

Reminder of Northface BOD Meeting 9.18.2021/AuditResults/Committees

From: melissa . (melissa@fgpm.com)

To: melissa@fgpm.com

Date: Friday, September 17, 2021, 11:59 AM EDT

Hi All

Just a reminder that the NF Board of Directors Meeting will be tomorrow, Saturday 9/18/2021 at 1pm.

The meeting will be held at the FGPM office located at 15 Westside Rd in Bartlett. (Located just past Diana's Bath on the same side of the road. There is signage.)

The agenda is below. If you are unable to attend in person a Zoom link is also enclosed for audio purposes only. There will be no video.

Also attached is the final audit for your review. Aldo will review the results at the meeting tomorrow and answer any questions.

If you are unable to attend or have any questions on the audit at a later date - please reach out to the Board.

Lastly - if anyone is interested in joining any of the following committees please let me know. Yes - you can join more than one committee.

The committees are as follows:

Sue - Social/Welcome

Aldo - Finance

Lisa - Rules and Regulations

Bob - Recreation

Jim - Landscaping

Lisa - Buildings

Northface Resort Condominium Association

September 2021 Quarterly Meeting

September 18, 2021 @ 1:00 pm

Via Zoom (Audio Only) or in Person at the office of Forest Glen Property Management

AGENDA

- | | |
|--------------------------------|------------|
| 1. Introductions and Roll Call | 5 Minutes |
| 2. Presidents Report | 20 minutes |
| 3. Treasurer's Report& Audit | 15 minutes |

4. Old Business 15 minutes
 - a. Property Upkeep reminders & chimney cleaning
 - b. Update on Physical projects
 - c. Roofs
 - d. Committees
5. New Business 15 Minutes
 - a. November Election
 - b. Smoking in Limited Common Areas
6. Open Discussion - as time permits

All are welcome to attend. The office is located at 15 Westside Rd Bartlett NH (Just past Diana's Bath on the same side of the road)

The Zoom link is below if you cannot attend in person and would to join the meeting.

Topic: Northface BOD Meeting

Time: Sep 18, 2021 01:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/83138497115?pwd=ZUISQVY0ZTFJbEEzUThvNk0rSXgzQT09>

Meeting ID: 831 3849 7115

Passcode: 735718

One tap mobile

+13126266799,,83138497115#,,,,*735718# US (Chicago)

+19292056099,,83138497115#,,,,*735718# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 831 3849 7115

Passcode: 735718

Find your local number: <https://us06web.zoom.us/j/83138497115>

Melissa Carr

Forest Glen Property Management, LLC

PO Box 1313

Glen NH 03838

603-383-8000

melissa@fgpm.com

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NF Final Audit 9.2021.pdf
321.1kB

Financial Statements

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

**FOR THE YEAR ENDED DECEMBER 31, 2020
AND
INDEPENDENT AUDITORS' REPORT**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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To the Board of Directors and Members of
Northface Resort Condominium Association
North Conway, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Northface Resort Condominium Association, which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses and changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northface Resort Condominium Association as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on the Schedules of Future Major Repairs and Replacement on Page 10 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, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Leone, McDonnell & Roberts
Professional Association*

July 7, 2021
North Conway, New Hampshire

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

**BALANCE SHEET
DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash	\$ 94,162
Accounts receivable	<u>11,409</u>
Total assets	<u>\$ 105,571</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 8,014</u>
Total liabilities	8,014

MEMBERS' EQUITY

	<u>97,557</u>
Total liabilities and members' equity	<u>\$ 105,571</u>

See Notes to Financial Statements

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUES

Monthly assessments	\$ 145,475
Other income	3,276
Working capital contributions	2,750
Finance charges	875
Interest income	44

Total revenues 152,420

OPERATING EXPENSES

Maintenance	42,861
Insurance	28,347
Grounds contract	25,806
Improvements	15,643
Management fees	12,066
Accounting expense	7,600
Utilities	6,221
Repairs	5,545
Professional fees	1,707
Administrative expenses	690
Office supplies	121
Miscellaneous	1,080

Total expenses 147,687

NET EXCESS OF REVENUES OVER EXPENSES 4,733

MEMBERS' EQUITY, BEGINNING OF YEAR 92,824

MEMBERS' EQUITY, END OF YEAR \$ 97,557

See Notes to Financial Statements

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Net excess of revenues over expenses	\$	4,733
Adjustments to reconcile net excess of revenues over expenses to net change in cash:		
Change in operating assets and liabilities:		
Accounts receivable		(4,735)
Accounts payable and accrued expenses		<u>8,025</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>8,023</u>
NET INCREASE IN CASH		8,023
CASH, BEGINNING OF YEAR		<u>86,139</u>
CASH, END OF YEAR	\$	<u>94,162</u>

See Notes to Financial Statements

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Northface Resort Condominium Association, Inc. (the Association) is responsible for the operations and maintenance of the common facilities of a 44-unit condominium community in North Conway, New Hampshire. The Association's authority and responsibilities are defined by the statutes of the State of New Hampshire, the Association declarations and Association bylaws.

A Declaration of Condominium was filed by Stratford Condominiums at Woodland Hills Condominium (the former Declarant), as the developer of the condominium community, on November 30, 1982.

Common Property

The Association holds title to common property and limited common property consisting of the following:

Common property consisting of the land, pool, water supply, sewage disposal, electrical, telephone systems, roofs, foundations and perimeter walls located on several acres of land.

Limited common areas consisting of courtyards, entrance ways and decks.

