

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION

REPORT FOR THE YEAR ENDED

DECEMBER 31, 2025

Michigan Community CPA
4096 Bold Meadows
Oakland Township, MI 48306

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION

TABLE OF CONTENTS

DECEMBER 31, 2025

	<u>Page</u>
Independent Accountants' 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	8-9
Supplementary information on future major repairs and replacements	10-11



MICHIGAN COMMUNITY CPA

CPA services for Condominium & Homeowner Associations

Thomas McMillin, CPA

Independent Accountants' Review Report

To the Board of Directors and Members
Farmington Square Condominium Association

We have reviewed the accompanying financial statements of Farmington Square Condominium Association, which comprise the balance sheet as of December 31, 2025, 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 of America require that the information about future major repairs and replacements of common property on pages 10 and 11 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

May 13, 2026

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2025

ASSETS

Checking Account - Operating	\$ 34,181
Money Market Account - Reserve	94,360
Certificate of Deposit - Reserve	150,893
Accounts Receivable	111,436
Allowance for Doubtful Accounts	(40,000)
Refundable Deposits	1,029
TOTAL ASSETS	<u>\$ 351,899</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Prepaid Assessments	<u>\$ 17,900</u>
TOTAL LIABILITIES	<u>\$ 17,900</u>

MEMBERS' EQUITY	<u>\$ 333,999</u>
-----------------	-------------------

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 351,899</u>
---------------------------------------	-------------------

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

REVENUES	<u>\$ 364,734</u>
EXPENDITURES	
Administrative	\$ 89,528
Building Maintenance	86,590
Grounds Maintenance	62,109
Utilities	132,696
Insurance	<u>35,256</u>
TOTAL EXPENDITURES	<u>\$ 406,179</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (41,445)</u>
MEMBERS' EQUITY - Beginning	<u>\$ 375,444</u>
MEMBERS' EQUITY - Ending	<u>\$ 333,999</u>

See Independent Accountants' Review Report and accompanying notes

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities:

Net excess of revenues (expenditures)	\$ (41,445)
---------------------------------------	-------------

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

(Increase) decrease in:

Accounts Receivable, net of allowance	33,734
Refundable Deposits	(1,029)

Increase (decrease) in:

Prepaid Assessments	<u>2,275</u>
---------------------	--------------

Net cash provided (used) by operating activities	\$ (6,465)
--	------------

Cash flows from investing activities:	-
---------------------------------------	---

Cash flows from financing activities:	<u>-</u>
---------------------------------------	----------

Net increase (decrease) in cash	<u>\$ (6,465)</u>
---------------------------------	-------------------

Cash, beginning of year	<u>\$ 285,899</u>
-------------------------	-------------------

Cash, end of year	<u><u>\$ 279,434</u></u>
-------------------	--------------------------

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: NATURE OF ORGANIZATION

Farmington Square Condominium Association (the "Association") is a community 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 117 residential units and is located in Farmington Hills, 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 major repairs and replacements. The funds are held primarily in interest-bearing accounts. In 2026, 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. Actual costs and expenditures may vary from those estimates and the variations may be material. As replacement funds are needed to meet future costs for major repairs and replacements, the Association has the right to borrow, increase regular assessments, pass special assessments subject to owner approval or delay major repairs and replacements until funds are available.

SUPPLEMENTAL INFORMATION

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2025

Association Fees	\$ 347,630
Late Fees	4,900
Bank Fees Reimbursement	240
Legal Fees Reimbursement	2,976
Interest	1,351
Fines	(255)
Miscellaneous	11
Laundry Income	7,881
TOTAL REVENUES	<u>\$ 364,734</u>

See Independent Accountants' Review Report and accompanying notes

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

ADMINISTRATIVE	
Management Fees	\$ 26,022
Legal Fees	5,025
Legal - Collections	6,318
CPA Services	1,200
Bad Debt	41,343
Website	335
Office and Administrative	3,366
Professional Fees	1,360
Reserve Study	1,620
Miscellaneous	2,939
TOTAL ADMINISTRATIVE	<u>\$ 89,528</u>
BUILDING MAINTENANCE	
Structural	\$ 25,763
Electrical	2,664
Doors, Locks and Keys	140
Intercom System	1,435
Gutters	2,179
Roof Maintenance	5,400
Plumbing	2,488
Garage Door Replacement	1,305
Painting	2,200
Janitorial	22,313
Carpet repair and Cleaning	4,721
Pool Service and Maintenance	15,982
TOTAL BUILDING MAINTENANCE	<u>\$ 86,590</u>
GROUNDS MAINTENANCE	
Landscape Maintenance	\$ 12,627
Grounds Maintenance	3,775
Lawn Fertilization	1,693
Tree Pruning	6,300
Irrigation	2,438
Snow Removal	19,467
Concrete and Sidewalks	5,850
Asphalt and Parking Lot	3,750
Pest Control	6,209
TOTAL GROUNDS MAINTENANCE	<u>\$ 62,109</u>

continued on following page

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

continued from prior page

UTILITIES	
Water	\$ 78,429
Electric	6,984
Gas	2,056
Telephone	19,489
Alarm Monitoring	529
Rubbish Removal	25,209
TOTAL UTILITIES	<u>\$ 132,696</u>
INSURANCE	
Property and Liability	\$ 34,221
Workers Compensation	1,035
TOTAL INSURANCE	<u>\$ 35,256</u>
TOTAL EXPENDITURES	<u><u>\$ 406,179</u></u>

