

**Platinum Owners Association Inc
1200 Bartow Road
Lakeland, FL 33801**



A horizontal bar chart representing a signal distribution. The x-axis is divided into 100 equal-width bins. The signal is primarily concentrated in a central cluster of bins, with a significant peak around bin 50. A smaller, secondary peak is visible on the far right side of the distribution.

AUD_PLAT ▲ 002716
Nikolai Schlegel T16 P1
6 Elizabeth Ln
Danville CA 94526-1547

Dear Nikolai Schlegel:

Enclosed please find the Audited Financial Statements and Supplemental Information for the years ended December 31, 2022, and 2021.

Save the date for our next Annual Meeting of the Members scheduled for October 18, 2023, at 9:00AM Pacific Time. You can expect a meeting notice and proxy mailing to be sent out in advance of the meeting date which will include the location.

Additionally, the Association is accepting applications from eligible owners who may be interested in serving on the Board of Directors for available positions in the upcoming election. If you wish to be a candidate, you may nominate yourself, and as a reminder, your ownership must be current and in good standing. Also, for good measure, we would like to encourage you to review the qualifications and be familiar with the Association's governing documents. Candidate submissions must be received no later than August 12, 2023. Candidate forms may be found in your Owner's online portal at <http://thelounge.hyattvacationclub.com>. Please note, copies of Association records, including governing documents, financial statements, and minutes, are available upon request.

For questions, call us at 1-855-455-9355, visit us online at thelounge.hyattvacationclub.com, or write to us at: Association Governance, 300 Rancheros Dr Suite 310, San Marcos, CA 92069.

We thank you for vacationing with us and appreciate your patronage.

Kind Regards,

Board of Directors

Platinum Owners Association, Inc.

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 8 – Related Parties

The Association has related party transactions with affiliates of the Developer primarily for expense reimbursements for shared costs. As of December 31, 2022 and 2021, amounts due from affiliates were \$905,000 and \$312,000, respectively, and amounts due to affiliates were \$1,035,000 and \$1,166,000, respectively.

Note 9 – Reclassifications

Certain items in the 2021 financial statements have been reclassified to conform to current year classifications, specifically, other deferred revenue of \$1,110,000 was reclassified to the allowance for doubtful accounts, and accounts receivable – members (unapplied cash) of \$555,000 was reclassified to assessments received in advance in the balance sheet, and rent expense of \$494,000 was reclassified from owner services to administrative and general costs in the statement of revenues, expenses, and changes in fund balances. Such reclassifications had no effect on previously reported changes in fund balances.

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 6 – Leases, continued

The Association evaluated current contracts to determine which met the criteria of a lease. The right-of-use assets totaling \$2,649,000, net of accumulated amortization of \$2,078,000, represent the Association's right to use underlying assets for the lease term, and the lease liabilities totaling \$4,727,000 represent the Association's obligation to make lease payments arising from these leases.

When the discount rate implicit in a lease is not readily determinable, the Association calculates the lease liability using the incremental borrowing rate, which is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. These are estimated using actual borrowing costs and making necessary adjustments. The weighted average discount rate applied to calculate lease liabilities as of December 31, 2022 was 4.08%.

The lease agreements include rental payments adjusted periodically depending on an index or rate. The lease terms do not include a renewal option. The lease agreements do not include any material residual value guarantees or restrictive covenants. As of December 31, 2022, the weighted-average remaining lease term for the Association's operating leases was approximately 23.6 years.

The Association has elected the practical expedient to account for the lease and non-lease components as a single lease component (e.g. maintenance and operating services) except for real estate and land leases. Therefore, for those leases, the lease payments used to measure the lease liability include all of the fixed consideration in the contract. All variable payments not based on a market rate or an index are expensed as incurred.

The following summarizes the operating leases as of December 31, 2022:

Operating lease right-of-use assets	\$ <u>2,649,000</u>
Current portion of operating lease liabilities	\$ <u>495,000</u>
Operating lease liabilities, net of current portion	<u>4,232,000</u>
Total operating lease liabilities	<u>\$ 4,727,000</u>

Future maturities of operating lease liabilities are as follows:

2023	\$ 651,000
2024	668,000
2025	681,000
2026	697,000
2027	201,000
Thereafter	<u>5,267,000</u>
Total undiscounted cash flows	<u>8,163,000</u>
Less: effects of discounting	(3,436,000)
Present value of lease liabilities	<u>\$ 4,727,000</u>

Note 7 – Contingencies

The Association may periodically be a defendant in cases incidental to its business activities. While any litigation or investigation has an element of uncertainty, the Association does not currently believe that the outcome of any of these matters will not have a materially adverse effect, given its insurance coverage, on its financial position, results of operations or liquidity. The Association has not incurred (and is not aware of) any material claims under its general liability insurance policy during the 1-year period with the \$1,000,000 self-insured retention limit.

