

Spring
2022



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Board Briefs

MARCH 26, 2022

The meeting of the Board of Directors for Mountainside Villas Owners Association, Inc was called to order by it's President, Wayne Ford, at 10:08 AM on Saturday March 26, 2022 in the MVOA Conference Room. Board Members present were Wayne Ford, Landon Allen, Matt Allen, Thomas Little, Beth Tate, Mary Stracener, John Farruggio, Hammad Mehmood, Jeremy Grogg and Jeff Reid.

Representing Management were Cherril Dean, Clinton Wells and Dale Goodman. Visitor present was Beverly Stern.

The meeting opened with a motion to waive the reading and approve the previous minutes from the November 12, 2021 and January 15, 2022 Board Meetings. Beth Tate requested two changes be noted regarding the November 12, 2021 minutes: She would like the minutes to reflect that the summer bonus program should be presented to the board of directors each year with management's recommendation. Secondly, she would like the minutes to reflect that the MPOA fees are going up to \$880 "per year/per unit" in replace of "per year". A motion was made to approve the November 12, 2021 BOD minutes with the two changes. The motion was seconded and approved. A motion was made to approve the January 15, 2022 BOD minutes as written. The motion was seconded and approved.

Wayne Ford, Board President, reported that contract negotiations with Goodmanagement are moving forward and the MPOA contract will be coming up in 2023.

Matt Allen, Budget Committee Chairperson, presented the 2020-2021 Audit to the Board for approval. The 2020-2021 audit was approved. Matt Allen reported that rentals for January and February of 2022 have been one third higher than last year and that collections are at 70.8%, which is 4.5% ahead of last year's numbers at this time.

It was announced that Roberta Prees, who has served on the Budget Committee for many years, has resigned and will be greatly missed.

Mary Stracener, Membership Committee Chairperson, reported that RCI scores for the Maintenance Department were back up from lower scores in the Winter due to intermittent issues regarding the Wifi. Mary Stracener stated that the Housekeeping Department scores were difficult to maintain as the department

is understaffed by sixteen people.

Beth Tate, Policy Committee Chairperson, introduced Elizabeth White of the Sands Anderson Legal team to facilitate a question-and-answer session regarding the amended and restated governing documents. Elizabeth White stated that the Declaration, Arti-

Continued on next page

IN THIS ISSUE

Board Briefs.....	Front Cover
2022 MVOA Resort Calendar.....	3
Governing Documents Restatement....	4
Your Community Needs You!.....	5
Audit.....	6
Advanced Payments.....	17
TPX and TPP Programs.....	18
Owners Travel Club.....	19
Classified Ads.....	21

Board Briefs, continued from previous page

cles of Incorporation and Bylaws contained different terminology in comparison to today's Law. All three documents need to be amended and restated in their entirety in order for them to be in compliance. A variety of ideas were discussed on how to obtain the required 75% of owner signatures necessary to approve the documents. Beth Tate made a motion to approve the amended Declaration and Articles of Incorporation with the following change to the Declaration: Page 16 Section J.3- change "with 7 days" to "within 7 days". Also, these documents will be made subject to an insurance and accounting review. The motion was seconded and approved.

Thomas Little, O&M Committee Chairperson, reported that Unit 8 had all woodwork sanded and re-stained with a coat of polyurethane by the MVOA Maintenance staff and proposed doing the same work in other units due to supply issues regarding new cabinetry. It was mentioned that the vanity cabinets could be handled the same way, such as in Unit 171, unless the cabinet was in poor condition and required replacement. He stated that the foundation of Unit 131 needs major repair, the AC unit for the Welcome Center and Offices need replaced and the AC for the Laundry and Service Building breakroom will be completed this week. The Committee will start reviewing bids for the Welcome Center AC unit as soon as they are available. Several emergency floor repairs are being completed in Units 39 through 43.

Jeremy Grogg, Strategic Planning Committee Chairperson, stated that the Committee met yesterday. The meeting was based on learning and information gathering since Jeremy Grogg is new to the Committee. Jeremy Grogg reported that the Committee reviewed 2022 information and goals.

Cherril Dean, General Manager, reported that there have been some supply issues regarding renovations and refurbishments, however the renovations continue to move forward. She also reported that five TPP units have been sold and four TPX requests have been fulfilled.

Jeff Reid, representing Great Eastern, stated that the 2021-2022 ski season was a great success. New trails and slopes are currently being created which is part of the overall expansion taking place over the next several years. He also stated that the Mid Mountain Grill, which is located between Lift 4 and Lift 6, has become a popular hangout spot during ski season. It may possibly be opened in the future for special events during the Summer. Great Eastern is looking to create a similar styled area at the Water Park for their owners to utilize, which will be called "Splashes". Renovations will begin in the Fall for Shenandoah Villas, Summit, Woodstone and Eagle Trace. Regal Vistas will soon start refurbishments as well.

