

**BLOOMFIELD CONCORD
CONDOMINIUM ASSOCIATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023 AND 2022**

**BLOOMFIELD CONCORD
CONDOMINIUM ASSOCIATION**

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and Supplementary Information

December 31, 2023 and 2022

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PORVIN, BURNSTEIN & GARELIK, P.L.L.C.

Certified Public Accountants

34405 W. Twelve Mile Road, Suite 325
Farmington Hills, Michigan 48331
(248) 306-5200 FAX (248) 306-5211

Lawrence H. Porvin, CPA
Lawrence E. Burnstein, CPA, MST
Bruce Y. Garelik, CPA, MST

Jeff Oerline, CPA
Joanne R. Kallabat, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
Bloomfield Hills, Michigan

We have reviewed the accompanying financial statements of BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION (a Michigan Corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in fund balances – common elements; apartment elements; townhouse elements and statements of cash flows for the years 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 entity 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.

Accountants' 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 Bloomfield Concord Condominium Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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 conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The statements of direct operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The supplementary information has been subjected to the review procedures applied in our 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

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement basic financial statements. Such missing information, although not a part of the basis 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 financials in an appropriate operational, economic, or historical context.

Porvin, Burnstein & Garelik, P.L.L.C.

Farmington Hills, Michigan
March 8, 2024

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
BALANCE SHEET
(Unaudited)
December 31, 2023 and 2022

ASSETS

	DECEMBER 31,			
	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
ASSETS				
Cash	\$ 3,222	\$ 42,204	\$ 45,426	\$ 16,756
Prepaid Expenses	<u>3,781</u>	<u>-</u>	<u>3,781</u>	<u>5,755</u>
TOTAL ASSETS	<u>\$ 7,003</u>	<u>\$ 42,204</u>	<u>\$ 49,207</u>	<u>\$ 22,511</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 9,818	\$ -	\$ 9,818	\$ 7,362
TOTAL LIABILITIES	<u>\$ 9,818</u>	<u>\$ -</u>	<u>\$ 9,818</u>	<u>\$ 7,362</u>

MEMBERS' EQUITY

Common Elements	-appropriated fund balance	-	12,991	12,991	4,333
	-accumulated fund balance	17,380	-	17,380	34,659
Apartment Elements	-appropriated fund balance	-	29,213	29,213	8,365
	-accumulated fund deficit	<u>(20,195)</u>	<u>-</u>	<u>(20,195)</u>	<u>(32,208)</u>

TOTAL MEMBERS' EQUITY	<u>(2,815)</u>	<u>42,204</u>	<u>39,389</u>	<u>15,149</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 7,003</u>	<u>\$ 42,204</u>	<u>\$ 49,207</u>	<u>\$ 22,511</u>

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - COMMON ELEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
MEMBERS' MONTHLY ASSESSMENTS				
Members' Assessments	\$ 165,600	\$ -	\$ 165,600	\$ 144,000
TOTAL MEMBERS' MONTHLY ASSESSMENTS	<u>165,600</u>	<u>-</u>	<u>165,600</u>	<u>144,000</u>
FINANCIAL INCOME - INTEREST	<u>-</u>	<u>68</u>	<u>68</u>	<u>151</u>
OTHER INCOME:				
Late Charges	780	-	780	845
Fines	<u>-</u>	<u>-</u>	<u>-</u>	<u>665</u>
TOTAL OTHER INCOME	780	-	780	1,510
INCOME AVAILABLE FOR OPERATIONS	166,380	68	166,448	145,661
DIRECT OPERATING EXPENSES	<u>154,245</u>	<u>-</u>	<u>154,245</u>	<u>150,405</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	12,135	68	12,203	(4,744)
FUND TRANSFERS	(29,414)	8,590	(20,824)	-
FUND BALANCE - BEGINNING OF THE YEAR	<u>34,659</u>	<u>4,333</u>	<u>38,992</u>	<u>43,736</u>
FUND BALANCE - END OF THE YEAR	<u>\$ 17,380</u>	<u>\$ 12,991</u>	<u>\$ 30,371</u>	<u>\$ 38,992</u>

See Independent Accounts Review Report and accompanying Notes to the Financial Statements

