

**BLUE HERON POINTE
CONDOMINIUM ASSOCIATION
REPORT FOR THE YEAR ENDED
DECEMBER 31, 2024**

Michigan Community CPA
4096 Bold Meadows
Oakland Township, MI 48306

BLUE HERON POINTE CONDOMINIUM ASSOCIATION

TABLE OF CONTENTS

DECEMBER 31, 2024

	<u>Page</u>
Independent Accountants' Review Report	i
Balance sheet	2
Statement of revenues and expenditures and changes in members' equity	3
Statement of cash flows	4
Notes to financial statements	5
<u>Supplemental Information</u>	
Schedule of revenues	7
Schedule of expenditures	8-9
Supplementary information on future major repairs and replacements	10

Thomas McMillin, CPA

Independent Accountants' Review Report

To the Board of Directors and Members
Blue Heron Pointe Condominium Association

We have reviewed the accompanying financial statements of Blue Heron Pointe Condominium Association, which comprise the balance sheet as of December 31, 2024, 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 for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements, and has been subjected to the review procedures applied in the accountant's review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 10 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 information is the representation of management. We have compiled the supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

Michigan Community CPA

October 14, 2025

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Michigan Association of CPAs
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United Condominium Owners of Michigan*

BLUE HERON POINTE CONDOMINIUM ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2024

ASSETS

Checking Account - Operating	\$ 351,940
Money Market Account - Reserve	181,794
Accounts Receivable	1,020
Prepaid Insurance	65,346
TOTAL ASSETS	<u>\$ 600,100</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts Payable	\$ 9,846
Prepaid Assessments	40,706
Deferred Revenue - Remediation Project	49,907
TOTAL LIABILITIES	<u>\$ 100,459</u>

MEMBERS' EQUITY	<u>\$ 499,641</u>
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TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 600,100</u>
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BLUE HERON POINTE CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

REVENUES	<u>\$ 1,538,086</u>
EXPENDITURES	
Administrative	\$ 58,561
Building Repair and Maintenance	309,740
Insurance	135,336
Utilities	23,244
Landscaping	<u>960,685</u>
TOTAL EXPENDITURES	<u>\$ 1,487,566</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ 50,520</u></u>
MEMBERS' EQUITY - Beginning	<u>\$ 449,121</u>
MEMBERS' EQUITY - Ending	<u><u>\$ 499,641</u></u>

See Independent Accountants' Review Report and accompanying notes

BLUE HERON POINTE CONDOMINIUM ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:

Net excess of revenues (expenditures)	\$ 50,520
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Adjustments to reconcile excess of revenues over
expenditures to net cash used by operating activities:

(Increase) decrease in:

Accounts Receivable	31,121
Prepaid Insurance	(65,346)

Increase (decrease) in:

Accounts Payable	7,300
Prepaid Assessments	10,096
Remediation Project	<u>49,907</u>

Net cash provided (used) by operating activities	\$ 83,598
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Cash flows from investing activities:	-
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Cash flows from financing activities:	<u>-</u>
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Net increase (decrease) in cash	<u>\$ 83,598</u>
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Cash, beginning of year	<u>\$ 450,136</u>
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Cash, end of year	<u><u>\$ 533,734</u></u>
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See Independent Accountants' Review Report and accompanying notes

BLUE HERON POINTE CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1: NATURE OF ORGANIZATION

Blue Heron Pointe 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 140 residential units and is located in Northville, 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 major repairs and replacements. The funds are held primarily in interest-bearing accounts. In 2021, the Association 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. The results of this study are summarized in the supplemental information section to these financial statements. Actual costs and expenditures may vary from those estimates and the variations may be material. As replacement funds are needed to meet future costs for major repairs and replacements, the Association has the right to borrow, increase regular assessments, pass special assessments subject to owner approval or delay major repairs and replacements until funds are available.

NOTE 4: SUPPLEMENTAL ASSESSMENT

In 2024, the Association levied a supplemental assessment of \$3,900 per unit to fund various capital improvements. These assessments are expected to continue in 2025 for \$5,000 per unit.