Hammad Mehmood, Nominating Committee Chairperson, mentioned that three Board Members will have terms ending this year. MVOA has not currently received any new applicants for the Board of Directors. It is still early in the year and applications are not due until August 26, 2022.

John Farruggio, Communications and Planning Committee Chairperson, gave a short presentation to recap the 2021 goals of the Committee. Two main goals were completed by improving the internet in all units and completing the MVOA website update. There have been 21,000 hits to the MVOA website since August 2021 when the updated site was launched. He stated that the internet improvement is based on an 18-month agreement starting in July 2021 with Great Eastern Resort. The Committee and the Board will now need to explore options for extending this versus more long-term options.

A motion was made to approve the annual meeting minutes from November 13, 2021. The motion was seconded and approved.

With no new business Wayne Ford made a motion to adjourn the March 26, 2022 MVOA Board of Directors meeting. The motion was seconded and approved. The meeting adjourned at 6:50 PM.

2022 MVOA Resort Calendar

Week	Friday Units 1 - 38		Saturday Units 76 - 140		Sunday Units 39 - 75 & 141 - 175	
	Check-In	Check-Out	Check-In	Check-Out	Check-In	Check-Out
1	01/07/22	01/14/22	01/08/22	01/15/22	01/09/22	01/16/22
2	01/14/22	01/21/22	01/15/22	01/22/22	01/16/22	01/23/22
3	01/21/22	01/28/22	01/22/22	01/29/22	01/23/22	01/30/22
4	01/28/22	02/04/22	01/29/22	02/05/22	01/30/22	02/06/22
5	02/04/22	02/11/22	02/05/22	02/12/22	02/06/22	02/13/22
6	02/11/22	02/18/22	02/12/22	02/19/22	02/13/22	02/20/22
7	02/18/22	02/25/22	02/19/22	02/26/22	02/20/22	02/27/22
8	02/25/22	03/04/22	02/26/22	03/05/22	02/27/22	03/06/22
9	03/04/22	03/11/22	03/05/22	03/12/22	03/06/22	03/13/22
10	03/11/22	03/18/22	03/12/22	03/19/22	03/13/22	03/20/22
11	03/18/22	03/25/22	03/19/22	03/26/22	03/20/22	03/27/22
12	03/25/22	04/01/22	03/26/22	04/02/22	03/27/22	04/03/22
13	04/01/22	04/08/22	04/02/22	04/09/22	04/03/22	04/10/22
14	04/08/22	04/15/22	04/09/22	04/16/22	04/10/22	04/17/22
15	04/15/22	04/22/22	04/16/22	04/23/22	04/17/22	04/24/22
16	04/22/22	04/29/22	04/23/22	04/30/22	04/24/22	05/01/22
17	04/29/22	05/06/22	04/30/22	05/07/22	05/01/22	05/08/22
18	05/06/22	05/13/22	05/07/22	05/14/22	05/08/22	05/15/22
19	05/13/22	05/20/22	05/14/22	05/21/22	05/15/22	05/22/22
20	05/20/22	05/27/22	05/21/22	05/28/22	05/22/22	05/29/22
21	05/27/22	06/03/22	05/28/22	06/04/22	05/29/22	06/05/22
22	06/03/22	06/10/22	06/04/22	06/11/22	06/05/22	06/12/22
23	06/10/22	06/17/22	06/11/22	06/18/22	06/12/22	06/19/22
24	06/17/22	06/24/22	06/18/22	06/25/22	06/19/22	06/26/22
25	06/24/22	07/01/22	06/25/22	07/02/22	06/26/22	07/03/22
26	07/01/22	07/08/22	07/02/22	07/09/22	07/03/22	07/10/22
27	07/08/22	07/15/22	07/09/22	07/16/22	07/10/22	07/17/22
28	07/15/22	07/22/22	07/16/22	07/23/22	07/17/22	07/24/22
29	07/22/22	07/29/22	07/23/22	07/30/22	07/24/22	07/31/22
30	07/29/22	08/05/22	07/30/22	08/06/22	07/31/22	08/07/22
31	08/05/22	08/12/22	08/06/22	08/13/22	08/07/22	08/14/22
32	08/12/22	08/19/22	08/13/22	08/20/22	08/14/22	08/21/22
33	08/19/22	08/26/22	08/20/22	08/27/22	08/21/22	08/28/22
34	08/26/22	09/02/22	08/27/22	09/03/22	08/28/22	09/04/22
35	09/02/22	09/09/22	09/03/22	09/10/22	09/04/22	09/11/22
36	09/09/22	09/16/22	09/10/22	09/17/22	09/11/22	09/18/22
37	09/16/22	09/23/22	09/17/22	09/24/22	09/18/22	09/25/22
38	09/23/22	09/30/22	09/24/22	10/01/22	09/25/22	10/02/22
39	09/30/22	10/07/22	10/01/22	10/08/22	10/02/22	10/09/22
40	10/07/22	10/14/22	10/08/22	10/15/22	10/09/22	10/16/22
41	10/14/22	10/21/22	10/15/22	10/22/22	10/16/22	10/23/22
42	10/21/22	10/28/22	10/22/22	10/29/22	10/23/22	10/30/22
43	10/28/22	11/04/22	10/29/22	11/05/22	10/30/22	11/06/22
44	11/04/22	11/11/22	11/05/22	11/12/22	11/06/22	11/13/22
45	11/11/22	11/18/22	11/12/22	11/19/22	11/13/22	11/20/22
46	11/18/22	11/25/22	11/19/22	11/26/22	11/20/22	11/27/22
47	11/25/22	12/02/22	11/26/22	12/03/22	11/27/22	12/04/22
48	12/02/22	12/09/22	12/03/22	12/10/22	12/04/22	12/11/22
49	12/09/22	12/16/22	12/10/22	12/17/22	12/11/22	12/18/22
50	12/16/22	12/23/22	12/17/22	12/24/22	12/18/22	12/25/22
51	12/23/22	12/30/22	12/24/22	12/31/22	12/25/22	01/01/23
52	12/30/22	01/06/23	12/31/22	01/07/23	01/01/23	01/08/23

