

**PARKSIDE PLACE  
HOMEOWNERS ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2019**

**Joseph R. Michalak, LLC  
Certified Public Accountant**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members  
Parkside Place Homeowners Association, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Parkside Place Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2019, and the related statements of revenue, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parkside Place Homeowners Association, Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITOR'S REPORT**  
**December 31, 2019**  
**Parkside Place Homeowners Association, Inc.**

**Other Matter**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 6 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

**Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the 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.

*Joseph R. Michalak, LLC*

Joseph R. Michalak, LLC  
Certified Public Accountant

Maitland, Florida  
March 24, 2020

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**BALANCE SHEET**

**December 31, 2019**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash, including interest-bearing deposits	\$ 134,360	\$ 314,550	\$ 448,910
Assessments receivable	1,320	-	1,320
Prepaid expenses	<u>23,520</u>	<u>-</u>	<u>23,520</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 159,200</u></u>	<u><u>\$ 314,550</u></u>	<u><u>\$ 473,750</u></u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 24,630	\$ -	\$ 24,630
Assessments received in advance	<u>26,150</u>	<u>-</u>	<u>26,150</u>
<b>TOTAL LIABILITIES</b>	<u>50,780</u>	<u>-</u>	<u>50,780</u>
<b>FUND BALANCE</b>	<u>108,420</u>	<u>314,550</u>	<u>422,970</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 159,200</u></u>	<u><u>\$ 314,550</u></u>	<u><u>\$ 473,750</u></u>

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

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE**

**Year Ended December 31, 2019**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>REVENUE:</b>			
Assessments	\$ 461,840	\$ 45,040	\$ 506,880
Impairment loss	< 250 >	-	< 250 >
Interest	130	1,750	1,880
Other	14,510	-	14,510
	<u>476,230</u>	<u>46,790</u>	<u>523,020</u>
<b>TOTAL REVENUE</b>			
<b>EXPENSES:</b>			
Cable service	91,660	-	91,660
Repair and maintenance	17,520	-	17,520
Exterior painting	26,100	-	26,100
Termite bond	5,320	-	5,320
Utilities	15,080	-	15,080
Lakes and waterways	960	-	960
Fertilizer / Pest treatment	13,350	-	13,350
Contract grounds maintenance	37,620	-	37,620
Irrigation repair	19,570	-	19,570
Other grounds maintenance	19,910	-	19,910
Hammock maintenance	14,540	-	14,540
Pool and clubhouse costs	18,300	-	18,300
Contract management fee	17,040	-	17,040
Maintenance personnel	27,950	-	27,950
Office and other	4,060	-	4,060
Legal and accounting	3,780	-	3,780
Insurance	127,780	-	127,780
Replacement expenses	-	11,930	11,930
	<u>460,540</u>	<u>11,930</u>	<u>472,470</u>
<b>TOTAL EXPENSES</b>			
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	15,690	34,860	50,550
<b>FUND BALANCE – Beginning of year</b>	<u>92,730</u>	<u>279,690</u>	<u>372,420</u>
<b>FUND BALANCE – End of year</b>	<u>\$ 108,420</u>	<u>\$ 314,550</u>	<u>\$ 422,970</u>

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

PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 15,690	\$ 34,860
Adjustment to reconcile excess of revenue over expenses to net cash provided by operating activities:		
(Increase) decrease in:		
Assessments receivable	< 610 >	-
Prepaid expenses	6,310	-
Increase (decrease) in:		
Accounts payable and accrued expenses	14,070	-
Assessments received in advance	3,180	-
NET CASH PROVIDED (USED) BY OPERATIONS	38,640	34,860
CASH AT BEGINNING OF YEAR	<u>95,720</u>	<u>279,690</u>
CASH AT END OF YEAR	<u>\$ 134,360</u>	<u>\$ 314,550</u>

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

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019**

**NOTE 1: NATURE OF ORGANIZATION**

Parkside Place Homeowners Association, Inc., is a common interest development and is incorporated in the State of Florida as a not-for-profit corporation. The Association is responsible for the administration, operation and maintenance of the common property within the development. The development consists of 128 residential units located in Brevard County, Florida.

The Association is governed by a member-elected Board of Directors which is responsible for enforcing provisions of the governing documents, which include covenants, conditions and restrictions (CC&Rs), bylaws, and rules and regulations.