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 4 – Revenue Recognition, continued

Significant Judgments

The Association analyzes revenue recognition on a portfolio approach under ASC Topic 606. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Association has determined that all member assessments can be grouped into one portfolio. Based on past experience, these customers all behave similarly. Member agreements all contain similar terms and policies are the same across all contracts. The Association does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each member contract separately.

Member assessments are recognized ratably over each year. The Association has determined that this output method is the best measure of progress and most representative of the services performed, as the effort is consistent throughout the year.

Significant judgment is also required to assess collectability. The Association assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

Note 5 – Developer Services

The Developer (and its predecessors) is the developer of the Association. The Developer, including its subsidiaries and affiliates, provides the following services to the Association:

Management services – The Developer provides management services that include providing procuring or providing all services and operating supplies necessary to operate the vacation owners association. The management services include, but are not limited to, procuring personnel, technologies, services, insurance, and operating supplies necessary to perform administrative functions for the Association. The goods and services may be purchased directly by the Association or may be initially paid by the Developer and subsequently billed to Association on an actual cost basis. The management services are provided under an initial five-year term with automatic renewals for successive three-year terms unless terminated sooner by either the Developer or Association in accordance with the management agreement. In exchange for its services, the Developer received a management fee of 14% and 13% for the years ended December 31, 2022 and 2021, respectively, of the Association's budgeted annual expenses. The management fee expense was \$2,065,000 and \$2,016,000 for the years ended December 31, 2022 and 2021, respectively.

Note 6 – Leases

The Association entered into a lease in 2011 for office space in Vista, California which expires in January 2027, however, as of December 31, 2022, the Association abandoned the lease. In accordance with U.S. GAAP interpretation, the right-of-use asset created upon the implementation of ASC 842 on January 1, 2022 has been fully amortized as of the abandonment date. There is no impact on the operating lease liability due to the abandonment and contractual obligations have been recorded. Operating lease expense, including the cost of abandonment, was \$1,857,000 and \$495,000 for the years ended December 31, 2022 and 2021, respectively, which is included in administrative and general expenses. Prior to the adoption of ASC 842, rent was expensed on a straight-line basis with \$259,000 included on the balance sheet as deferred rent as of December 31, 2021. Since the adoption of ASC 842, there is no deferred rent as of December 31, 2022.

The Association has entered into sublease agreements under a land lease at the Desert Oasis property with an affiliate of the Developer ending September 13, 2081. Operating lease expense for the land lease was \$156,000 for the years ended December 31, 2022 and 2021, which is included in member assessments and other timeshare inventory costs.

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 4 – Revenue Recognition

Overview

The Association recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods or services.

The Association earns revenue from contracts with customers, primarily through member assessments, developer subsidy, and occupancy and other fees. Revenues are accounted for under Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The Association's revenue streams that are considered in-scope of ASC Topic 606 are discussed hereafter.

Detail of Revenue

The following table presents the Association's revenue by category for the year ended December 31:

	2022	2021
Transferred over time:		
Member assessments	\$ 58,509,000	\$ 53,651,000
Transferred at a point in time:		
Developer subsidy	11,312,000	14,884,000
Occupancy income	2,261,000	1,823,000
Other fees	789,000	343,000
Total	\$ 72,871,000	\$ 70,681,000

Performance Obligations

Member assessments – Assessments are recognized over time as the customer simultaneously receives and consumes the benefits as the Association manages, maintains, and administers the points ownership program. Accordingly, the Association recognizes revenue for the services on a straight-line basis over the one-year assessment period.

Developer subsidy – Developer subsidy revenue is recognized at a single point when a short-fall occurs.

Occupancy income and other fees – Occupancy income is earned by providing housekeeping services for short term rental and exchange stays. Accordingly, revenue is recognized at a single point in time upon completion of the service. Other fees are recognized at a single point in time upon assessment.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable (contract assets), assessments received in advance (contract liabilities), and other deferred revenue (contract liabilities) on the balance sheets. Assessments are recognized as revenue in the year for which the assessment is assessed. Assessments are billed in the year prior to the year to which the assessment relates. Typically, billing occurs prior to revenue recognition, resulting in contract liabilities.

The beginning and ending contract balances are as follows at December 31:

	2022	2021	2020
Accounts receivable - members, net	\$ 571,000	\$ 417,000	\$ 1,062,000
Assessments received in advance	\$ 22,749,000	\$ 24,500,000	\$ 19,791,000
Other deferred revenue	\$ -	\$ -	\$ 800,000

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The carrying value of cash, receivables, and payables approximated fair value as of December 31, 2022 and 2021 due to the relative short maturities of these instruments.