Governing Documents Restatement

****UPDATE: The revisions of the Governing documents are almost complete!!**

We will soon be reaching out to you as your participation is incredibly important to the Association. MVOA must obtain 75% of owner's signatures in order to update the documents. Owners should expect the request for their signature in the upcoming year.

When we all purchased our MVOA timeshare we all received the book entitled, "Mountainside Villas at Massanutten, Public Offering Statement and Exhibits. This book contains our Governing Documents which are the Statement of Mutual Ownership Agreement

(Declaration), Articles of Incorporation, and the By-Laws. Some of these documents have not been revised in over 20 years. Therefore, they do not reflect the changes in Virginia laws under which MVOA operates namely The Virginia Nonstock Corporation Act (Section 13.1-108) and the Virginia Real Estate Time-Share Act (Section 55-1-2200). Your MVOA Board of Directors is currently working with our Sands Anderson legal team to update these documents so the documents are in accordance with Virginia Laws. Once these documents have been revised and the MVOA Board of Directors have approved them, they will be available for owners' review and signatures. In order for the revised Governing Documents to become effective, they must be signed by the owners.

Your community needs you!

**DEADLINE FOR CANDIDATE
PROFILES DUE BY
AUGUST 26, 2022**

**We encourage you to think about
becoming a candidate for the MVOA
Board of Directors Annual Elections
to be held in November 2022.**

There will be seats up for election at this year's Annual Meeting in November for the MVOA Board of Directors. The Nominating Committee has the responsibility of reviewing and recommending candidates whose names will be on the ballot sent to each MVOA owner. Interested individuals are urged to step forward and become a candidate for the upcoming elections.

This is an opportunity for you to play an active role in decisions concerning MVOA, we encourage those that have expertise to participate with Board and/or Committee membership for the betterment of MVOA. Owners in good standing may request to serve on the membership of one of

the board committees along with elected board members. Board and committee members do not get paid. The job is strictly voluntary, although reasonable travel expenses are reimbursed (\$300.00 cap). Those serving do so out of a strong commitment to seeing that MVOA is the best it can be within the financial constraints imposed upon it. A key requisite of all board and committee members is the recognized ability to get along with team mates! Every board has to make tough decisions in difficult economic times. The ability to work through tough issues with grace and diplomacy is a key ingredient of MVOA board and committee participation.

The term for a board member is three years. The candidates must be prepared to attend quarterly Board meetings and committee meetings often held on the Friday afternoon preceding the Saturday morning Board meeting.

Please let Hammad Mehmood, MVOA Board Member and Nominating Committee Chairperson or Cherril Dean, General Manager, at (540) 236-3591, cdean@mountainside-villas.com know of your interest to obtain additional information.

HOW TO APPLY

The application forms for MVOA Board Membership are available on our website at www.mountainside-villas.com under the OWNERS drop down menu.

Please send your application and 80 word Biography to:

MVOA

Attn: Nominating Committee
PO Box 1351
Harrisonburg, VA 22803

Or by Email:

cdean@mountainside-villas.com



Mountainside Villas Owners' Association, Inc.
McGaheysville, Virginia

Report on Examination

**As of and for the Years Ended
December 31, 2021 and 2020**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Assets, Liabilities and Fund Balances	2
Statements of Revenues, Expenditures and Changes in Fund Balances	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8
Independent Auditors' Report on Supplemental Information	9
Information on Future Major Repairs and Replacements	10

Advantage Accounting & Tax Solutions, Inc.

