

**EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018**

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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, 2017 and 2018, 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.



November 18, 2020

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

	2017	2018
ASSETS		
Current Assets:		
Cash in bank:		
Checking	14,685.32	6,358.36
General reserve	23,978.18	27,882.14
Road reserve	47,589.52	65,800.79
Savings	12,044.32	16,047.07
Money market	59,940.05	74,004.21
 Total Assets	 158,237.39	 190,092.57
LIABILITIES AND NET ASSETS		
Liabilities	-	-
 Net Assets	 158,237.39	 190,092.57

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>2017</u>	<u>2018</u>
<b>INCOME:</b>		
Association fees	45,475.11	43,506.25
Reserve fees	9,205.10	9,343.99
Road reserve fees	15,317.79	15,529.06
Late fees	605.00	1,345.00
Fines	-	50.00
Reimbursed expenses	-	264.00
	<u>70,603.00</u>	<u>70,038.30</u>
<b>Total Income</b>		
<b>EXPENSES:</b>		
<b>Administrative:</b>		
Professional fees	890.00	220.00
Office	2,091.89	1,814.57
Postage	280.00	204.30
Property management fees	12,000.00	12,087.50
Security service	1,025.00	75.00
Bank fees	13.00	-
Electricity	743.64	882.39
<b>Insurances:</b>		
Liability insurance	2,035.00	2,012.00
Workers' compensation	225.00	800.00
<b>Maintenance &amp; repairs:</b>		
Drain costs	1,745.00	-
Landscaping services	12,720.00	9,334.50
Ponds	305.00	4,800.00
Roads	315.00	55.00
Snow removal	6,700.00	5,980.00
Miscellaneous	80.00	-
	<u>41,168.53</u>	<u>38,265.26</u>
<b>Total Expenses</b>		
<b>Operating Income</b>	29,434.47	31,773.04
<b>Other Income - Interest</b>	<u>76.18</u>	<u>82.14</u>
<b>Change in Net Assets</b>	29,510.65	31,855.18
<b>Net Assets, beginning of year</b>	<u>128,726.74</u>	<u>158,237.39</u>
<b>Net Assets, end of year</b>	<u>158,237.39</u>	<u>190,092.57</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>2017</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>29,510.65</u>	<u>31,855.18</u>
NET INCREASE IN CASH	29,510.65	31,855.18
CASH, beginning of year	<u>128,726.74</u>	<u>158,237.39</u>
CASH, end of year	<u><u>158,237.39</u></u>	<u><u>190,092.57</u></u>

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION

Notes to Financial Statements

For the Years Ended December 31, 2017 and 2018

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.