

**RAINTREE VILLAGE  
HOMEOWNERS ASSOCIATION  
REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2018**

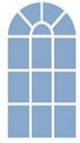
Michigan Community CPA  
4096 Bold Meadows  
Oakland Township, MI 48306  
*Thomas McMillin, CPA*

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**

**TABLE OF CONTENTS**

**DECEMBER 31, 2018**

	<u>Page</u>
Independent Accounts' 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



**Independent Accountants' Review Report**

To the Board of Directors and Members  
Raintree Village Homeowners Association

We have reviewed the accompanying financial statements of Raintree Village Homeowners Association, which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, 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.

**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***

*Oakland Township, Michigan*  
March 20, 2019

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**

**BALANCE SHEET**  
**DECEMBER 31, 2018**

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS

Checking Account

\$ 40,138

TOTAL CASH AND CASH EQUIVALENTS

\$ 40,138

ACCOUNTS RECEIVABLE

Accounts Receivable

\$ 1,547

TOTAL ACCOUNTS RECEIVABLE

\$ 1,547

PREPAID EXPENSES

Prepaid Expenses

\$ 10,076

TOTAL PREPAID EXPENSES

\$ 10,076

TOTAL CURRENT ASSETS

\$ 51,761

TOTAL ASSETS

\$ 51,761

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Prepaid Assessments

\$ 1,088

TOTAL CURRENT LIABILITIES

\$ 1,088

TOTAL LIABILITIES

\$ 1,088

MEMBERS' EQUITY

\$ 50,673

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 51,761

See Independent Accountants' Review Report and accompanying notes

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUES	<u>\$ 31,756</u>
EXPENDITURES	
Administrative	\$ 3,400
Maintenance and Repairs	11,591
Insurance	<u>4,039</u>
TOTAL EXPENDITURES	<u>\$ 19,030</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ 12,726</u></u>
MEMBERS' EQUITY - Beginning	<u>\$ 37,947</u>
MEMBERS' EQUITY - Ending	<u><u>\$ 50,673</u></u>

See Independent Accountants' Review Report and accompanying notes

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash flows from operating activities:

Net excess of revenues (expenditures) \$ 12,726

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

(Increase) decrease in:

Accounts Receivable 810

Prepaid Expenses (10,060)

Increase (decrease) in:

Accounts Payable (2,847)

Prepaid Assessments 408

Net cash provided (used) by operating activities \$ 1,037

Cash flows from investing activities: -

Cash flows from financing activities: -

Net increase (decrease) in cash \$ 1,037

Cash, beginning of year \$ 39,101

Cash, end of year \$ 40,138

See Independent Accountants' Review Report and accompanying notes

## **RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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

Raintree Village Homeowners Association (the "Association") is an 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 810 lots located in Troy, Michigan.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Member Assessments**

Association members are subject to annual 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 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 puts aside funds for future repairs and replacements. 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 or may not need to borrow, increase maintenance assessments or delay repairs and replacements until funds are available.

SUPPLEMENTAL INFORMATION

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**  
**SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Association Dues	\$ 21,870
Mondrian Detention Pond Repair	9,610
Register of Deeds Fee	30
Filing Fee	90
Serving Fee	156
TOTAL REVENUES	<u>\$ 31,756</u>

See Independent Accountants' Review Report and accompanying notes

**RAINTREE VILLAGE HOMEOWNERS ASSOCIATION**

**SCHEDULE OF EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

ADMINISTRATIVE	
Office - Supplies	\$ 9
Small Claims Court Fees	246
Oakland County Register of Deeds	45
CPA Services	750
Legal Fees	510
Licenses and Permits	45
Postage and Delivery	485
Printing and Reproduction	608
Room Rental	240
Voicemail	190
Website	76
Halloween Warming Houses	180
Meals and Entertainment	16
TOTAL ADMINISTRATIVE	<u>\$ 3,400</u>
MAINTENANCE AND REPAIRS	
Bishop & Millay Traffic Island	\$ 127
Bishop Entrance Sign Allowance	27
Lawn Maintenance	8,084
Pond	100
Snow Removal	480
Tree Service	1,005
Weed Control	1,470
Parks and Grounds - Other	298
TOTAL MAINTENANCE AND REPAIRS	<u>\$ 11,591</u>
INSURANCE	
Insurance	<u>\$ 4,039</u>
TOTAL INSURANCE	<u>\$ 4,039</u>
TOTAL EXPENDITURES	<u><u>\$ 19,030</u></u>

See Independent Accountants' Review Report and accompanying notes