Certified Public Accountants & Business Advisors

Kirk B. Knott, CPA
James G. Sprinkel, CPA
Elsie H. Ziegenfuss, CPA
Kathryn E. Crouse, CPA

721 North Main Street
Harrisonburg, Virginia 22802

Phone (540) 434-1706
Fax (540) 434-3336

Members
American Institute of
Certified Public Accountants
Virginia Society of
Certified Public Accountants

March 24, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mountainside Villas Owners' Association, Inc.
McGaheysville, Virginia

Opinion

We have audited the accompanying financial statements of Mountainside Villas Owners' Association, Inc., a Virginia corporation, which comprise the statements of assets, liabilities and fund balances as of December 31, 2021 and 2020, and the related statements of revenues, expenditures, changes in fund balances and cash flows, for the years 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 statements of assets, liabilities and fund balances as of December 31, 2021 and 2020, and its revenues, expenditures, changes in fund balances and cash flows for the years then ended in conformity with generally accepted accounting principles of the United States of America.

Basis for Opinion

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

Responsibility of Management 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 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 Mountainside Villas Owners' Association, Inc.'s ability to continue as a going concern one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 for 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 throughout 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 Mountainside Villas Owners' Association, Inc.'s internal control. Accordingly, no 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 Mountainside Villas Owners' Association, Inc.'s ability to continue as a going concern for a reasonable period 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.

Respectfully Submitted,

Advantage Accounting & Tax Solutions, Inc.

Mountainside Villas Owners' Association, Inc.
Statements of Assets, Liabilities and Fund Balances
As of December 31, 2021 and 2020

2

		2021		2020
	Operating Fund	Replacement Fund (Note 3)	Total	Total
<u>ASSETS</u>				
Cash and equivalents	\$ 2,051,727	\$ -	\$2,051,727	\$ 2,188,131
Investments: estimated market value \$1,050,330	-	1,300,728	1,300,728	1,038,442
Due to/(from) operating fund	(557,230)	557,230	-	-
Assessments receivable (Note 5)	9,610	-	9,610	16,137
Prepaid supplies and expense	406,049	-	406,049	397,835
Property and equipment - net	216,427	-	216,427	219,710
Total Assets	<u>\$ 2,126,583</u>	<u>\$1,857,958</u>	<u>\$3,984,541</u>	<u>\$ 3,860,255</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable - trade	\$ 186,178	\$ -	\$ 186,178	\$ 190,700
Unearned assessment income	1,464,941	-	1,464,941	1,667,727
Accrued expenses	34,465	-	34,465	40,281
Note Payable-SBA PPP loan	-	-	-	276,283
Total Liabilities	<u>\$ 1,685,584</u>	<u>\$ -</u>	<u>\$1,685,584</u>	<u>\$ 2,174,991</u>
Fund Balances	<u>440,999</u>	<u>1,857,958</u>	<u>2,298,957</u>	<u>1,685,264</u>
Total Liabilities and Fund Balances	<u>\$ 2,126,583</u>	<u>\$1,857,958</u>	<u>\$3,984,541</u>	<u>\$ 3,860,255</u>

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

Mountainside Villas Owners' Association, Inc.
Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

3

	2021			2020
	Operating Fund	Replacement Fund	Total	Total
REVENUES				
CEC	\$ 4,122,547	\$ 875,453	\$ 4,998,000	\$ 4,998,000
Interest income	39,002	-	39,002	57,490
Finance charges and late fees	75,050	-	75,050	50,925
Miscellaneous revenues	228,152	-	228,152	142,815
Total Revenues	\$ 4,464,751	\$ 875,453	\$ 5,340,204	\$ 5,249,230
EXPENDITURES				
Administrative wages and benefits	\$ 258,897	\$ -	\$ 258,897	\$ 308,198
Maintenance wages and benefits	347,841	-	347,841	396,807
Other wages and benefits	866,985	-	866,985	813,371
Insurance	127,134	-	127,134	117,910
Real estate tax	220,385	-	220,385	220,658
Management fees	144,000	-	144,000	144,000
MPOA dues	159,262	-	159,262	144,375
Other professional expenses	85,309	-	85,309	85,893
Depreciation	32,314	-	32,314	27,349
Activities and recreation	517,385	-	517,385	404,296
Bad debts	279,044	69,761	348,805	474,947
Other administrative expenses	264,454	-	264,454	271,794
Maintenance and replacements	192,147	-	192,147	233,317
Housekeeping	159,893	-	159,893	120,192
Utilities and telephone - net	670,569	-	670,569	534,747
Total Expenditures	\$ 4,325,619	\$ 69,761	\$ 4,395,380	\$ 4,297,854
EXCESS REVENUES (EXPENSES)	\$ 139,132	\$ 805,692	\$ 944,824	\$ 951,376
PPP LOAN FORGIVENESS	276,283	-	276,283	-
REPLACEMENT COSTS	-	(607,414)	(607,414)	(435,006)
NET EXCESS (DEFICIT)	\$ 415,415	\$ 198,278	\$ 613,693	\$ 516,370
FUND BALANCES AT JANUARY 1	25,584	1,659,680	1,685,264	1,168,894
FUND BALANCES AT DECEMBER 31	\$ 440,999	\$ 1,857,958	\$ 2,298,957	\$ 1,685,264