Future Accounting Standard

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU provides financial statement users with improved information about expected credit losses on financial assets and commitments to extend credit. The amendments affect trade receivables, loans, debt securities, net investments, and certain other financial assets that have the contractual right to receive cash. ASU 2016-13 is effective for nonpublic business entities for interim and annual periods beginning after December 15, 2022. Earlier application is permitted.

Subsequent Events

The Association has evaluated subsequent events through March 31, 2023 which is the date the financial statements were available to be issued.

Note 2 – Concentration of Credit Risk

Cash – The Association maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

Note 3 – Property and Equipment

Property and equipment consist of the following at December 31:

	2022	2021
Software	\$ 1,524,000	\$ -
Buildings and leasehold improvements	-	229,000
Less accumulated depreciation and amortization	(333,000)	(200,000)
	1,191,000	29,000
Construction in progress	-	1,316,000
	\$ 1,191,000	\$ 1,345,000

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Accounts Receivable

Accounts receivable represent assessments and other fees due from members in addition to amounts owed by guests and WHV Resort Group, Inc. and its affiliates (Developer) for goods and services purchased from the Association. The Association's governing documents provide for various collection remedies for delinquent assessments, including fees and penalties assessed to the member, foreclosures on the member's ownership, or obtaining a judgment on other assets of the member. The Association's policy is to retain counsel for members whose assessments are 90 days or more delinquent. The Association periodically reviews the outstanding accounts receivable in conjunction with historical bad debt write-offs and establishes an allowance for doubtful accounts in the estimated amount of uncollectible amounts and due to its subjectivity, actual amounts may vary materially. The Association writes off uncollectible member assessments against the allowance for uncollectible accounts upon finalization of the foreclosure (or deed-in-lieu of foreclosure) process.

Property and Equipment

Property and equipment include the Association's leasehold improvements on the call center, information technology, primarily for their property management systems and other assets used in the normal course of business. The Association records property and equipment at cost when incurred and expenses all repair and maintenance costs as incurred. Depreciation expense is recorded for property and equipment, using the straight-line method over the shorter of the estimated useful lives of the assets or the lease term ranging from 5-10 years.

Revenue Recognition

Member assessments are recognized as revenue in the year for which the assessment is assessed in the amount of the assessment determined and approved by the Association's board of directors. Member assessments received in the year prior to the year to which the assessment relates are recorded as assessments received in advance and recognized as revenue when earned in the following year.

The Developer has an agreement with the Association to subsidize any short-fall between actual expenses paid and actual income received from assessments and other income during the year and is, therefore, recognized at the point the short-fall occurs. The Developer may cancel this agreement upon providing written notice.

Occupancy income and other fees revenue is recognized when product sales, programs, or rentals take place, and when fees are incurred.

Income Taxes

In accordance with rules and regulations published by the United States Internal Revenue Service, the Association has annually elected to file as a homeowners' association and to exclude the excess of exempt income over applicable expenses from taxation for a given year. Generally, the Association pays income taxes on its investment income and profits on goods and ancillary services offered to guests at the Association's property. In accordance with U.S. GAAP, the Association recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a "more-likely-than-not" threshold, the amount to be recognized in the financial statements will be the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of December 31, 2022 and 2021, the Association had no uncertain tax positions. The Association recognizes interest expense and penalties related to income tax matters as a component of the income tax expense, when applicable.

Fair Value Measurements

The Association defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Association applies fair value measurements to assets and liabilities that are required to be recorded at fair value in accordance with U.S. GAAP. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs and are categorized in a fair value hierarchy based on the transparency of inputs.

PLATINUM OWNERS ASSOCIATION, INC.

Notes to Financial Statements

Years Ended December 31, 2022 and 2021

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Operations

Platinum Owners Association, Inc. (Association) was incorporated in California in May 2006 and began operations in January 2007. The Association operates and maintains a program consisting of points ownerships, both annual and biennial. Association members can utilize their points for Association timeshare weeks.

As of December 31, 2022 and 2021 the Association owned the following timeshare weeks:

Resort	# of timeshare weeks owned	
	2022	2021
Resort Villas	10,777	10,777
Branson Villas	5,408	5,408
Mountain Villas	3,952	3,952
The Villas	11,830	11,830
Cabo Villas	5,460	3,744
Desert Oasis	5,911	5,911
Northstar	4,036	3,692
One Village Place	421	464
Breckenridge	1,028	3,432
	48,821	49,210

New Accounting Guidance Implementation

As of January 1, 2022, the Association changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, *Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Association's balance sheet as of January 1, 2022. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period. The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Association elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Association has not elected the hindsight practical expedient. As of January 1, 2022, approximately \$4,928,000 in operating lease right-of-use assets and \$5,187,000 in corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of revenues, expenses, and changes in fund balances or cash flows for the year ended December 31, 2022.