**NOTE 2: DATE OF MANAGEMENT'S REVIEW**

The Association has adopted Financial Accounting Standards Board ASC No. 855. "Subsequent Events" ("ASC 855"). This standard is intended to establish general standards of accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. ASC 855 requires issuers to reflect in their financial statements and disclosures the effects of subsequent events that provide additional evidence about conditions at the balance sheet date. In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were available to be issued.

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

**Cash and Cash Equivalents**

The Association considers cash on hand, demand deposits with financial institutions, money market accounts and all short-term investments to be included in cash and cash equivalents. The Association places its cash and cash equivalents with high credit quality institutions and believes the risk of loss is remote. Periodically, such deposits may be in excess of federally insured limits.

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019**

**(Note 3 continued)**

Member Assessments

Association members are subject to assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessments are recognized as revenue as the Association satisfies its performance obligation to the unit owners. Performance obligations include the administration, operation and maintenance of the common property in the development. The Association's performance obligations related to its annual operating and replacement fund assessments are satisfied over time on a daily pro-rata basis. Revenues are recorded at transaction amounts expected to be collected.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are thirty days or more delinquent. The Association treats uncollectible assessments as variable consideration and, as such, records an impairment loss against total assessed revenue. Methods and assumptions used to evaluate whether an impairment loss has occurred includes an evaluation of past experience and the Association's susceptibility to factors outside the Association's control. Management has estimated the allowance for uncollectible assessments to be \$ 190 as of December 31, 2019.

Interest Income

Interest income is allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund.

Real and Personal Common Property

Real and personal common property acquired by the original owners from the developer is not recognized in the Association's financial statements, in accordance with prevalent industry practice, because it is commonly owned by the individual Association members and its disposition by the Board of Directors is restricted. Similarly, major repairs, replacements and improvements to real and personal property are not recognized.

Estimates

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



**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019**

**(Note 3 continued)**

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2019; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2019.

**NOTE 4: INCOME TAXES**

The Association elects annually to be taxed as either a corporation under Internal Revenue Code (IRC) 277 or as a homeowners association under IRC 528 in its tax filing with the Internal Revenue Service (IRS). Form 1120 is used when filing as a corporation and Form 1120-H is used when filing as a homeowners association. With either election the Association is generally taxed only on its non-membership income, such as bank interest, investment earnings and other non-exempt function income.

The Association follows FASB ASC, 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, and also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2019, 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.

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019**

**NOTE 5: COMMITMENTS AND CONTINGENCIES**

Commitments

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.

Concentrations of Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts with balances in excess of amounts insured by the Federal Deposit Insurance Corporation and assessments receivable. Management of the Association evaluates the financial stability of its depositories and considers the risk of loss to be remote. The Association's assessments receivable are related to billed assessments. The Association monitors the collectibility of these assessments receivable and pursues collection. Management routinely assesses the uncollectibility of the Association's assessments receivable and provides for allowances for doubtful accounts based on this assessment.

Litigation

During the course of its operations, the Association is subject to various claims, torts, and actions. Management reviews the validity of such actions and acts accordingly. Management does not believe the outcome of any current actions will result in material loss to the Association or will materially affect its business, financial position, or future operating results.

Insurance Matters

In the event of a disaster, the Association could be exposed to losses for damages in excess of insurance coverage limits. Management considers this risk of loss to be remote and its insurance coverage adequate.

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019**

**NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$ 314,550 at December 31, 2019, are held in separate accounts and are generally not available for operating purposes. The Association levied assessments of \$ 45,040 for the year ended December 31, 2019.

During the fall of 2019 the Board of Directors, with the assistance of the property manager, estimated the remaining useful lives and replacement costs of common property components. The Association is using the pooling method to accumulate funds for future replacements. Funding for major repairs and replacements is based on estimated current replacement costs adjusted for inflation and a stated investment rate of return.