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

Mountainside Villas Owners' Association, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

4

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over (under) expenditures	\$ 613,693	\$ 516,370
Adjustments to reconcile excess revenues (expenditures) to net cash provided (used) by operating activities:		
Depreciation	32,314	27,349
Amortization of interest income	(38,777)	(53,780)
(Increase) decrease in assessment receivables	6,527	49,692
(Increase) decrease in prepaid assets	(8,214)	(16,548)
Increase (decrease) in accounts payable	(4,522)	30,484
Increase (decrease) in unearned assessments	(202,786)	851,889
Increase (decrease) in accrued expenses	<u>(5,816)</u>	<u>(35,918)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 392,419</u>	<u>\$ 1,369,538</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	\$ (29,031)	\$ (20,629)
Purchase of investments	(358,509)	(994,000)
Redemption of investments	<u>135,000</u>	<u>1,129,000</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ (252,540)</u>	<u>\$ 114,371</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
SBA PPP loan proceeds/(repaid income)	<u>\$ (276,283)</u>	<u>\$ 276,283</u>
Net Cash Provided (Used) by Financing Activities	<u>\$ (276,283)</u>	<u>\$ 276,283</u>
NET INCREASE (DECREASE) IN CASH	\$ (136,404)	\$ 1,760,192
CASH AT BEGINNING OF YEAR	<u>2,188,131</u>	<u>427,939</u>
CASH AT END OF YEAR	<u><u>\$ 2,051,727</u></u>	<u><u>\$ 2,188,131</u></u>
 Supplemental disclosure:		
Cash Flow for Income Taxes	\$ 12,000	\$ -

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

Mountainside Villas Owners' Association, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Mountainside Villas Owners' Association, Inc., was organized in July, 1978, under the Laws of the Commonwealth of Virginia, as a not-for-profit corporation for the benefit of time period owners in timeshared ownership in Mountainside Villas on property located in Massanutten Village at McGaheysville, Virginia. Owners are diversely located throughout the country. The Company is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the company carries commercial insurance.

Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting in the United States of America.

Revenue Recognition – Revenue recognition of the assessment for annual common expense charges is deferred until the year during which the related timeshare week falls. Amounts paid prior to the recognition date are recorded as deferred unearned assessments.

Cash Balances – At times during the year the Company maintains cash balances in excess for the balances insured by the FDIC.

Assessments and Late Charges Receivable – Assessments receivable are reported at the gross amount due the Association for common expense charges billed but not collected from timesharing unit owners. Accounts determined to be uncollectible are charged off during the year in which they are determined to be uncollectible. The Association accrues interest on accounts receivable that are thirty days past due.

Prepaid Supplies – Prepaid supplies are stated at cost on a first-in, first-out basis. Prepaid supplies on hand are determined by physical count at December 31.

Income Taxes – The Association elected to file its tax return as a regular C corporation for 2021 and 2020. In the past the Association has had net operating losses resulting in no income tax liability for that year (see note 6). The Association may elect to be taxed as a Home Owners Association. As a Home Owners Association, the Association would be subject to special tax treatment provided by Sub Chapter H of the Internal Revenue Code. Under these provisions, the Association is tax exempt on exempt function income, which includes membership, dues, fees, and assessments received from persons who own residential units and are members of the Association. The election is annual, allowing the Association to determine its tax status each year. The Association tax years 2018, 2019, 2020 and 2021 remain open for examination by the Internal Revenue Service and the Virginia Department of Taxation.

Property and Equipment – Property and equipment, which does not include timeshare units, are carried at cost less accumulated depreciation. Major additions and improvements are charged to the property accounts while maintenance and repairs which do not improve or extend the life of the respective assets are expenses when incurred. When retired or otherwise disposed of, the related carrying value and accumulated depreciation of property and equipment are cleared from the respective accounts and the net difference, less any amount realized from disposition is reflected in earnings.

Depreciation is provided for on the straight-line method over the estimated useful life of the assets.

