

**THE MEADOWS CONDOMINIUM  
HOMEOWNERS ASSOCIATION**

**REPORT FOR THE YEAR ENDED**

**DECEMBER 31, 2024**

Michigan Community CPA  
4096 Bold Meadows  
Oakland Township, MI 48306

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

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**DECEMBER 31, 2024**

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## Independent Accountants' Review Report

To the Board of Directors and Members  
The Meadows Condominium Homeowners Association

We have reviewed the accompanying financial statements of The Meadows Condominium Homeowners 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 require that supplementary 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*

April 3, 2025

4096 Bold Meadows □ Oakland Township, Michigan 48306 □ 248.505.7500

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**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

**BALANCE SHEET**

**DECEMBER 31, 2024**

ASSETS

Checking Account - Operating	\$ 89,728
Savings Account - Operating	26
Money Market Accounts - Reserve	141,537
Certificates of Deposit - Reserve	459,549
Savings Account - Reserve	9
Accounts Receivable	415
Prepaid Insurance	33,467
TOTAL ASSETS	<u>\$ 724,731</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Prepaid Assessments	\$ 34,959
TOTAL LIABILITIES	<u>\$ 34,959</u>

MEMBERS' EQUITY	<u>\$ 689,772</u>
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TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 724,731</u>
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See Independent Accountants' Review Report and accompanying notes

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

REVENUES	<u>\$ 587,366</u>
EXPENDITURES	
Administrative	\$ 53,770
Building Maintenance	94,946
Grounds Maintenance	26,680
Insurance	40,211
Utilities	<u>289,654</u>
TOTAL EXPENDITURES	<u>\$ 505,261</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 82,105</u>
MEMBERS' EQUITY - Beginning	<u>\$ 607,667</u>
MEMBERS' EQUITY - Ending	<u><u>\$ 689,772</u></u>

See Independent Accountants' Review Report and accompanying notes

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash flows from operating activities:

Net excess of revenues (expenditures) \$ 82,105

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

(Increase) decrease in:

Accounts Receivable 100  
Prepaid Insurance (33,467)

Increase (decrease) in:

Accounts Payable (2,861)  
Prepaid Assessments 7,855

Net cash provided (used) by operating activities \$ 53,732

Cash flows from investing activities: -

Cash flows from financing activities: -

Net increase (decrease) in cash \$ 53,732

Cash, beginning of year \$ 637,117

Cash, end of year \$ 690,849

See Independent Accountants' Review Report and accompanying notes

# **THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

### **NOTE 1: NATURE OF ORGANIZATION**

The Meadows Condominium Homeowners 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 147 residential units and is located in Marion Township, 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 a savings and money market account. In 2024, 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. The 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.

The combined balance in the checking, savings, and money market accounts exceed the Federal Deposit Insurance Corporation's insured limitations. The Association believes it is not exposed to significant credit risk in this matter.

See Independent Accountants' Review Report

SUPPLEMENTAL INFORMATION

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

**SCHEDULE OF REVENUES**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

Association Fee	\$ 564,480
Working Capital Contribution - New Closings	3,500
Interest	17,561
Late Fees	925
Bank Fees Reimbursement	25
Expense Reimbursement	1,024
Other	(400)
Miscellaneous	251
TOTAL REVENUES	<u>\$ 587,366</u>

