

BROOK HILL CONDOMINIUM ASSOCIATION

REPORT FOR THE YEAR ENDED

DECEMBER 31, 2021

Michigan Community CPA
4096 Bold Meadows
Oakland Township, MI 48306

BROOK HILL CONDOMINIUM ASSOCIATION

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Thomas McMillin, CPA

Independent Accountants' Review Report

To the Board of Directors and Members
Brook Hill Condominium Association

We have reviewed the accompanying financial statements of Brook Hill Condominium Association, which comprise the balance sheet as of December 31, 2021, and the related statements of revenues and expenditures and changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. 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, we do not express such an opinion.

Management's Responsibility 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; this includes 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

Our responsibility is to conduct the review engagement 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The schedule of revenue and schedule of expenditures are presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made to them.

Required Supplementary Information

Accounting principles generally accepted in the United States require that supplementary information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Association has not presented this supplementary information.

Michigan Community CPA

May 11, 2022

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United Condominium Owners of Michigan*

BROOK HILL CONDOMINIUM ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS

Checking Account - Operating \$ 18,225

Checking Account - General Reserve 62,903

Checking Account - Exterior Reserve 85,352

TOTAL CASH AND CASH EQUIVALENTS \$166,480

ACCOUNTS RECEIVABLE

Accounts Receivable \$ 1,104

TOTAL ACCOUNTS RECEIVABLE \$ 1,104

TOTAL CURRENT ASSETS \$167,584

TOTAL ASSETS \$167,584

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Prepaid Assessments \$ 20,520

TOTAL CURRENT LIABILITIES \$ 20,520

TOTAL LIABILITIES \$ 20,520

MEMBERS' EQUITY \$147,064

TOTAL LIABILITIES AND MEMBERS' EQUITY \$167,584

See Independent Accountants' Review Report and accompanying notes

BROOK HILL CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES	<u>\$ 181,783</u>
EXPENDITURES	
Administrative	\$ 4,101
Building Repair and Maintenance	73,006
Grounds Maintenance	9,746
Insurance	23,432
Operating	<u>68,797</u>
TOTAL EXPENDITURES	<u>\$ 179,082</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,701</u>
MEMBERS' EQUITY - Beginning	<u>\$ 144,363</u>
MEMBERS' EQUITY - Ending	<u>\$ 147,064</u>

See Independent Accountants' Review Report and accompanying notes

BROOK HILL CONDOMINIUM ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:

Net excess of revenues (expenditures) \$ 2,701

Adjustments to reconcile excess of revenues over
expenditures to net cash used by operating activities:

(Increase) decrease in:

Accounts Receivable (41)

Prepaid Expenses 1,200

Increase (decrease) in:

Prepaid Assessments (1,922)

Net cash provided (used) by operating activities \$ 1,938

Cash flows from investing activities: -

Cash flows from financing activities: -

Net increase (decrease) in cash \$ 1,938

Cash, beginning of year \$ 164,542

Cash, end of year \$ 166,480

See Independent Accountants' Review Report and accompanying notes

BROOK HILL CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1: NATURE OF ORGANIZATION

Brook Hill Condominium Association (the "Association") is a condominium association incorporated under the laws of the State of Michigan and operated to perform those services normally associated with this type of association, which includes preserving and maintaining the common property of the Association. The Association consists of 13 residential units located in Glen Arbor, Michigan.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Member Assessments

Association members are subject to regular assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from members, while assessments received in advance represent future months' fees paid in advance by members. The Association's policy is to retain legal counsel and place liens or foreclose on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in future years.

Property and Equipment

The Association records and depreciates only personal property assets to which the association has title. It currently does not have title to any personal property assets. Common property of the Association is not recognized as property and equipment for depreciation.

Income Tax

The Association may, at its election, be taxed as a regular corporation or a homeowners association. This election is made yearly. For the current year, the Association was taxed as a homeowners association. The Association's federal tax return is subject to audit by the Internal Revenue Service. The tax returns for the current and prior two fiscal years remain open for examination by the IRS. In evaluating the Association's tax positions and accruals, the Association believes that its estimates are appropriate, based on the current facts and circumstances.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Date of Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Accountants' Report, which is the date that the financial statements were available to be issued.

NOTE 3: FUNDED RESERVES

The Association requires funds to be accumulated for future repairs and replacements. These funds are maintained in certificates of deposit and/or money market funds. The Association has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. These reserve funds may not be adequate for the required major repairs and replacements. The Association may need to borrow, increase maintenance assessments or delay repairs and replacements until funds are available.

SUPPLEMENTAL INFORMATION

BROOK HILL CONDOMINIUM ASSOCIATION
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2021

Association Fees	\$ 181,649
Interest and Dividends	14
Late Fees	<u>120</u>
TOTAL REVENUES	<u><u>\$ 181,783</u></u>

See Independent Accountants' Review Report and accompanying notes

BROOK HILL CONDOMINIUM ASSOCIATION
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

ADMINISTRATIVE	
Administrative	\$ 1,089
Accounting Services	3,000
Bank Service Charges	12
TOTAL ADMINISTRATIVE	<u>\$ 4,101</u>
BUILDING REPAIR AND MAINTENANCE	
Common Element Maintenance	\$ 19,839
Fireplace, Wood and Extinguishers	5,442
Common Area Maintenance	1,761
CAM Sepcial Assesment	873
Semi Annual Cleaning	1,750
Capital Improvements - Reserve	38,749
Interior Maintenance	4,592
TOTAL BUILDING REPAIR AND MAINTENANCE	<u>\$ 73,006</u>
GROUNDS MAINTENANCE	
Exterior - Reserve	\$ 9,746
TOTAL GROUNDS MAINTENANCE	<u>\$ 9,746</u>
INSURANCE	
Insurance	\$ 23,432
TOTAL INSURANCE	<u>\$ 23,432</u>
OPERATING	
Electric	\$ 37,869
Cable Television	11,402
Telephone	6,360
Water and Sewer	13,166
TOTAL OPERATING	<u>\$ 68,797</u>
TOTAL EXPENDITURES	<u><u>\$ 179,082</u></u>

See Independent Accountants' Review Report and accompanying notes