Estimates – The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates

Mountainside Villas Owners' Association, Inc.
Notes to Financial Statements (continued)
As of and for the Years Ended December 31, 2021 and 2020

Compensated Absences – Other than the accrual of vacation pay which is based on earned time off, the company does not accrue compensated absences since they are accounted for as used.

2. INVESTMENTS

Investments are generally carried at cost adjusted for amortization of premium or discount where applicable, which approximates the market value at December 31, 2021 and 2020.

3. REPLACEMENT FUND

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated replacement funds are in temporary investment accounts. Accumulated replacement funds are not available for expenditures for normal operations.

The Board of Directors commissioned a study in 1992 which is reviewed and updated annually to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from studies conducted by the property manager. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

The Board of Directors has included in the 2021 budget 100% of the cost projected by the study to be incurred in 2021. 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 Association used \$607,414 in 2021 and \$435,006 in 2020 from the replacement fund for the purpose intended during these years.

4. PROPERTY AND EQUIPMENT

Cost of property and equipment is summarized as follows:

	2021	2020
Land and improvements	\$ 84,013	\$ 84,013
Telephone system	2,095	2,095
Computer system	69,469	69,469
Exhaust fans	26,572	26,572
Buildings	1,589,081	1,589,081
Furnishings	286,185	276,185
Vehicles	133,196	114,166
	<u>2,190,611</u>	<u>2,161,581</u>
Less: Accumulated depreciation	<u>(1,974,184)</u>	<u>(1,941,871)</u>
Book Value	<u>\$ 216,427</u>	<u>\$ 219,710</u>

Mountainside Villas Owners' Association, Inc.
Notes to Financial Statements (continued)
As of and for the Years Ended December 31, 2021 and 2020

5. ACCOUNTS RECEIVABLE

The Association established an allowance for uncollectible accounts receivable in the budget for 2021 and 2020. The balance in this account is based on actual accounts considered by the board to be uncollectible. Future collections of the receivables written off will be treated as bad debt recovery income. Accounts receivable are reported on the statement of assets, liabilities and fund balances net of the allowance as follows:

	2021	2020
Total accounts receivable	\$ 1,479,284	\$ 1,285,607
Less allowances for uncollectible accounts	(1,469,674)	(1,269,470)
Net Accounts Receivable	<u>\$ 9,610</u>	<u>\$ 16,137</u>

6. NET OPERATING LOSS

At the end of 2020 the Association has \$21,098, \$84,483, and \$54,676 of net operating loss carryovers from the 2018, 2014, and 2013 tax years, respectively. These losses are carried forward to offset future income. Operating losses have a 20 year carry forward period.

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Association follows an investments program whereby they have established a ladder of separate deposits in US Treasuries maturing one in each calendar year over future periods. These investments are classified as held to maturity and range in annual amount from \$10,000 to \$135,000. Investments are summarized in five year intervals as follows:

5 years	\$ 445,000
10 years	905,000
Total face maturities	<u>\$1,350,000</u>

The fair market value of the Investments at December 31, 2021 is \$1,251,430 which is \$49,298 below book value. Management believes the book value is more indicative of the value of the investments in the current economy.

Fair value, as defined under generally accepted accounting principles, is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. All investments fall in this level.

Mountainside Villas Owners' Association, Inc.
Notes to Financial Statements (continued)
As of and for the Years Ended December 31, 2021 and 2020

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

8. SUBSEQUENT EVENTS

Financial accounting standards require the disclosure of the date through which an entity has evaluated subsequent and the basis for that date; that is, whether that date represents the date the financial statements were issued or were available to be issued. Management has evaluated subsequent events for potential recognition and/ or disclosure in the December 31, 2021 financial statements through March 24, 2022, the date the financial statements were available to be issued.

9. FORGIVABLE LOANS RECEIVED UNDER THE SMALL BUSINESS ADMINISTRATION
 PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. On June 4, 2020, the Company obtained a PPP loan for \$276,283, which is included in the Company's loan payable balance at December 31, 2020. The note matures in June 2022 and bears interest at a fixed annual rate of 1%, with the first six months of interest deferred. The Company believes it used all of the proceeds from the note for qualifying expenses and received approval of its application for the loan to be forgiven on March 22, 2021, at which time the Company recognized a gain on forgiveness of the loan.

Mountainside Villas Owners' Association, Inc.
Information on Future Major Repairs and Replacements
As of December 31, 2021

The Company uses a software package to estimate the remaining useful lives and the replacement costs of the components of common property annually. The estimates were obtained from studies conducted by the property manager. The following chart is based on the study and indicates the estimated annual expenditures:

YEAR	AMOUNT
2022	901,701
2023	928,752
2024	956,614
2025	985,313
	<u>\$ 3,772,380</u>

See independent auditors' report on supplemental information.
The accompanying notes are an integral part of these financial statements.

