

FARMINGTON SQUARE CONDO ASSOCIATION
FARMINGTON HILLS, MICHIGAN

FINANCIAL STATEMENTS
CASH BASIS
YEAR ENDED DECEMBER 31, 2024

Prepared By:

Jerrold M. Helfman
Accountant
2127 Meyer Ct.
Lincoln Park, MI 48146
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FARMINGTON SQUARE CONDO ASSOCIATION
FARMINGTON HILLS, MICHIGAN

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THE CHADWICK GROUP, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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(INDEPENDENT) ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Farmington Square Condo Association
Farmington Hills, Michigan 48334

I have compiled the accompanying statement of Assets, Liabilities and Members Equity--Cash Basis, of FARMINGTON SQUARE CONDO ASSOCIATION (a Michigan Corporation) as of December 31, 2024, and the related Statement of Revenue and Expenses--Cash Basis, for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

THE CHADWICK GROUP, P.C.
Certified Public Accountants

February 3, 2025

FARMINGTON SQUARE CONDO ASSOCIATION
FARMINGTON HILLS, MICHIGAN

STATEMENT OF
ASSETS, LIABILITIES AND MEMBERS' EQUITY
CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Checking Account	\$ 70,523.98
Savings Account	<u>215,375.03</u>

TOTAL CURRENT ASSETS	<u>\$ 285,899.01</u>
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TOTAL ASSETS	<u><u>\$ 285,899.01</u></u>
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LIABILITIES AND MEMBERS' EQUITY

<u>MEMBERS' EQUITY</u>	<u>\$ 285,899.01</u>
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TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 285,899.01</u></u>
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No CPA provides any assurance on the Financial Statements

FARMINGTON SQUARE CONDO ASSOCIATION
FARMINGTON HILLS, MICHIGAN

STATEMENT OF REVENUE AND EXPENSES
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31 2024

	<u>AMOUNT</u>	<u>PERCENT</u>
<u>REVENUES</u>		
Member Assessments	\$ 357,389.33	99.79 %
Interest Income	<u>747.54</u>	<u>.21</u>
TOTAL REVENUE	<u>\$ 358,136.87</u>	<u>100.00 %</u>
<u>EXPENSES</u>		
Corporation Information Update	\$ 25.00	.01 %
Bank Charges	80.00	.03
Insurance	35,133.55	9.81
Landscape Maintenance	21,829.00	6.10
Office and Admin Expenses	4,841.09	1.35
Management Fee	19,560.00	5.46
Professional Fees - Net	1,181.00	.33
Repairs and Replacements - Net	104,546.24	29.19
Rubbish	19,467.36	5.44
Telephone	16,245.16	4.54
Utilities	9,788.82	2.73
Water and Sewer	<u>86,102.22</u>	<u>24.03</u>
TOTAL EXPENSES	<u>\$ 318,799.44</u>	<u>89.02 %</u>
Excess of Revenues over Expenses	\$ 39,337.43	<u>10.98 %</u>
Members' Equity - January 1, 2024	<u>246,561.58</u>	
Members' Equity-December 31, 2024	<u>\$ 285,899.01</u>	

No CPA provides any assurance on the Financial Statements

FARMINGTON SQUARE CONDO ASSOCIATION
FARMINGTON HILLS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2024

1. **ORGANIZATION**

The Farmington Square Condo Association is a Michigan non-profit corporation organized for the purposes of maintaining and preserving the common property of the Farmington Square Condo Association in the City of Farmington Hills, Oakland County, Michigan. The Association began its operations in January, 1979.

2. **SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting: The Association maintains the cash basis of accounting for financial reporting and preparing tax returns. Financial statements prepared on this basis of accounting are not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

Federal and State Income Taxes: The Association elects to file as a Homeowners' Association in accordance with Internal Revenue Code Section 528. Accordingly, the Association reports on Form 1120-H for the year ending December 31, 2024. The Association is exempt from the Michigan Business tax under Code Section 528.

3. **RESERVE FUND**

The Association's governing documents require that funds of the current operating budget, be accumulated for future major repairs and replacements. The reserve fund consists of the appropriated portions of cash owned by the association, and is generally not available for normal operations. A review of future major repairs and replacements should be made by the Board of Directors annually. Actual variations may vary from the estimated future expenditures and the variations may be material. Therefore, the amounts accumulated in the Reserve Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Currently, the Association has Reserve Funds available for future major repairs and replacements totalling \$285,899.01, which is equal to 80% of the operating budget.

COPY

Form 1120-H

U.S. Income Tax Return
for Homeowners Associations

OMB No. 1545-0123

2024

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form1120H for instructions and the latest information.

For calendar year 2024 or tax year beginning , 2024, and ending , 20

TYPE OR PRINT	Name FARMINGTON SQUARE CONDO ASSN C/O PROPERTY MGMT BY DESIGN LLC	Employer identification number 38-2313152
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 102	Date association formed 01/09/1979
	City or town, state or province, country, and ZIP or foreign postal code BIRMINGHAM, MI 48012	

Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return

A Check type of homeowners association: ☒ Condominium management association ☐ Residential real estate association ☐ Timeshare association

B	Total exempt function income. Must meet 60% gross income test. See instructions	B	357389
C	Total expenditures made for purposes described in 90% expenditure test. See instructions	C	318100
D	Association's total expenditures for the tax year. See instructions	D	
E	Tax-exempt interest received or accrued during the tax year	E	

Gross Income (excluding exempt function income)

1	Dividends	1	
2	Taxable interest	2	748
3	Gross rents	3	
4	Gross royalties	4	
5	Capital gain net income (attach Schedule D (Form 1120))	5	
6	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
7	Other income (excluding exempt function income) (attach statement)	7	
8	Gross income (excluding exempt function income). Add lines 1 through 7	8	748

Deductions (directly connected to the production of gross income, excluding exempt function income)

9	Salaries and wages	9	
10	Repairs and maintenance	10	
11	Rents	11	
12	Taxes and licenses	12	
13	Interest	13	
14	Depreciation (attach Form 4562)	14	
15	Other deductions (attach statement) ADMINISTRATIVE COSTS	15	700
16	Total deductions. Add lines 9 through 15	16	700
17	Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	48
18	Specific deduction of \$100	18	\$100

Tax and Payments

19	Taxable income. Subtract line 18 from line 17	19	0
20	Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0
21	Tax credits (see instructions)	21	
22	Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0
23a	Preceding year's overpayment credited to the current year	23a	
b	Current year's estimated tax payments	23b	
c	Tax deposited with Form 7004	23c	
d	Credit for tax paid on undistributed capital gains (attach Form 2439)	23d	
e	Credit for federal tax paid on fuels (attach Form 4136)	23e	
f	Elective payment election amount from Form 3800	23f	
g	Total payments and credits. Combine lines 23a through 23f	23g	
24	Amount owed. Subtract line 23g from line 22. See instructions	24	0
25	Overpayment. Subtract line 22 from line 23g	25	
26	Enter amount of line 25 you want: Credited to 2025 estimated tax Refunded	26	

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer
Jerrold M. Helfman

Date
4/14/25

AS AGENT

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid
Preparer
Use Only

Print/Type preparer's name
JERROLD M. HELFMAN

Preparer's signature

Date

Check ☐ if self-employed

PTIN
P00002230

Firm's name THE CHADWICK GROUP, P.C.

Firm's EIN 81-0575458

Firm's address 344 S. BROADWAY, LAKE ORION, MI

Phone no. 248-693-8600

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11477H

Form 1120-H (2024)