

**EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

February 21, 2017

To the Members  
Emerald Pointe North Condominium Association  
Westland, MI

I have reviewed the accompanying statement of assets, liabilities, and net assets – modified cash basis of Emerald Pointe North Condominium Association (a nonprofit organization) as of December 31, 2014 and 2015, and the related statements of income, expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended. A review includes primarily applying analytical procedures to the members' financial data and making inquiries of members. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

The members are responsible for the preparation and fair presentation of the financial statements in accordance with a comprehensive basis of accounting accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the modified cash basis of accounting, revenue is recognized when received and expense when paid.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

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 a comprehensive basis of accounting accepted in the United States of America.

*Ben Brown*

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

	<u>ASSETS</u>	<u>2014</u>	<u>2015</u>
<b>Current Assets:</b>			
<b>Cash in bank:</b>			
Checking		7,613.61	801.34
General reserve		17,703.53	22,387.57
Road reserve		7,535.75	10,017.52
Savings		1,910.54	2,551.27
Money market		<u>58,758.44</u>	<u>58,821.01</u>
<b>Total Assets</b>		<u><u>93,521.87</u></u>	<u><u>94,578.71</u></u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		-	-
<b>Net Assets</b>		<u><u>93,521.87</u></u>	<u><u>94,578.71</u></u>

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

	<u>2014</u>	<u>2015</u>
<b>INCOME:</b>		
Association fees	41,674.69	44,218.82
Reserve fees	8,502.57	9,137.43
Road reserve fees	-	5,370.29
Late fees	1,555.00	1,820.00
Fines	-	200.00
	<u>51,732.26</u>	<u>60,746.54</u>
<b>EXPENSES:</b>		
Administrative:		
Professional fees	350.00	205.00
Meetings	788.01	-
Owners' fees & assessments	938.50	821.00
Clerical services	290.00	348.65
Office	2,082.46	2,790.83
Postage	531.99	525.73
Property management fees	12,000.00	12,000.00
Security service	1,625.00	1,150.00
Bank fees	95.00	47.00
Electricity	1,023.08	1,042.90
Insurances:		
Liability insurance	2,632.00	897.00
Workers' compensation	225.00	275.00
Maintenance & repairs:		
Drain costs	6,398.95	389.90
Landscaping services	11,659.00	10,164.75
Ponds	737.90	3,969.40
Roads	33,446.00	20,885.00
Snow removal	7,096.22	6,476.46
Miscellaneous	297.16	1,474.94
	<u>82,216.27</u>	<u>63,463.56</u>
<b>Total Expenses</b>	<u>82,216.27</u>	<u>63,463.56</u>
<b>Operating Loss</b>	(30,484.01)	(2,717.02)
<b>Other Income - Interest</b>	<u>97.27</u>	<u>69.11</u>
<b>Change in Net Assets</b>	<u>(30,386.74)</u>	<u>(2,647.91)</u>
<b>Net Assets, beginning of year</b>	119,869.29	93,521.87
<b>Prior period adjustment - NOTE B</b>	<u>4,039.32</u>	<u>3,704.75</u>
<b>Net Assets, beginning of year - restated</b>	<u>123,908.61</u>	<u>97,226.62</u>
<b>Net Assets, end of year</b>	<u><u>93,521.87</u></u>	<u><u>94,578.71</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>2014</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(30,386.74)	(2,647.91)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Prior period adjustment	<u>4,039.32</u>	<u>3,704.75</u>
NET INCREASE (DECREASE) IN CASH	(26,347.42)	1,056.84
CASH, beginning of year	<u>119,869.29</u>	<u>93,521.87</u>
CASH, end of year	<u><u>93,521.87</u></u>	<u><u>94,578.71</u></u>

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**EMERALD POINTE NORTH CONDOMINIUM ASSOCIATION**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2014 and 2015**

**NOTE A – 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 comprehensive basis of accounting other than generally accepted accounting principles. Under the modified cash basis, revenues are recognized when received and expenses when paid. If the financial statements were prepared using generally accepted accounting principles, 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.

**NOTE B - PRIOR PERIOD ADJUSTMENT**

The prior period adjustments consist of cumulative amounts or changes in the recording of accounting entries for both years.