See Independent Accountants' Review Report

SUPPLEMENTAL INFORMATION

BLUE HERON POINTE CONDOMINIUM ASSOCIATION
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2024

Association Dues	\$ 923,850
Supplemental Assessments (note 4)	546,000
Late Fee	3,711
Bank Fees Reimbursement	35
Interest	1,512
Insurance Claim	62,978
TOTAL REVENUES	<u>\$1,538,086</u>

See Independent Accountants' Review Report and accompanying notes

BLUE HERON POINTE CONDOMINIUM ASSOCIATION

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2024

ADMINISTRATIVE	
Legal Services	\$ 1,008
CPA Services	1,500
Management Fees	49,629
Holiday Decorations	3,660
Office Supplies	1,326
Other Administrative Services	893
Community Events	545
TOTAL ADMINISTRATIVE	<u>\$ 58,561</u>
BUILDING REPAIR AND MAINTENANCE	
Building Repair and Maintenance	\$ 16,485
Painting	123,200
Roof Repairs	9,480
Pest Control	5,682
Rubbish Removal	25,935
Concrete Repairs	298
Wood and Siding Repair	105,990
Other Repairs and Maintenance	22,670
TOTAL BUILDING REPAIR AND MAINTENANCE	<u>\$ 309,740</u>
INSURANCE	
Insurance Premiums	\$ 71,783
Workers Compensation	575
Insurance Claim	62,978
TOTAL INSURANCE	<u>\$ 135,336</u>
UTILITIES	
Electricity	\$ 23,244
TOTAL UTILITIES	<u>\$ 23,244</u>

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BLUE HERON POINTE CONDOMINIUM ASSOCIATION

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2024

continued from prior page

LANDSCAPING	
Grounds and Landscaping Contract	\$ 156,991
Irrigation System	34,357
Bed Care and Plantings	6,309
Lake, Pond and Fountain Maintenance	24,345
Landscape - Other	3,815
Mulch	66,475
Snow Removal	70,204
Tree Trimming	28,220
Tree Fertilization	1,995
Concrete - Reserve Expenditure	430,254
Street Signs - Reserve Expenditure	44,723
Equipment and Furniture - Reserve Expenditure	5,371
Gazebo - Reserve Expenditure	87,626
TOTAL LANDSCAPING	<u>\$ 960,685</u>
 TOTAL EXPENDITURES	 <u><u>\$ 1,487,566</u></u>

BLUE HERON POINTE CONDOMINIUM ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
DECEMBER 31, 2024
(UNAUDITED)

The Association had a replacement reserve study conducted by an engineering firm during 2021 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the repair/replacement. The following has been extracted or derived from the Association's replacement reserve study and presents significant information about the components of common property.

	Estimated First Year of Replacement	Life Analysis, Years		Total Future (25 yr) Costs of Replacement, \$
<u>Reserve Component Inventory</u>		Normal	Remaining	
<u>Building Components</u>				
Asphalt Roof Shingles+Gutters/Downspouts; Phased Replacement	2027	25	6	2,515,144
Exterior Light Fixtures; Replacement	2031	25	10	104,382
<u>Site Components</u>				
Concrete Guest Parking Spaces & Sidewalks (4"); Phased Partial Replacement	2026	40-50	5	50,440
Concrete Driveway Aprons (6"); Replacement	2022	45	1	869,316
Concrete Curbing; Phased Replacement	2025	40-50	4	606,777
Asphalt; Streets; Mill and 1 1/2" Overlay; Phased	2025	18	4	1,508,590
Asphalt; Pedestrian Pathway; Total Replacement	2031	22	10	57,426
Catch Basins; Capital Repairs @ 50% Cost Factor (Original)	2025	18	4	88,591
Catch Basins; Capital Repairs @ 50% Cost Factor (Newer)	2033	18	12	24,916
Pole Lights; Replacement	2046	25	25	77,246
Mail Stations (Metal); Replacement	2041	25	20	61,548
Wood Retaining Wall; Replacement	2024	25	3	21,388
Gazebo; Roof; Replacement	2023	25	2	11,149
Gazebo Area; Decks (Assume Composite Replacement): Replacement	2023	25	2	199,511
Boardwalk; Wood; Elevated; Replacement	2036	25	15	462,210
Wood Nature Directory Signs	2041	25	20	21,042
Wood Observation Deck; Replacement	2036	25	15	15,565
Leach Basins; Inspect and Repair	2031	5	10	33,019
Beach Drainage Remediation	2022	25	1	105,000
Docks; Phased Replacement	2030	25	9	365,443
Landscape; Annual Allowance	2022	N/A	1	1,093,777
Miscellaneous Capital Projects; Annual Allowance	2022	N/A	1	1,093,777
<u>Other Components</u>				
Reserve Study: Update (Guaranteed Update Price Years 1-5)	2026	5	5	13,078

See Independent Accountants' Review Report and accompanying notes