid Insurance, Insurance Payable, and Insurance expense per Schedule</i>				
1200	Prepaid Insurance		322,937.11	
9772	Insurance			18,736.64
3009	Insurance Payable			304,200.47
Total			322,937.11	322,937.11

CPA06 as of 12/31/2017		BB-4		
<i>To Record Accrued Expenses as of 12/31/2017</i>				
7112	Water & Sewer		49,515.80	
9012	Legal Fees		20,000.00	
7410	Building Repairs		592.03	
3007	Accrued Expenses			70,107.83
Total			70,107.83	70,107.83

CPA07 as of 12/31/2017		SS-2		
<i>To transfer per Board Instructions unclaimed estimated deposits to Pooled Reserves Account</i>				
4600	Pooled Reserves			183,000.00
3020	Maintenance Deposits		183,000.00	
Total			183,000.00	183,000.00

International Village Association, Inc.

Adjusting Journal Entries

Account	Description	WP-Ref	Debit	Credit
CPA08 as of 1/1/2017		SS-2		
<i>Write off Obsolete/ Unused Assets to Accumulated Depreciation per Board Instructions/Email</i>				
1515	Accumulated Depreciation		131,937.50	
1500	Vehicle			31,601.82
1505	Equipment			71,848.30
1510	Office Equipment			26,487.38
1518	Purchased Units			2,000.00
Total			131,937.50	131,937.50

CPA09 as of 12/31/2017		SS-2		
<i>To record Laundry Equipment Depreciation</i>				
1515	Accumulated Depreciation			22,500.00
9800	Depreciation Expense		22,500.00	
Total			22,500.00	22,500.00

CPA10 as of 12/31/2017		RR-1		
<i>To adjust Deferred Cable revenue</i>				
3012	Deferred Cable Income		12,480.00	
5510	Cable Income			12,480.00
Total			12,480.00	12,480.00

CPA11 as of 12/31/2017		SS-1		
<i>To reallocate SPA Retained Earnings according to P/Y audit report</i>				
4500	Retained Earnings		77,530.70	
4501	Retained Earnings S/A			77,530.70
Total			77,530.70	77,530.70