The new way to pay or prepay your annual CEC

Many owners have already utilized Zego during the 2022 billing period with great success. If you have not yet set up an account with Zego we encourage you to do so as phone payments are being phased out. All you need is your **CONTRACT** number to make a one-time payment or schedule payments. If you do schedule payments, please keep the CEC annual billing due dates in mind.

As many of you know, the payment of the CEC falls around Christmas and post-Christmas season, when many of us are usually concerned about our cashflow. Did you know that you can make monthly payments for your future year's CEC?

WHAT IS PROVIDED? Our owners now have access to Zego which allows you to set up reoccurring payments by ACH or card payments. Please keep in mind that Zego does have fees for each transaction. \$2.99 per transaction fee for ACH payments. \$2.99 per transaction fee + 3.6% convenience fee for all credit card payments.

Go to: https://www.paylease.com/index_out.php?pm_id=91423156

Online Payments can also be made in advance at any time by utilizing the Owner Portal on our website, www.mountainside-villas.com OR use this direct link, <https://owners.goodmanagement.com:8443/Account/Logon?ReturnUrl=%2F>

Personal checks are also still accepted at any time for any amount for **PRE-PAYMENTS**.

Another option is for owners to personally set up Bill Pay with their banks. This allows owners to set their own **PRE-PAYMENT** amount & schedule their own dates for their bank to send a check to MVOA. Please ensure to use your Owner ID as your account number.

IS IT TOO LATE? No! Even though it may not be the beginning of the year, you can still start these pre-payment options and reap the benefits. While it **MAY NOT** leave your account paid in full by the time the annual CECs are charged, it **WILL** reduce the amount due at the end of the year.

WHO CAN I CONTACT? To find out more, please contact MVOA at 540-289-6003.

REMEMBER! These are **PRE-PAYMENTS** for your future CEC fees. Due dates for CEC fees each year will remain as January 1st with a cutoff date of January 31st.

JOIN A BOARD COMMITTEE!

You **DO NOT** have to be a member on the Board of Directors to serve on a committee. If you are interested in serving on any of the following committees, please reach out to Cherril Dean, MVOA General Manager, for more information at cdean@mountainside-villas.com.

- + Nominating Committee
- + Budget Committee
- + Strategic Planning Committee
- + O & M Committee
- + Communications & Planning Committee
- + Policy Committee
- + Membership Committee

Time Period Exchange and Time Period Pick-up Program (TPX/TPP)

Many owners have already benefited from these programs. Please review the programs to see if they can benefit you & your family!

These NEW programs are now available for all MVOA owners in good standing.

TPX Program allows you more flexibility by letting you submit a request to exchange your owned unit/week for a different unit/week at MVOA. The staff will inquire with owners on your behalf for the week you have requested to see if anyone is interested in exchange. If another owner is interested in swapping time periods then both parties would pay a \$75 service fee to complete the exchange.

TPP Program provides MVOA owners weeks to purchase at a greatly reduced cost. This is a one-time purchase of a usage week (much like a rental). This is not the purchase of ownership. The cost for one of these available weeks will be \$500 + tax. MVOA's TPP Program aims to provide additional units for owners looking to visit MVOA more often at a reduced rate. These units will be provided by MVOA for purchase based on availability.

Week #	Check in/Check out dates	Week #	Check in/Check out dates
Week 19	May15-May 22, 2022	Week 39	Oct 2-Oct 9, 2022
Week 36	Sept 9-Sept 16, 2022	Week 45	Nov 11-Nov 18, 2022
Week 36	Sept 10-Sept 17, 2022	Week 48	Dec 4-Dec 11, 2022
Week 37	Sept 18-Sept 25, 2022	Week 49	Dec 10-Dec 17, 2022
Week 38	Sept 25-Oct 2, 2022	Week 49	Dec 11-Dec 18, 2022

Do you need extra space for your family during vacation? Would you like to visit the resort for an additional week during the year? If so, take advantage of the TPP units listed above to see if any of the available dates could work for you and your family.

We want to reward all owners in good standing!

OWNERS TRAVEL CLUB

As owners at Mountainside Villas, you have access to the Owners Travel Club program. The OTC is a travel rewards program that provides savings of up to 60% on over 600,000 hotels and resorts worldwide as well as other attractive travel options such as cruises, shopping, airfare, car rental, activities and excursions, including a best price guarantee.

Owners in good standing have access to this FREE membership. Deeper discounts can be accessed by upgrading to a premium membership at a cost of only \$9.99/month. (This subscription can be cancelled at any time)

Use the link <https://www.ownerstravelclub.com/>

Activation code: Please contact the MVOA Front Desk 540-289-6003 to receive the activation code so you can activate your FREE membership today!

Be on the lookout for an email from OTC coming soon with more information.

PLANNING ON SWIMMING?