Basis of Presentation

The Association's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Amounts previously reported as bad debt were reclassified to administrative and general on the statements of revenues, expenses, and changes in fund balances.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Member Assessments

The annual budget and members' assessments are determined by the Association's management and approved by the Board. Each member is billed for the annual dues based upon a blended fee that has a fixed amount plus an amount per point owned. The member assessments for the years ended December 31, 2022 and 2021 were \$809 plus \$.00398 per point and \$753 plus \$.00370 per point, respectively.

PLATINUM OWNERS ASSOCIATION, INC.

Statements of Cash Flows

Years Ended December 31, 2022 and 2021



	2022	2021
Cash Flows from Operating Activities:		
Excess of revenues over expenses	\$ -	\$ -
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:		
Depreciation and amortization	133,000	59,000
Loss on disposal of property and equipment	39,000	-
Non-cash operating lease expense	(2,649,000)	-
Changes in operating assets and liabilities:		
Accounts receivable - members, net	(154,000)	1,212,000
Accounts receivable - related parties	(593,000)	7,816,000
Prepaid expenses and other assets	(979,000)	(1,178,000)
Experience collections	(1,846,000)	(743,000)
Accounts payable	(67,000)	(109,000)
Accounts payable - related parties	(131,000)	(11,103,000)
Operating lease liabilities	4,727,000	-
Accrued expenses	47,000	31,000
Assessments received in advance	(1,751,000)	5,120,000
Other deferred revenue	-	(1,776,000)
Deferred rent	(259,000)	(16,000)
 Net Cash Used by Operating Activities	 (3,283,000)	 (887,000)
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(18,000)	(174,000)
 Net Decrease in Cash	 (3,301,000)	 (1,061,000)
 Cash, beginning	 19,632,000	 20,693,000
 Cash, ending	 \$ 16,331,000	 \$ 19,632,000
 Supplemental Disclosures of Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 156,000	\$ -
 Non-Cash Operating Activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 2,671,000	\$ -

PLATINUM OWNERS ASSOCIATION, INC.
Statements of Revenues, Expenses, and Changes in Fund Balance
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Member assessments	\$ 58,509,000	\$ 53,651,000
Developer subsidy	11,312,000	14,864,000
Occupancy income	2,261,000	1,823,000
Other fees	789,000	343,000
	72,871,000	70,881,000
Expenses:		
Member assessments and other timeshare inventory costs	61,566,000	62,181,000
Administrative and general	9,633,000	7,373,000
Owner services	1,672,000	1,127,000
	72,871,000	70,881,000
Excess of Revenues over Expenses	-	-
Fund Balance, beginning	27,000	27,000
Fund Balance, ending	\$ 27,000	\$ 27,000

PLATINUM OWNERS ASSOCIATION, INC.

Balance Sheets

December 31, 2022 and 2021

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	2022	2021
ASSETS		
Cash	\$ 16,331,000	\$ 19,632,000
Accounts receivable - members, net of allowance of \$4,798,000 (2022) and \$4,010,000 (2021)	571,000	417,000
Accounts receivable - related parties	905,000	312,000
Prepaid expenses and other assets	2,252,000	1,273,000
Experience collections	4,770,000	3,124,000
Operating lease right-of-use assets	2,649,000	-
Property and equipment, net of accumulated depreciation	1,191,000	1,345,000
 Total Assets	 \$ 28,669,000	 \$ 26,103,000
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 4,000	\$ 71,000
Accounts payable - related parties	1,035,000	1,166,000
Accrued expenses	127,000	80,000
Assessments received in advance	22,749,000	24,500,000
Operating lease liabilities	4,727,000	-
Deferred rent	-	259,000
 Total Liabilities	 28,642,000	 26,076,000
Fund balance	27,000	27,000
 Total Liabilities and Fund Balance	 \$ 28,669,000	 \$ 26,103,000

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- 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 Platinum Owners Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Platinum 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.

Aldrich CPAs + Advisors LLP

Carlsbad, California
March 31, 2023



Aldrich CPAs + Advisors LLP

1903 Wright Place #180

Carlsbad, California 92008

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Platinum Owners Association, Inc.

Opinion

We have audited the accompanying financial statements of Platinum Owners Association, Inc., which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of revenues, expenses, and 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 financial position of Platinum Owners Association, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Platinum Owners Association, Inc. and to meet our other 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

PLATINUM OWNERS ASSOCIATION, INC.

Financial Statements

Years Ended December 31, 2022 and 2021

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PLATINUM OWNERS ASSOCIATION, INC.
1900 AND 1901 RELOCATED BUILDING
1901 SIGN TO SIGN

Platinum Owners Association, Inc.

Financial Statements

Years Ended December 31, 2022 and 2021

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