The common property is not used to generate significant cash flows from members on the basis of usage or from non-members. The common areas cannot be sold. Condominium ownership gives each unit owner the right to share the use of the common areas with other unit owners and an obligation for a pro-rata share of the expenses to manage, maintain, and repair them. Each unit owner has an undivided percentage interest in the common property that is inseparable from ownership for the unit itself. Therefore, expenditures for major improvements to the common area are expensed when incurred according to generally accepted accounting principles.

Accounting Method

The Association prepares its financial statements on the accrual basis of accounting.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Accounting Standard Codification No. 825 (ASC 825), Disclosures of Fair Value of Financial Instruments, requires the Association to disclose fair values for its financial instruments. The carrying amount of the Association's financial instruments which consist of cash, accounts receivable and accounts payable approximate fair value because of the short maturity of those instruments.

Cash

The Association considers all highly liquid investments having maturities of three months or less to be cash and cash equivalents for the purposes of the statements of cash flows.

Cash was comprised of the following as of December 31, 2020:

Operating accounts	\$ 93,565
Reserves	<u>597</u>
Totals	<u>\$ 94,162</u>

See Note 4 for the concentration of credit risk.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code section 528 for the year ended December 31, 2020. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of the Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government and at 7.7% by the State of New Hampshire.

FASB Accounting Standards Codification No. 740 (ASC 740), *Accounting for Income Taxes*, establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Association's tax positions taken on its income tax returns for all open tax years (tax years ending December 2017 – 2020), and has concluded that no additional provision for income taxes is required in the Association's financial statements.

Revenue Recognition Policy

The Association derives revenues from the monthly Association member assessments and other related fees. Revenues are recognized as income, monthly, when the assessment becomes due. Dues are assessed monthly to individual unit owners of the properties within the association and to neighboring associations who derive benefit from the Association's infrastructure.

The Association also derives revenue from working capital contributions and miscellaneous income from small fines and fees. These revenues are recognized when they are assessed.

NOTE 2 OWNERS' DUES

Association members pay monthly unit common expense assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess assessments at year-end are retained by the Association for use in future years.

Monthly assessments revenue, per condominium unit owner, were earned by the Association as follows:

<u>Period</u>	<u>Rate</u>
January 01, 2020 - December 31, 2020	\$275 per month

NOTE 3 ACCOUNTS RECEIVABLE

The Association's declarations provide for various collection remedies of delinquent Association assessments, including the filing of liens, foreclosing on the unit owner, and obtaining judgment on other assets of the unit owner. Any uncollectible amounts that may occur are expensed to bad debts in the period such determination was made. There are no accounts receivables pledged as collateral.

NOTE 4 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Association to concentrations of credit and market risk consist of cash and accounts receivable. The Association maintains substantially all of its cash on deposit in one financial institution. Accounts at these institutions may at times, exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) currently insures accounts at the institution for balances up to \$250,000 for interest and noninterest-bearing accounts. At various times during the reporting period, deposit balances may have exceeded the insured limits.

NOTE 5 COMMITMENTS

The Association has entered into contracts for management, security, maintenance, and snow removal. Contracts are two year contracts and are cancellable with proper notice.

NOTE 6 FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Board determines the appropriate amount to collect on an annual basis to fund future major repairs and replacements. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay repairs and replacements until funds are available.

NOTE 7 CONTINGENCIES

There is ongoing pending litigation against a unit owner of the Association. The resolution of this matter is not ascertainable at this time. No provision has been recorded in the financial statements related to this matter.

NOTE 8 OTHER EVENTS

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Association. The significance of the impact of these disruptions, including the extent of their adverse impact on the Association's financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The COVID-19 impact on the capital markets could also impact the Association's cost of borrowing. There are certain limitations on the Association's ability to mitigate the adverse financial impact of these items. As of July 7, 2021, due to the measures put in place to prevent the spread of COVID-19 we are unable to estimate the future performance of the Association.

NOTE 9 SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after that date. Management has evaluated subsequent events through July 7, 2021, the date the December 31, 2020 financial statements were available for issuance.

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

SCHEDULES OF FUTURE MAJOR REPAIRS AND REPLACEMENTS AS OF DECEMBER 31, 2020

Northface Resort Condominium Reserve Account Balance & Projection

Balance as of October 23, 2020*	\$	73,119	
Contributions November to December 2020	\$	3,583	
Contributions from new sales	\$	2,750	
2021 Contributions	\$	<u>29,178</u>	
Projected Balance December 31, 2021 without proposed repairs	\$	<u>108,630</u>	8.98 months

Capital Items for consideration by owners

	Estimate	Per Unit
Trench Drain in Building 3	\$ 10,000	\$ 227.27
Concrete Repairs Building 4	\$ 2,500	\$ 56.82
Driveway Lights & Number Replacement -	\$ 4,500	\$ 102.27 *
Garden Timbers & Replace Mulch with Stones	<u>\$ 7,500</u>	\$ 170.45
Total:	<u>\$ 24,500</u>	\$ 556.82
Proposed Reserve Balance after all repairs:	\$ 84,130	6.95 months

Notes:

All figures are based on ballpark estimates. If an item is approved, multiple quotes on items exceeding \$5,000 will be obtained by the management company. The board will review and award contracts accordingly

*The Light & Number Replacement was approved as a coop project in 2020 with owners paying \$100 each. This was delayed because of unexpected urgent repairs.

Special Assessment Items

Financial Audit	\$	8,000	\$ 181.82
Replace unit front & back door exterior lighting	\$	4,400	\$ 100.00

Ballpark estimates were supplied by Leone, McDonnell & Roberts for the audit.

This does not include additional work by the management company which will be billed separately.

Assessment is due February 1, 2021 for the audit (\$181.82) and April 1, 2021 for the door lights (\$100).

See Independent Auditors' Report