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - APARTMENT ELEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
MEMBERS' ASSESSMENTS:				
Member's monthly assessments	\$ 24,000	\$ -	\$ 24,000	\$ 24,000
TOTAL MEMBERS' ASSESSMENTS	24,000	-	24,000	24,000
FINANCIAL INCOME - INTEREST	-	24	24	54
OTHER INCOME:				
Laundry Income	3,341	-	3,341	3,341
INCOME AVAILABLE FOR OPERATIONS	27,341	24	27,365	27,395
DIRECT OPERATING EXPENSES	15,328	-	15,328	12,593
EXCESS OF REVENUES OVER EXPENSES	12,013	24	12,037	14,802
FUND TRANSFERS	-	20,824	20,824	12,001
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR	(32,208)	8,365	(23,843)	(50,646)
FUND BALANCE (DEFICIT) - END OF THE YEAR	\$ (20,195)	\$ 29,213	\$ 9,018	\$ (23,843)

See Independent Accounts Review Report and accompanying Notes to the Financial Statements

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - TOWNHOUSE ELEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
MEMBERS' ASSESSMENTS:				
Member's monthly assessments	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>108</u>
INCOME AVAILABLE FOR OPERATIONS	-	-	-	108
DIRECT OPERATING EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	-	-	-	108
FUND TRANSFERS	-	-	-	(12,001)
FUND BALANCE - BEGINNING OF THE YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,893</u>
FUND BALANCE - END OF THE YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF CASH FLOWS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 24,148	\$ 92	\$ 24,240	\$ 10,166
Adjustments to reconcile the excess revenues over expenses to net cash provided of (used) by operating activities:				
(Increase) decrease in:				
Accounts receivable	-	-	-	139,328
Other current assets	1,974	-	1,974	1,434
Increase (decrease) in:				
Accounts payable	<u>2,456</u>	<u>-</u>	<u>2,456</u>	<u>(228,550)</u>
Total adjustments	<u>4,430</u>	<u>-</u>	<u>4,430</u>	<u>(87,788)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	28,578	92	28,670	(77,622)
FUND TRANSFERS	(29,414)	29,414	-	-
CASH AT BEGINNING OF YEAR	<u>4,058</u>	<u>12,698</u>	<u>16,756</u>	<u>94,378</u>
CASH AT END OF YEAR	<u>\$ 3,222</u>	<u>\$ 42,204</u>	<u>\$ 45,426</u>	<u>\$ 16,756</u>

See Independent Accounts Review Report and accompanying Notes to the Financial Statements

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

NOTE A – NATURE OF ORGANIZATION

The Association was incorporated in the State of Michigan on July 25, 1978. The Association is responsible for the operation and maintenance of the common property of the condominium project. The Association consists of 20 town house units and 40 apartment units located in Bloomfield Hills, Michigan.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Accounting

The Association prepares its year-end financial statements on the accrual basis and presents them as separate funds based on its different funding policies for operations and replacement expenditures.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designed for future major repairs and replacements.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of members whose assessments are thirty days or more delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year. The budget for the subsequent fiscal year provides for a change in the individual member's monthly assessments.

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 (Unaudited)
 For the years ended December 31, 2023 and 2022

Income Taxes

The Association is classified as a nonexempt membership organization for both federal and state income tax purposes for the years ended December 31, 2023 and 2022. It does not qualify as an exempt organization. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership transactions, non-membership transactions, and capital transactions.

For federal tax purposes, the Association is taxed on all net income from non-membership activities reduced only by losses from non-membership activities for which a profit motive exists. Non-membership income may not be offset by membership losses, and any net membership losses may only be carried forward to offset membership income of future tax periods. Any net membership income not applied to the subsequent year is subject to taxation. The Association files form 1120, which has a tax rate of 21%. The Association has a net operating loss scheduled as follows:

12/31/04	\$ 783
12/31/05	1,453
12/31/07	958
12/31/12	207
12/31/15	915
12/31/16	973
12/31/17	1,202
12/31/18	960
12/31/19	543
12/31/20	817
12/31/21	1,070
12/31/22	1,618
12/31/23	<u>1,517</u>
	<u>\$ 13,016</u>

For state tax purposes, the Association is under the taxable limit to qualify to file a tax return.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title at cost.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

NOTE C – FUNDED RESERVES

The Association sets aside funds in order to meet future cash requirements. The Condominium Law of Michigan requires that an adequate reserve fund for maintenance, repairs and replacements of those common elements that must be replaced on a periodic basis must be established in the budget and must be funded at least annually from the proceeds of the regular monthly assessments. Further, the reserve fund shall, at a minimum, be equal to the (10) percent of the Association’s current annual budget on a non-cumulative basis. The common elements fund and the apartment elements fund were above the minimum standard as of December 31, 2023 and 2022.

