

**EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2021**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members

Emerald Pointe North Condominium Association

Clinton Township, MI

I have reviewed the accompanying statement of assets, liabilities, and net assets – modified cash basis of Emerald Pointe North Condominium Association (a nonprofit corporation) as of December 31, 2020 and 2021, and the related statement of income, expenses, and changes in net assets – modified cash basis, statement of cash flows – modified cash basis, and notes to the financial statements for the years then ended. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Members' Responsibility for the Financial Statements

The Members are responsible for the preparation and fair presentation of the financial statements using the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP); this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. The Members are responsible 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.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

Basis of Accounting

I draw attention to the Summary of Significant Accounting Policies in the Notes to Financial Statements which describes the basis of accounting. The financial statements have been prepared in accordance with the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). My conclusion is not modified with respect to this matter.

Ben Brown

September 7, 2022

EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
As of December 31,

	<u>2020</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash in bank:		
Checking	16,633.66	22,873.30
General reserve	7,248.61	24,274.09
Road reserve	31,375.34	70,664.22
Money market	<u>129,262.02</u>	<u>76,310.75</u>
Total Assets	<u><u>184,519.63</u></u>	<u><u>194,122.36</u></u>

LIABILITIES AND NET ASSETS

Liabilities	-	-
Net Assets	<u><u>184,519.63</u></u>	<u><u>194,122.36</u></u>

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION
Statement of Income, Expenses, and Changes in Net Assets - Modified Cash Basis
For the Years Ended December 31,

	<u>2020</u>	<u>2021</u>
INCOME:		
Association fees	47,266.66	45,840.01
Reserve fees	4,816.67	4,596.20
Road reserve fees	19,948.12	19,666.06
Late fees	715.00	1,097.73
Fines	125.00	50.00
Reimbursed expenses	<u>525.00</u>	<u>80.00</u>
Total Income	<u>73,396.45</u>	<u>71,330.00</u>
EXPENSES:		
Administrative:		
Professional fees	1,625.00	672.00
Office	1,884.33	1,615.62
Postage	364.80	228.15
Property management fees	12,000.00	12,000.00
Electricity	805.86	870.64
Insurances:		
Liability insurance	2,221.00	2,199.00
Workers' compensation	800.00	800.00
Maintenance & repairs:		
Landscaping services	8,135.00	11,393.45
Ponds	1,260.06	818.40
Roads	845.00	21,658.00
Street signs	-	831.10
Snow removal	<u>7,050.00</u>	<u>8,520.00</u>
Total Expenses	<u>36,991.05</u>	<u>61,606.36</u>
Operating Income	<u>36,405.40</u>	<u>9,723.64</u>
Other Income (Expense)		
Interest	707.65	61.09
Income tax	<u>(64.00)</u>	<u>(182.00)</u>
Total Other Income (Expense)	<u>643.65</u>	<u>(120.91)</u>
Change in Net Assets	37,049.05	9,602.73
Net Assets, beginning of year	<u>147,470.58</u>	<u>184,519.63</u>
Net Assets, end of year	<u><u>184,519.63</u></u>	<u><u>194,122.36</u></u>

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION
Statement of Cash Flows - Modified Cash Basis
For the Year Ended December 31,

	<u>2020</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>37,049.05</u>	<u>9,602.73</u>
NET INCREASE IN CASH	37,049.05	9,602.73
CASH, beginning of year	<u>147,470.58</u>	<u>184,519.63</u>
CASH, end of year	<u><u>184,519.63</u></u>	<u><u>194,122.36</u></u>

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EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Emerald Pointe North Condominium Association is presented to assist in understanding the Organization's financial statements. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the modified cash basis of accounting, revenues are recognized when received and expenses when paid. If the financial statements were prepared using accounting principles generally accepted in the United States of America, income would be reported when earned and expenses when incurred. Additionally, activity would be segregated as to unrestricted, temporarily restricted, or permanently restricted and a statement of functional expenses would be included. The statement of functional expenses shows how the natural expense classifications are allocated to significant program and supporting services.

Nature of Operations

The Organization is a condominium management association which collects dues and assessments from its members (owners of units) in order to carry out its chartered purpose.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.