

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

*FINANCIAL STATEMENTS
(REVIEWED)*

YEAR ENDED DECEMBER 31, 2020



CLARK & NIHILL

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Managers
Hickory Grove Village Condominium Association, Inc.

We have reviewed the accompanying financial statements of Hickory Grove Village Condominium Association, Inc., which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses and changes in fund balances 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 Company 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 the 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

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.

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

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Board of Managers
Hickory Grove Village Condominium Association, Inc.

Summarized Comparative Information

We previously reviewed Hickory Grove Village Condominium Association, Inc. December 31, 2019, financial statements and in our conclusion, dated February 28, 2020, stated that based on our review, we were not aware of any material modifications that should be made to the 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2019, for it to be consistent with the reviewed financial statements from which it has been derived.

Supplementary Information

The Schedule of Changes in Reserve Fund Balance is presented for purposes of additional analysis and is 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 the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Certified Public Accountants
West Seneca, NY
February 16, 2021

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEETS

DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2020 Total</u>	<u>2019 Total</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 2,382	\$ 34,280	\$ 36,662	\$ 37,226
Assessments receivable	202	-	202	187
Prepaid expenses	-	-	-	1,035
Interfund balances	<u>(31)</u>	<u>31</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	\$ <u>2,553</u>	\$ <u>34,311</u>	\$ <u>36,864</u>	\$ <u>38,448</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 6,746	\$ -	\$ 6,746	\$ 2,390
Prepaid assessments	406	-	406	10,570
Income tax payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
TOTAL LIABILITIES	<u>7,152</u>	<u>-</u>	<u>7,152</u>	<u>12,962</u>
<u>FUND BALANCES</u>	<u>(4,599)</u>	<u>34,311</u>	<u>29,712</u>	<u>25,486</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>2,553</u>	\$ <u>34,311</u>	\$ <u>36,864</u>	\$ <u>38,448</u>

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Reserve Fund	2020 Total	2019 Total
<u>REVENUES:</u>				
Assessments	\$ 165,082	\$ 10,025	\$ 175,107	\$ 170,544
Special assessments	-	-	-	19,760
Interest and other income	100	155	255	414
TOTAL REVENUES	<u>165,182</u>	<u>10,180</u>	<u>175,362</u>	<u>190,718</u>
<u>EXPENSES:</u>				
General and Administrative				
Management	16,872	-	16,872	16,872
Insurance	6,238	-	6,238	5,839
Professional	1,095	-	1,095	1,065
Miscellaneous	1,417	-	1,417	1,431
Income property and taxes	-	-	-	2
Total General and Administrative	<u>25,622</u>	<u>-</u>	<u>25,622</u>	<u>25,209</u>
Utilities				
Electricity	6,055	-	6,055	6,080
Water	18,541	-	18,541	15,484
Total Utilities	<u>24,596</u>	<u>-</u>	<u>24,596</u>	<u>21,564</u>
Maintenance				
Landscaping	52,959	-	52,959	48,234
Snow removal	52,853	-	52,853	52,824
Repairs and maintenance	6,846	-	6,846	10,752
Total Maintenance	<u>112,658</u>	<u>-</u>	<u>112,658</u>	<u>111,810</u>

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Reserve Fund	2020 Total	2019 Total
Reserves				
Road surface	-	1,523	1,523	-
Sidewalks	-	489	489	-
Reseal	-	1,328	1,328	1,598
Fence	-	2,431	2,431	-
Trees	-	2,489	2,489	21,503
Total Reserves	-	8,260	8,260	23,101
TOTAL EXPENSES	162,876	8,260	171,136	181,684
EXCESS OF REVENUES OVER EXPENSES	2,306	1,920	4,226	9,034
FUND BALANCES				
-beginning of year	(6,905)	32,391	25,486	16,452
FUND BALANCES				
-end of year	\$ (4,599)	\$ 34,311	\$ 29,712	\$ 25,486

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Reserve Fund	2020 Total	2019 Total
EXCESS OF REVENUES OVER EXPENSES	\$ 2,306	\$ 1,920	\$ 4,226	\$ 9,034
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by Operating Activities:				
(Increase) Decrease in:				
Assessment receivable	(15)	-	(15)	163
Prepaid expenses	1,035	-	1,035	(1,035)
Increase (Decrease) in:				
Accounts payable	4,356	-	4,356	1,063
Prepaid assessments	(10,164)	-	(10,164)	7,563
Income tax payable	(2)	-	(2)	(2)
Inter-fund balances	<u>(4,918)</u>	<u>4,918</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>(7,402)</u>	<u>6,838</u>	<u>(564)</u>	<u>16,786</u>

