

Alpine Village Condominium Association

Reviewed Financial Statements

For the Year Ended June 30, 2023

**Alpine Village Condominium Association
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Year Ended June 30, 2023**

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Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Alpine Village Condominium Association
North Woodstock, New Hampshire

We have reviewed the accompanying financial statements of the Alpine Village Condominium Association, which comprise the balance sheet as of June 30, 2023, 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 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 the 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 assurances 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 Alpine Village Condominium Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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

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 required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Driscoll & Company PLLC
Driscoll & Company, PLLC
Certified Public Accountants
Littleton, New Hampshire

March 10, 2024

**Alpine Village Condominium Association
Balance Sheet
June 30, 2023**

	Operating <u>Fund</u>	Replacement <u>Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 98,024	\$115,651	\$213,675
Assessments Receivable	11,212	-0-	11,212
Interfund Balances	82,264	(82,264)	-0-
Prepaid Insurance	<u>11,270</u>	<u>-0-</u>	<u>11,270</u>
Total Assets	<u>\$202,770</u>	<u>\$ 33,387</u>	<u>\$236,157</u>
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 67,861	\$ 13,083	\$ 80,944
Prepaid Dues	<u>14,770</u>	<u>-0-</u>	<u>14,770</u>
Total Liabilities	82,631	13,083	95,714
FUND BALANCES	<u>120,139</u>	<u>20,304</u>	<u>140,443</u>
Total Liabilities and Fund Balances	<u>\$202,770</u>	<u>\$ 33,387</u>	<u>\$236,157</u>

See Accompanying Independent Accountants' Review Report and Notes.

Alpine Village Condominium Association
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended June 30, 2023

	<u>Operating</u> <u>Fund</u>	<u>Replacement</u> <u>Fund</u>	<u>Total</u>
REVENUES			
Condo Fees	\$882,000	\$ -0-	\$882,000
Transfer of Funds	-0-	0	-0-
Interest Income	40	178	218
Other	<u>375</u>	<u>9,100</u>	<u>9,475</u>
Total Revenues	<u>882,415</u>	<u>9,278</u>	<u>891,693</u>
EXPENSES			
Electricity	3,057	-0-	3,057
Cable	121,278	-0-	121,278
Insurance	107,203	-0-	107,203
Landscape and Maintenance	76,836	-0-	76,836
Legal and Accounting Fees	3,786	-0-	3,786
Management Fees	106,700	-0-	106,700
Postage and Office	7,483	5	7,488
Repairs and Maintenance	<u>428,792</u>	<u>296,882</u>	<u>725,674</u>
Total Expenses	<u>855,135</u>	<u>296,887</u>	<u>1,152,022</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	27,280	(287,609)	(260,329)
BEGINNING FUND BALANCES	<u>92,859</u>	<u>307,913</u>	<u>400,772</u>
ENDING FUND BALANCES	<u>\$120,139</u>	<u>\$ 20,304</u>	<u>\$140,443</u>

See Accompanying Independent Accountants' Review Report and Notes.

Alpine Village Condominium Association
Statement of Cash Flows
For the Year Ended June 30, 2023

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficit) of Revenues Over Expenses	\$27,280	\$(287,609)	\$(260,329)
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided (used) by Operating Activities:			
(Increase) Decrease in Assessments Receivable	1,498	-0-	1,498
(Increase) Decrease in Prepaid Insurance	617	-0-	617
(Increase) Decrease in Interfund Balances	(78,919)	78,919	-0-
Decrease (Increase) in Accounts Payable	(10,528)	(13,083)	(23,611)
Decrease (Increase) in Prepaid Dues	(4,129)	-0-	(4,129)
Contributions Net of Expenditures to Reserve Fund	<u>29,314</u>	<u>26,166</u>	<u>55,480</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(34,867)</u>	<u>(195,607)</u>	<u>(230,474)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,867)	(195,607)	(230,474)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>132,891</u>	<u>311,258</u>	<u>444,149</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 98,024</u>	<u>\$115,651</u>	<u>\$213,675</u>

Supplemental Disclosure

Cash paid for income taxes	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Cash paid for interest	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

See Accompanying Independent Accountants' Review Report and Notes.

Alpine Village Condominium Association
Notes to Financial Statements
For the Year Ended June 30, 2023

Note A – Nature of Organization

Alpine Village Condominium Association was organized in 1984. The condominium is located in North Woodstock, New Hampshire and consists of 210 residential units. The Association is responsible for the operation and maintenance of the common property of the Alpine Village Condominium Association. The Association is governed by a Board of Directors (the “Board”) consisting of elected unit owners. The Association engages a company to oversee daily financial operating activities. Kathleen McSweeney provided these services throughout all of the 2023 fiscal year.