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

The Association had a replacement reserve study conducted by an engineering firm during 2026 to estimate the remaining useful lives and the replacement costs 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 repair/replacement. The following has been extracted or derived from the Association's replacement reserve study and presents significant information about the components of common property.

<u>Reserve Component Inventory</u>	Estimated First Year of Replacement	Life Analysis, Years		Total Future (25 yr) Costs of Replacement, \$
		Normal	Remaining	
<u>Building Components</u>				
Asphalt Roof Shingles; Replacement	2043	25	17	399,690
Aluminum Gutters & Downspouts; Replacement	2043	30	17	69,853
Skylights; Buildings A & C; Replacement	2043	20	17	3,884
Vinyl Siding; Replacement	2039	60	13	460,439
Entry Doors; Replacement	2041	40	15	19,630
Windows and Doorwalls; Phased Replacement	2032	30	6	474,905
Wood Electrical Boxes; Replacement	2029	25	3	26,225
Common Area; Carpet; Replacement	2030	15	4	271,603
Common Area; Interior Walls; Painting	2030	15	4	246,703
Wrought Iron Railings; Replacement	2031	50	5	7,206
Mail Stations; Replacement	2036	30	10	25,803
Security & Intercom System; To Be Installed 2026; Replacement	2046	20	20	90,306
<u>Site Components</u>				
Concrete Sidewalks & Steps (4"); Phased Partial Replacement	2027	40-50	1	34,611
Concrete Curbing; Phased Partial Replacement	2027	40-50	1	53,564
Asphalt; Streets & Parking Areas; Total Replacement	2030	18	4	1,359,893
Catch Basins; Capital Repairs	2030	18	4	53,228
Manholes; Capital Repairs	2030	18	4	15,209
Yard Basins; Capital Repairs	2030	18	4	7,604
Detention Pond; Dredging	2036	20	10	9,942
Pole Lights; Tall; Older Units; Replacement	2033	30	7	10,577
Pole Lights; Short; Older Units; Replacement	2033	30	7	6,887
Pole Lights; Short; Newer Units; Replacement	2051	30	25	5,025
Chain-Link Fence; Pond Area; Replacement	2046	50	20	19,371
Carports; Metal Roofs; Replacement	2046	50	20	750,981
Street Signs; Custom; Replacement	2027	25	1	3,605
Street Signs; Generic; Replacement	2027	25	1	618
Entry Signage; Replacement	2027	25	1	5,253
Wood Dumpster Enclosures; Replacement	2027	25	1	8,240

continued on following page

FARMINGTON SQUARE CONDOMINIUM ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

The Association had a replacement reserve study conducted by an engineering firm during 2026 to estimate the remaining useful lives and the replacement costs 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 repair/replacement. The following has been extracted or derived from the Association's replacement reserve study and presents significant information about the components of common property.

continued from previous page

<u>Reserve Component Inventory</u>	Estimated First Year of Replacement	Life Analysis, Years		Total Future (25 yr) Costs of Replacement, \$
		Normal	Remaining	
<u>Maintenance Garage & Pool Components</u>				
Garage; 3-Tab Asphalt Shingles; Replacement	2028	20	2	13,112
Garage; Aluminum Gutters & Downspouts; Replacement	2028	30	2	1,008
Garage; Vinyl Siding; Replacement	2031	60	5	14,106
Garage; Entry Doors; Replacement	2031	40	5	6,492
Pool; Chain-Link Fence; Replacement	2036	50	10	13,002
Pool; Plaster/Marcite; Replacement	2032	12	6	55,246
Pool; Coping and Tile; Replacement	2032	25	6	14,362
Pool; Cover; Replacement	2030	12	4	16,180
Pool; Furniture; Chaise Lounges; Replacement	2027	15	1	9,485
Pool; Furniture; Chairs; Replacement	2027	15	1	5,929
Pool; Furniture; Bench; Replacement	2027	15	1	1,054
Pool; Furniture; Grill; Replacement	2036	15	10	1,719
<u>Tennis Court Components</u>				
Tennis Court; Chain-Link Fence; Replacement	2027	50	1	15,141
Tennis Court; Surface; Total Replacement	2027	20	1	170,955
Tennis Court; Surface; Recolor (Begins After Next Replacement)	2037	10	11	45,191
<u>Other Components</u>				
Reserve Study; Update	2031	5	5	21,813