REMINDER: The MPOA pool is available to all MVOA owners to use during their stay.

Please be sure to bring your up-to-date MVOA Owner ID card.

HAVE YOU HEARD FROM US RECENTLY?

If not, you may be missing out on updates, courtesy calls, billing and statements, newsletters, and helpful information regarding your week at Mountainside Villas.

Please, keep your information up to date by contacting MVOA's front desk staff at 540-289-600 or send an email to frontdesk@mountainside-villas.com. You may also update account information from your Owner Portal so that we may have the best connection with you as possible.



Will your week go unused?
Explore **RENTING!**

888-811-7850
TripForth.com

**2021 REAL ESTATE TAX AND
PERSONAL PROPERTY TAX PER
UNIT/WEEK OWNED \$24.72**

FUTURE BOARD MEETING DATES

The board meeting dates for the remainder of the year are as follows:

Regular Meetings:

Saturday June 4, 2022 10:00 a.m.

Saturday September 10, 2022 10:00 a.m.

Friday November 11, 2022 5:00 p.m.

Annual Meetings:

Saturday November 12, 2022 11:00 a.m.

All regular meetings will be held in the MVOA Conference Room at the MVOA Welcome Center. Committee Meetings in June and September are scheduled the Friday evening preceding the Board Meetings. Your attendance is welcome.

Any issue you wish to have brought before the Board must be submitted in writing a minimum of two weeks before the meeting to allow adequate time to research the issue for discussion purposes.

SUMMER CHECK-IN CONFIRMATION

In an effort to help our housekeeping and maintenance staff plan during this busy summer season, **please call our Front Desk staff at (540) 289-6003 ext. 0 or email at frontdesk@mountainside-villas.com and let them know if you will NOT be checking in on your scheduled check in day or arriving later in the week.**

**PLEASE CONFIRM CHECK-IN DATES
BEFORE PLANNING YOUR VACATION
AT MOUNTAINSIDE VILLAS**

Mountainside Villas offers Friday, Saturday and Sunday check-ins. Because of this arrangement, week 1 at Mountainside Villas will **always** begin on the first **Friday** of the year.

With this in mind...

BEFORE MAKING YOUR VACATION PLANS, PLEASE BE SURE TO CONFIRM YOUR CHECK-IN/CHECK-OUT DATES by calling our front desk office at (540) 289-6003 or visit our website at www.mountainside-villas.com to view the Mountainside Villas 2022 calendar.

Please note: All resort calendars vary (including RCI's calendar). Please refer **ONLY** to your Mountainside Villas calendar for check-in dates!

Classified Ads

SPRING 2022

Unit 118 Week 42

Gerald Eubank
Day & Evening (864) 888-7979
Jerchar1@gmail.com
Asking Price: \$500 OBO (*negotiable*)

Unit 70 Week 1

Dianne Fox
Day & Evening (301) 310-1918
Lynxfox100@gmail.com
Asking Price: \$0

Unit 128 Week 36

Kenneth & Beatriz Pilcher
Day (410) 259-7825
ken.bea@gmail.com
Asking Price: \$1200 (*negotiable*)

Unit 118 Week 43

Gerald Eubank
Day & Evening (864) 888-7979
Jerchar1@gmail.com
Asking Price: \$500 OBO (*negotiable*)

Unit 43 Week 27

Clarence Hays
Day & Evening (208) 659-8480
haysbuzz@yahoo.com
Asking Price: Best Offer

Unit 115 Week 36

Curtis Waldron
Day & Evening (410) 241-4985
curtwaldron@outlook.com
Asking Price: \$750 + deedwork

Unit 118 Week 25

Curtis Waldron
Day & Evening (410) 241-4985
curtwaldron@outlook.com
Asking Price: \$750 + deedwork

Unit 67 Week 34

Celestine Arnold
Day: (785) 847-6897
or (816) 273-4002
Evening: (785) 847-6897
Rogerk@rainbowtel.net
Asking Price: \$1,500 (*negotiable*)

Unit 47 Week 9

Jeff Blazer
Day & Evening (814) 241-8186
Jblaz281@gmail.com
Asking Price: Transfer/Attorney Fees only

Unit 144 Week 20

Carol Traxler
Day & Evening (301) 646-0721
caroltraxler@yahoo.com
Asking Price: \$600 (*negotiable*)

Unit 50 Week 10

David Dudley
Day (804) 580-9176
or (804) 450-0640
djdudley@peoplepc.com
Asking Price: \$1,600 (*negotiable*)

Unit 134 Week 18

Robert Miles
Day & Evening (804) 651-0490
jmiles57@gmail.com
Asking Price: Transfer fees only

Unit 21 Week 51

Steven Allen
Day & Evening (229) 854-5811
southernpilot01@gmail.com
Asking Price: \$1500 (*negotiable*)