Actual expenditures, inflation rates and investment returns 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, 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	BALANCE 1/1/2019	FUNDING DURING YEAR	INTEREST AND OTHER INCOME	EXPENSES DURING YEAR	BALANCE 12/31/2019
Pooled	<u>\$ 279,690</u>	<u>\$ 45,040</u>	<u>\$ 1,750</u>	<u>\$ 11,930</u>	<u>\$ 314,550</u>

**NOTE 7: ADOPTION OF NEW ACCOUNTING STANDARDS – FASB ASC 606**

On January 1, 2019, the Association adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Association's revenues come from assessment income and initial fees. These revenues fall within the scope of ASC 606 and are recognized as revenue as the Association satisfies its obligation to the homeowner/customer. Services within the scope of ASC 606 include the administration, operation and maintenance of the common property in the development. These revenues are earned over time on a daily basis as the Association provides the services and are assessed based on the annual budget.

The adoption of ASC 606 did not result in a change to the accounting for any of the Association's revenue streams; as such, no cumulative effect adjustment was recorded.

**PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.**

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

**December 31, 2019**

The Association's Board of Directors has estimated the remaining useful lives and the replacement costs of components of common property. The Association is using the pooling method to accumulate funds for future replacements. Funding estimates were based on estimated current replacement costs, adjusted for inflation and a stated investment rate of return, and projected annual reserve expenditures over a 30 year period utilizing a pooling method of all the reserve funds.

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

<u>COMPONENT</u>	<u>ESTIMATED REMAINING USEFUL LIFE (YEARS)</u>	<u>ESTIMATED CURRENT REPLACEMENT COST</u>	<u>REPAIRS/REPLACEMENTS DECEMBER 31, 2019</u>
Roads / Sidewalks	0	\$ 125,000	\$ -
Roofing	15-25	34,700	-
Pool / Spa	0-22	58,100	-
Clubhouse	1-15	36,300	-
Tennis courts	0-1	45,300	-
Fence	1	30,100	-
Lighting	1	65,200	-
Pond / Drainage	0	30,000	-
Capital improvements	0-6	41,100	-
Pooled	-	-	314,550
		<u>\$ 465,800</u>	<u>\$ 314,550</u>

See auditor's report.

To the Board of Directors  
Parkside Place Homeowners Association, Inc.

We have audited the financial statements of Parkside Place Homeowners Association, Inc. (the Association) for the year ended December 31, 2019, and have issued our report thereon dated March 24, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Association are described in Note 1 to the financial statements. No new accounting policies were adopted in 2019 and the application of existing policies was not changed during 2019. We noted no other 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. There are no significant estimates affecting the financial statements other than the Association's estimate of allowance for doubtful accounts (where applicable).

*Difficulties Encountered in Performing the Audit*

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

### *Corrected or Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate levels 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.

### *Disagreements with Management*

For the purposes of this letter, professional standards define a disagreement with management as 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 which is dated the same date as our audit report. The report date is referenced in the first paragraph of this letter.

### *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 confer 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 often 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.

### *Required Supplementary Information, if included*

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 the Association, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Joseph R. Michalak, LLC*

Joseph R. Michalak, LLC  
Certified Public Accountant

March 24, 2020

Joseph R. Michalak, LLC  
807 North Lake Sybelia Dr.  
Maitland, Florida 32751

RE: Parkside Place Homeowners Association, Inc.

This representation letter is provided in connection with your audit of the financial statements of Parkside Place Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2019, and the related statements of revenue, expenses and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$ 10,280 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, having made inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 24, 2020:

Financial statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 8) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) We acknowledge our responsibility for presenting the supplementary information on future major repairs and replacements in accordance with U.S. generally accepted accounting principles, and we believe the supplementary information on future major repairs and replacements, including its form and content, is fairly presented in accordance with U.S. generally accepted accounting principles. The methods of measurement and presentation of the supplementary information on future major repairs and replacements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

10) We understand that management is responsible for the Association's choice of filing IRS form 1120 or 1120-H and the consequences thereof.

Information provided

11) We have provided you with:

- a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
- b) Additional information that you have requested from us for the purpose of the audit; and
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

12) All transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a) Management;
- b) Employees who have significant roles in internal control; or
- c) Others when the fraud could have a material effect on the financial statements

15) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

16) We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

17) We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims or assessments.

18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

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Managing Agent

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Date



Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form1120H](http://www.irs.gov/Form1120H) for instructions and the latest information.