The funds contained in the reserve fund should only be used for major repairs and replacement of common elements. The Association has not made a study of future years’ funding requirements for major element repairs and replacements. Subsequent expenditures may vary from the reserve fund balance and the variations may be material. The fund activity is summarized on pages 11 and 12. The funds are invested as follows:

TYPE OF DEPOSIT	MATURITY DATE	INTEREST RATE	AMOUNT
Money Market – First Citizens Bank --Apartment Element	-	N/A	\$ 29,213
Money Market – First Citizens Bank --Common Element	-	N/A	<u>12,991</u>
			<u>\$ 42,204</u>

* Variable interest rate is as of December 31, 2023

NOTE D – SUBSEQUENT EVENTS

Management has considered all transactions through the date of the Independent Accountants Review Report as to the potential impact on these Financial Statements.

SUPPLEMENTARY INFORMATION

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF DIRECT OPERATING EXPENSES - COMMON ELEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
ADMINISTRATIVE EXPENSES:				
Management Fees	\$ 6,891	\$ -	\$ 6,891	\$ 6,690
Legal & Accounting	4,152	-	4,152	7,239
Miscellaneous	1,806	-	1,806	2,039
TOTAL ADMINISTRATIVE EXPENSES	<u>12,849</u>	<u>-</u>	<u>12,849</u>	<u>15,968</u>
OPERATING EXPENSES:				
Outdoor Public Lighting	1,938	-	1,938	1,797
Water and Sewer	37,561	-	37,561	42,985
Rubbish Removal	12,009	-	12,009	7,767
TOTAL OPERATING EXPENSES	<u>51,508</u>	<u>-</u>	<u>51,508</u>	<u>52,549</u>
MAINTENANCE, REPAIRS EXPENSES:				
Building Repairs and Maintenance	1,415	-	1,415	567
Carports	2,000	-	2,000	5,705
Windows and Doors	1,050	-	1,050	1,050
Roofs and Gutters Repairs and Maintenance	1,800	-	1,800	1,575
Snow Removal	10,589	-	10,589	10,637
Lawn Care and Landscaping	15,426	-	15,426	15,684
Shrub/Bed Maintenance	14,348	-	14,348	4,806
Irrigation	3,165	-	3,165	2,345
Other Grounds	3,750	-	3,750	5,997
Painting	7,262	-	7,262	11,901
Plumbing & Sewer Repairs	9,643	-	9,643	4,214
Road Administration	-	-	-	(789)
Miscellaneous	3,154	-	3,154	2,657
TOTAL MAINTENANCE, REPAIRS EXPENSES	<u>73,602</u>	<u>-</u>	<u>73,602</u>	<u>66,349</u>
INSURANCE EXPENSES:				
Property and Liability Insurance	16,286	-	16,286	15,539
TOTAL INSURANCE AND INTEREST EXPENSES	<u>16,286</u>	<u>-</u>	<u>16,286</u>	<u>15,539</u>
TOTAL DIRECT OPERATING EXPENSES	<u>\$ 154,245</u>	<u>\$ -</u>	<u>\$ 154,245</u>	<u>\$ 150,405</u>

See Independent Accounts Review Report and accompanying Notes to the Financial Statements

BLOOMFIELD CONCORD CONDOMINIUM ASSOCIATION
STATEMENT OF DIRECT OPERATING EXPENSES - APARTMENT ELEMENTS
(Unaudited)
For the years ended December 31, 2023 and 2022

	2023			2022
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL
OPERATING EXPENSES:				
Electricity	\$ 3,626	\$ -	\$ 3,626	\$ 3,599
Gas	2,336	-	2,336	2,021
TOTAL OPERATING EXPENSES	<u>5,962</u>	<u>-</u>	<u>5,962</u>	<u>5,620</u>
MAINTENANCE, REPAIRS EXPENSES:				
General Maintenance	432	-	432	123
Windows/Doors	134	-	134	354
Janitorial Supply Equipment	4,518	-	4,518	5,473
Building Maintenance	2,075	-	2,075	769
Plumbing	2,057	-	2,057	254
Carpet Cleaning	150	-	150	-
TOTAL MAINTENANCE, REPAIRS EXPENSES	<u>9,366</u>	<u>-</u>	<u>9,366</u>	<u>6,973</u>
TOTAL DIRECT OPERATING EXPENSES	<u>\$ 15,328</u>	<u>\$ -</u>	<u>\$ 15,328</u>	<u>\$ 12,593</u>