

**BLUE HERON POINTE  
CONDOMINIUM ASSOCIATION  
REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2021**

Michigan Community CPA  
4096 Bold Meadows  
Oakland Township, MI 48306

**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**

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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, 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*

April 8, 2022

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**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**

**BALANCE SHEET**

**DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS

Checking Account - Operating \$ 195,352

Money Market Account - Reserve 154,992

TOTAL CASH AND CASH EQUIVALENTS \$ 350,344

ACCOUNTS RECEIVABLE

Accounts Receivable \$ 1,030

TOTAL ACCOUNTS RECEIVABLE \$ 1,030

TOTAL CURRENT ASSETS \$ 351,374

TOTAL ASSETS \$ 351,374

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts Payable \$ 20,023

Prepaid Assessments 36,655

TOTAL CURRENT LIABILITIES \$ 56,678

TOTAL LIABILITIES \$ 56,678

MEMBERS' EQUITY \$ 294,696

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 351,374

See Independent Accountants' Review Report and accompanying notes

**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

REVENUES	<u>\$ 870,623</u>
EXPENDITURES	
Administrative	\$ 56,139
Building Repair and Maintenance	61,419
Insurance	62,710
Utilities	18,800
Grounds Maintenance	<u>595,002</u>
TOTAL EXPENDITURES	<u>\$ 794,070</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 76,553</u>
MEMBERS' EQUITY - Beginning	<u>\$ 218,143</u>
MEMBERS' EQUITY - Ending	<u>\$ 294,696</u>

See Independent Accountants' Review Report and accompanying notes

**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash flows from operating activities:

Net excess of revenues (expenditures) \$ 76,553

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

(Increase) decrease in:

Accounts Receivable 6,450

Increase (decrease) in:

Accounts Payable 13,116

Prepaid Assessments 4,263

Net cash provided (used) by operating activities \$ 100,382

Cash flows from investing activities: -

Cash flows from financing activities: -

Net increase (decrease) in cash \$ 100,382

Cash, beginning of year \$ 249,962

Cash, end of year \$ 350,344

See Independent Accountants' Review Report and accompanying notes

## **BLUE HERON POINTE CONDOMINIUM ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

#### **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 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 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.

See Independent Accountants' Review Report

SUPPLEMENTAL INFORMATION



**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**  
**SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Association Fees	\$ 798,000
Late Fee	560
Interest	421
Insurance Proceeds	19,181
Cement Project - Co-Owner Responsibility	52,361
Miscellaneous	100
TOTAL REVENUES	<u>\$ 870,623</u>

See Independent Accountants' Review Report and accompanying notes

**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**

**SCHEDULE OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

ADMINISTRATIVE	
Management Fee	\$ 44,934
Administrative	4,528
CPA Services	750
Internet Services	2,044
Bad Debt	160
Web Site Operation	492
Reserve Study - Reserve	2,840
Social - Miscellaneous	391
TOTAL ADMINISTRATIVE	<u>\$ 56,139</u>
BUILDING REPAIR AND MAINTENANCE	
Drywall Repairs	\$ 1,480
Electrical Repairs	1,186
Foundation Drainage	3,355
Siding and Trim	2,042
Painting	(919)
Roofs and Gutters	20,815
Pest Control	8,782
Rubbish Removal	23,985
Miscellaneous - Building	693
TOTAL BUILDING REPAIR AND MAINTENANCE	<u>\$ 61,419</u>
INSURANCE	
Insurance	\$ 43,614
Insurance Claims Expense	19,096
TOTAL INSURANCE	<u>\$ 62,710</u>
UTILITIES	
Electricity	\$ 18,800
TOTAL UTILITIES	<u>\$ 18,800</u>

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**BLUE HERON POINTE CONDOMINIUM ASSOCIATION**

**SCHEDULE OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

GROUPS MAINTENANCE	
Beach and Rock Bed Maintenance	\$ 17,989
Bed Care Tree, Shrub and Flower	26,000
Docks, Gazebo, and Walkway	7,464
Docks/Gazebo - Reserve	8,216
Exterior Lighting - Reserve	700
Flower Installation	5,728
Fountain Maintenance	17,539
Holiday Decorations	8,144
Irrigation System	21,821
Lake Treatments	7,850
Leach and Catch Basin Maintenance	153
Lake Dredging	10,025
Lawn Fertilization	23,740
Lawn Maintenance	37,595
Miscellaneous	85
Miscellaneous Grounds	10,812
Mulch	8,100
Plumbing and Sewer Maintenance	2,940
Roads, Drives and Walkways	16,238
Roads, Drives and Walkways - Reserve	185,771
Shrub Trimming	19,212
Sign Maintenance	88
Snow Removal	70,160
Spring and Fall Clean Up	11,028
Sundry/Unforeseen Project	12,004
Tree and Shrub Fertilization	15,035
Tree/Shrub Replacements - Reserve	6,436
Tree Trimming	17,270
Tree/Shrub Replacements	26,859
TOTAL GROUNDS MAINTENANCE	<u>\$ 595,002</u>
TOTAL EXPENDITURES	<u><u>\$ 794,070</u></u>

See Independent Accountants' Review Report and accompanying notes