See Independent Accountants' Review Report and accompanying notes

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**

**SCHEDULE OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

ADMINISTRATIVE	
CPA Services	\$ 800
Legal Fees - Association	533
Bylaws Revision - Reserve	10,869
Reserve Study - Reserve	4,550
Coupons	140
Licenses and Permits	20
Management Fees	33,478
Miscellaneous Administration	1,547
Miscellaneous Management	885
Taxes	492
Postage and Delivery	334
Print and Reproduction	122
TOTAL ADMINISTRATIVE	<u>\$ 53,770</u>
BUILDING MAINTENANCE	
Building	\$ 36,266
Garage and Carport Repairs	1,846
Gutters	17,285
Plumbing	225
Roof	1,800
Decks, Balconies and Walls - Reserve	4,450
Roof - Reserve	33,074
TOTAL BUILDING MAINTENANCE	<u>\$ 94,946</u>
INSURANCE	
Property and Liability	\$ 26,130
Workers Compensation	550
TOTAL INSURANCE	<u>\$ 26,680</u>
UTILITIES	
Electricity	\$ 292
Trash Removal	22,782
Water and Sewer	17,137
TOTAL UTILITIES	<u>\$ 40,211</u>

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**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**  
**SCHEDULE OF EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

*continued from previous page*

GROUPS MAINTENANCE	
Concrete	\$ 52,525
Asphalt Maintenance	1,275
Drainage	4,515
Grounds	34,135
Irrigation - Repairs	24,325
Lawn Care	80,426
Pest Control	1,271
Snow Removal	84,653
Tree and Shrub	<u>6,529</u>
TOTAL GROUNDS MAINTENANCE	<u>\$ 289,654</u>
TOTAL EXPENDITURES	<u><u>\$ 505,261</u></u>

See Independent Accountants' Review Report and accompanying notes

**THE MEADOWS CONDOMINIUM HOMEOWNERS ASSOCIATION**  
**SUPPLEMENTARY INFORMATION ON FUTURE MAJOR**  
**REPAIRS AND REPLACEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(COMPILED)**

The Association had a replacement reserve study conducted by an engineering firm during 2024 to estimate the remaining useful lives and the replacement costs, over the next 30 years, 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 study. The following has been extracted or derived from the Association's replacement reserve study and presents significant information about the components of common property. Since the reserve study was prepared, the Association has spent some funds on some of the items listed below.

<b><u>Reserve Component Inventory</u></b>	Estimated 1st Year of Replacement	Life Analysis, Years		Total Future (30 yr) Costs of Replacement, \$
		Useful	Remaining	
<b><u>Exterior Building Elements</u></b>				
Decks, Wood, Replacement, Remaining, Phased (Replace with Composite)	2026	15 to 25	2 to 11	1,016,077
Doors, Garage, 2002-2006 Construction, Phased	2027	to 25	3 to 4	557,453
Doors, Garage, 2010-2015 Construction, Phased	2034	to 25	10 to 12	105,533
Gutters and Downspouts, Aluminum, 2002-2006 Construction, Phased	2027	15 to 25	3 to 7	294,587
Gutters and Downspouts, Aluminum, 2010-2015 Construction, Phased	2035	15 to 25	11 to 15	58,036
Roofs, Asphalt Shingles, 2002-2006 Construction, Phased	2034	15 to 20	10 to 19	1,808,306
Roofs, Asphalt Shingles, 2010-2015 Construction, Phased	2027	15 to 20	3 to 9	1,513,892
Shutters, Vinyl, 2002-2006 Construction	2042	to 20	18	12,916
Walls, Siding, Vinyl, 2002-2006 Construction, Phased	2037	to 40	13 to 17	1,658,166
Walls, Siding, Vinyl, 2010-2015 Construction, Phased	2045	to 40	21 to 24	1,048,553
<b><u>Property Site Elements</u></b>				
Asphalt Pavement, Mill and Overlay, Streets	2033	15 to 20	9	233,614
Asphalt Pavement, Total Replacement, Streets	2053	15 to 20	29	835,565
Catch Basins, Inspections and Capital Repairs	2033	15 to 20	9	144,618
Concrete Flatwork, Partial	2025	to 65	1 to 1	2,322,220
Irrigation System, Phased	2042	to 40+	18 to 22	383,443
Signage, Renovation	2044	15 to 20	20	19,143
2024 Reserve Expenditures	2024	N/A	0	13,000
Reserve Study Update with Site Visit	2027	to 3	3	5,050

See Independent Accountants' Review Report and accompanying notes