Note B – Summary of Significant Accounting Policies

The Association’s financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded as incurred, regardless of the timing of the related cash flows.

Accounts Receivable - 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 receivables at June 30, 2023 are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association employs the services of an attorney for the collection of past due accounts. Any excess assessments at year-end are retained by the Association for use in future years. It is the opinion of the Board that the Association will collect all assessments receivable and accordingly no allowance for uncollectible accounts is deemed necessary. The amount of aged receivables greater than 90 days is \$3,590 at June 30, 2023.

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. Interfund balances represent the residual balance of transactions initiated between the Association’s operating and its reserve accounts, where cash has yet to be transferred between the funds bank accounts. 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 use to accumulate financial resources designated for future major repairs and replacements.

See Accompanying Independent Accountants’ Review Report.

Alpine Village Condominium Association
Notes to Financial Statements
For the Year Ended June 30, 2023

Note B – Summary of Significant Accounting Policies (continued)

Interest Earned

The board's policy is to allocate the interest earned on replacement fund cash accounts to the replacement fund and interest earned on the operating fund cash accounts to the operating fund.

For the year ended June 30, 2023, \$218 was earned, of which \$178 was earned in the replacement fund, and \$40 was earned in the operating fund.

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 did not report any property or equipment at June 30, 2023.

Fair Value of Financial Instruments

The carrying value of assessments receivable, prepaid expenses, accounts payable and deferred revenue approximates fair value due to the relatively short maturity of these instruments.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. The Association's deposits are secured by the Federal Deposit Insurance Corporation (the "FDIC") up to \$250,000 at each financial institution. At June 30, 2023, the Association had \$0 in excess of the FDIC limit.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affects 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. Changes in estimates are recorded in the period in which they become known.

Prepaid Expenses

This amount represents payments made to vendors in advance of the applicable services being rendered or amounts being due, as they are expected to be earned in a subsequent period. As of June 30, 2023, the Association had prepaid insurance.

See Accompanying Independent Accountants' Review Report.

Alpine Village Condominium Association
Notes to Financial Statements
For the Year Ended June 30, 2023

Note B – Summary of Significant Accounting Policies (continued)

Revenue Recognition

Unit owners assessments are budgeted annually and due bimonthly into the Operating Fund. The Association recognizes revenue from unit owner assessments each month, which is considered the period the assessment is earned regardless of when the assessment is paid. Subsequent year assessments received in advance by the Association in the current year are reported as prepaid dues. Any excess condominium assessments are retained by the Association for use in future years. The Association has the right, subject to Board approval, to levy special or supplemental assessments for major operating items or capital outlays.

Management's Review

In preparing the financial statements the Association has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued, March 10, 2024.

Note C – Commitments and Contingencies

Property Structures - Condominium property, by its nature, is inherently at risk to structural defects. These defects are not always immediately apparent, and quite often, replacement reserve fund balances are not sufficient to cure the defect. Although the amount of the liability resulting from such situations at June 30, 2023 cannot be determined, the Association believes that any resulting liability, if any, would not materially affect the financial statements. In those situations where replacement reserves are lacking, a special assessment is normally authorized to fund the amounts necessary to cure the defect.

Insurance – In the event of a disaster, the Association could be exposed to losses for damages in excess of insurance coverage limits. Management considers its insurance coverage to be adequate.

Litigation – The Association is subject to various other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of operations. While the outcome of these other potential claims cannot be predicted with certainty, management does not believe that the outcome of any of these other matters will have a material adverse effect on the Association's financial position or results of operations.

See Accompanying Independent Accountants' Review Report.

Alpine Village Condominium Association
Notes to Financial Statements
For the Year Ended June 30, 2023

Note C – Commitments and Contingencies (continued)

The Company evaluated subsequent events through March 10, 2024, the date that the financial statements were available to be issued.

Note D – Income Taxes

Associations may elect to be taxed as a regular membership organization or as a homeowners' association. The Association elected to be taxed as a regular membership organization for the year ended June 30, 2023.

For state income tax purposes, the Association filed Form NH-1120 for the year ended June 30, 2023.

The Association has adopted ASC Topic 740-10, Accounting for Uncertainty in Income Taxes, which prescribes a recognition and measurement of tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2023, the Association has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Association recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. Tax returns from fiscal year ended June 30, 2021 through the current year are subject to examination by the Internal Revenue Service and the State of New Hampshire.

Note E – Future Major Repairs and Replacement

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$33,387 at June 30, 2023 are separate accounts and are generally not available for operating purposes.

See Accompanying Independent Accountants' Review Report.