For calendar year 2019 or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

<b>TYPE OR PRINT</b>	Name <b>PARKSIDE PLACE HOMEOWNERS ASSOCIATION, INC.</b>			Employer identification number <b>59-2663891</b>	
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>6972 LAKE GLORIA BLVD.</b>			Date association formed	
	City or town <b>ORLANDO</b>	State <b>FL</b>	ZIP code <b>32809</b>		
	Foreign country name	Foreign province/state/county	Foreign postal code		

Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return

**A** Check type of homeowners association:  Condominium management association  Residential real estate association  Timeshare association

<b>B</b> Total exempt function income. Must meet 60% gross income test. See instructions	<b>B</b> 476,100
<b>C</b> Total expenditures made for purposes described in 90% expenditure test. See instructions	<b>C</b> 470,690
<b>D</b> Association's total expenditures for the tax year. See instructions	<b>D</b> 472,470
<b>E</b> Tax-exempt interest received or accrued during the tax year	<b>E</b>

**Gross Income (excluding exempt function income)**

<b>1</b> Dividends	<b>1</b>
<b>2</b> Taxable interest	<b>2</b> 1,880
<b>3</b> Gross rents	<b>3</b>
<b>4</b> Gross royalties	<b>4</b>
<b>5</b> Capital gain net income (attach Schedule D (Form 1120))	<b>5</b>
<b>6</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>6</b>
<b>7</b> Other income (excluding exempt function income) (attach statement)	<b>7</b>
<b>8</b> <b>Gross income</b> (excluding exempt function income). Add lines 1 through 7	<b>8</b> 1,880

**Deductions (directly connected to the production of gross income, excluding exempt function income)**

<b>9</b> Salaries and wages	<b>9</b>
<b>10</b> Repairs and maintenance	<b>10</b>
<b>11</b> Rents	<b>11</b>
<b>12</b> Taxes and licenses	<b>12</b>
<b>13</b> Interest	<b>13</b>
<b>14</b> Depreciation (attach Form 4562)	<b>14</b>
<b>15</b> Other deductions (attach statement)	<b>15</b> 1,780
<b>16</b> <b>Total deductions.</b> Add lines 9 through 15	<b>16</b> 1,780
<b>17</b> Taxable income before specific deduction of \$100. Subtract line 16 from line 8	<b>17</b> 100
<b>18</b> Specific deduction of \$100	<b>18</b> \$100

**Tax and Payments**

<b>19</b> <b>Taxable income.</b> Subtract line 18 from line 17	<b>19</b> 0		
<b>20</b> Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	<b>20</b> 0		
<b>21</b> Tax credits (see instructions)	<b>21</b>		
<b>22</b> <b>Total tax.</b> Subtract line 21 from line 20. See instructions for recapture of certain credits	<b>22</b> 0		
<b>23 a</b> 2018 overpayment credited to 2019	<b>23a</b>	<b>c Total</b> ▶	<b>23c</b> 0
<b>b</b> 2019 estimated tax payments	<b>23b</b>		<b>23d</b>
<b>d</b> Tax deposited with Form 7004	<b>23d</b>		<b>23e</b>
<b>e</b> Credit for tax paid on undistributed capital gains (attach Form 2439)	<b>23e</b>		<b>23f</b>
<b>f</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>23f</b>		<b>23g</b> 0
<b>g</b> Add lines 23c through 23f	<b>23g</b>		<b>24</b> 0
<b>24</b> <b>Amount owed.</b> Subtract line 23g from line 22. See instructions	<b>24</b> 0		
<b>25</b> <b>Overpayment.</b> Subtract line 22 from line 23g	<b>25</b> 0		
<b>26</b> Enter amount of line 25 you want: <b>Credited to 2020 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>26</b> 0		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below?  
See instructions.  Yes  No

**Paid Preparer Use Only**

Print/Type preparer's name <b>JOSEPH R MICHALAK, CPA</b>	Preparer's signature 	Date <b>4/1/2020</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00807235</b>
Firm's name ▶ <b>JOSEPH R. MICHALAK, LLC</b>	Firm's EIN ▶ <b>84-1663897</b>		Phone no.	
Firm's address ▶ <b>807 N LAKE SYBELIA DR., MAITLAND, FL 32751</b>				

**Line 15 (1120-H) - Other Deductions**

1	MANAGEMENT, ACCOUNTING, BANK CHARGES, INSURANCE	1	1,780
2	Total other deductions	2	1,780