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Operating Fund	Reserve Fund	2020 Total	2019 Total
Net Increase (Decrease) in Cash and Cash Equivalents	(7,402)	6,838	(564)	16,786
Cash and Cash Equivalents -beginning of year	<u>9,784</u>	<u>27,442</u>	<u>37,226</u>	<u>20,440</u>
Cash and Cash Equivalents -end of year	\$ <u>2,382</u>	\$ <u>34,280</u>	\$ <u>36,662</u>	\$ <u>37,226</u>
Supplemental Disclosure:				
Income taxes paid			\$ <u>2</u>	\$ <u>4</u>

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

A. Nature of Organization:

Hickory Grove Village Condominium Association, Inc. (the Condominium) was incorporated on July 28, 2010, in the State of New York. The Condominium is responsible for the operation and maintenance of the common property within the development. The development consists of 76 residential units located in Cheektowaga, New York.

B. Summary of Significant Accounting Policies:

1. Fund Accounting:

The Condominium'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 financial statements reflect accounts using fund accounting methods. Financial resources are classified for accounting and reporting purposes in the following funds according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operations of the Condominium. Disbursements from the fund are generally at the discretion of the Board of Managers.

Reserve Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from the fund may be made only for their designated purposes.

Inter-fund Balances – These balances generally arise when cumulatively through the balance sheet date one fund pays expenses or receives revenue of another or has, otherwise, borrowed from the other.

2. Use of Estimates:

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the Condominium 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. Actual results could differ from those estimates.

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

B. Summary of Significant Accounting Policies (continued):

3. **Cash and Cash Equivalents:**

Cash and cash equivalents include currency on-hand and demand deposits with banks or other financial institutions.

4. **Common Property:**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Condominium's financial statement, in accordance with industry practice.

5. **Member Assessments:**

The Hickory Grove Village Condominium Association, Inc. revenues are derived from monthly homeowner association fees determined by an annual approved budget. These fees are utilized to provide services to the unit owners during the period in which the payments are received. The Association records any fees paid in advance as liabilities on the balance sheet. Therefore, the Association does not have any material performance obligations that extend past the services provided for the monthly fees received.

6. **Income Taxes:**

The Condominium has elected to file as a Homeowner's Association in accordance with Internal Revenue Section 528. Under this section, the Condominium excludes from taxation exempt function income, which generally consists of revenue from uniform assessments to owners. Investment, and other non-exempt income of the Condominium, is subject to Federal and New York State income tax. The Condominium is no longer subject to U.S. Federal and New York State income tax examinations by authorities for the years ended before December 31, 2017.

C. Future Major Repairs and Replacements:

The Condominium's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds aggregate \$ 34,311, at December 31, 2020, are held in separate accounts and generally are not available for operating purposes.

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

C. Future Major Repairs and Replacements (continued):

The Board is funding for major repairs and replacements of the estimated useful lives of the components considering amounts previously accumulated in the reserve fund.

Funds are being accumulated in the reserve based on estimates of future needs for repairs and replacements of common property. Actual expenditures may vary from estimated amounts, and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet all future needs for major repairs and replacements. The Condominium has the right to increase regular replacement fund assessments or levy special assessments for major repairs and replacements if additional funds are needed.

D. Subsequent Events:

Events that occur after the balance sheet date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. The Condominium has evaluated the activity of the Company, through February 16, 2021, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HICKORY GROVE VILLAGE CONDOMINIUM ASSOCIATION, INC.

SCHEDULE I – SCHEDULE OF CHANGES IN RESERVE FUND BALANCE

DECEMBER 31, 2020

<u>Description</u>	<u>Beginning Fund Balance</u>	<u>Additions to Fund Balance</u>	<u>Charges to Fund Balance</u>	<u>Other</u>	<u>Ending Fund Balance</u>
Interest	\$ 106	\$ 155	\$ -	\$ -	\$ 261
Road resurface	13,065	2,163	(1,523)	-	13,705
Sewer/water	6,491	683	-	-	7,174
Sidewalk	2,895	901	(489)	-	3,307
Asphalt reseal	38	1,264	(1,328)	-	(26)
Contingency	1,111	841	-	-	1,952
Fence	1,534	1,051	(2,431)	-	154
Pond	2,893	2,122	-	-	5,015
Trees	4,258	1,000	(2,489)	-	2,769
TOTAL:	\$ <u>32,391</u>	\$ <u>10,180</u>	\$ <u>(8,260)</u>	\$ <u>-</u>	\$ <u>34,311</u>