

No. 25 Downing Condominium Association, Inc.
Closing Entry
12/31/2020

| Description | Unadjusted TB | | Adjusted TB | | Closing Entry | |
|--------------------------------|---------------|-----------------------------|-------------|-----------------------------|------------------|------------------|
| | DR | CR | DR | CR | DR | CR |
| 11150 Market Adjustment | | 6,404.87 | | 6,240.91 | 163.96 | |
| 12300 Due to Reserve | 283.21 | | | 9,716.79 | | 10,000.00 |
| 13100 Prepaid Insurance | 5,503.00 | | 5,114.00 | | | 389.00 |
| 13300 Other Prepays | 0.00 | | 3,257.72 | | 3,257.72 | |
| 19500 Accumulated Depreciation | | 3,243.00 | | 3,865.00 | | 622.00 |
| 20000 Accounts Payable | | 25,375.73 | | 30,107.07 | | 4,731.34 |
| 20200 A/P - Reserve | | 7,000.06 | | 15,534.67 | | 8,534.61 |
| 21000 Payroll Liabilities | | 5,235.75 | | 5,533.23 | | 297.48 |
| 24400 Due From Operating | | 283.21 | 9,716.79 | | 10,000.00 | |
| 32100 Reserve R/E | | 289,231.26 | | 290,860.61 | | 1,629.35 |
| 31100 Operating R/E | 19,007.46 | | 31,789.56 | | 12,782.10 | |
| | | <u> </u> | | <u> </u> | <u>12,782.10</u> | |
| | | TO CLOSE 2020 | | | <u>26,203.78</u> | <u>26,203.78</u> |

Reversing Entries

| | | | | | | |
|--|--|--|--|--|-----------------|-----------------|
| 50400 Sewer | | | | | 1,257.72 | |
| 61100 HVAC Maintenance | | | | | 2,000.00 | |
| 13300 Other Prepays | | | | | | 3,257.72 |
| To Reverse Other Prepays at 12/31/2020 | | | | | <u>3,257.72</u> | <u>3,257.72</u> |

| | | | | | | |
|---|--|--|--|--|------------------|------------------|
| 20000 Accounts Payable | | | | | 4,731.34 | |
| 50300 Water | | | | | | 232.00 |
| 50400 Sewer | | | | | | 350.90 |
| 50100 Electricity | | | | | | 517.74 |
| 61150 HVAC Repairs & Supplies | | | | | | 3,630.70 |
| 20200 A/P - Reserve | | | | | 8,534.61 | |
| 99100 Reserve Expenses | | | | | | 8,534.61 |
| To Reverse Accounts Payable at 12/31/2020 | | | | | <u>13,265.95</u> | <u>13,265.95</u> |

NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020

NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.

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COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
COMMUNITY ASSOCIATIONS INSTITUTE

July 14, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors
No. 25 Downing Condominium Association, Inc.

We have audited the accompanying financial statements of No. 25 Downing Condominium Association, Inc., which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balance 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.

Auditor's 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 auditor's 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 No. 25 Downing Condominium Association, Inc. 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 about future major repairs and replacements on pages ten and eleven 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.

EFS Associates, CPA, P.C.

NO. 25 DOWNING CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET
DECEMBER 31, 2020

| | <u>Operating Fund</u> | <u>Replacement Fund</u> | <u>Total</u> |
|--|---------------------------|-----------------------------|-------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 16,714 | \$ 147,842 | \$ 164,556 |
| Certificates of Deposit | | 100,000 | 100,000 |
| Mortgage Backed Securities | | 48,520 | 48,520 |
| Accrued Interest | | 317 | 317 |
| Assessments Receivable - Homeowners | 544 | | 544 |
| Prepaid Insurance | 5,114 | | 5,114 |
| Prepaid Income Tax | 704 | | 704 |
| Other Prepaid Expenses | 3,257 | | 3,257 |
| Machinery and Equipment | 9,326 | | |
| Less Accumulated Depreciation | (3,865) | | |
| | 5,461 | | 5,461 |
| Due From Operating Fund | | 9,718 | 9,718 |
| Due To Replacement Fund | (9,718) | | (9,718) |
| <u>Total Assets</u> | <u>\$ 22,076</u> | <u>\$ 306,397</u> | <u>\$ 328,473</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 30,110 | \$ 15,535 | \$ 45,645 |
| Assessments Received in Advance | 17,028 | | 17,028 |
| Payroll Taxes Payable | 5,534 | | 5,534 |
| Other Liabilities | 1,200 | | 1,200 |
| <u>Total Liabilities</u> | 53,872 | 15,535 | 69,407 |
| <u>Fund Balances (Deficit)</u> | (31,796) | 290,862 | 259,066 |
| <u>Total Liabilities and Fund Balances</u> | <u>\$ 22,076</u> | <u>\$ 306,397</u> | <u>\$ 328,473</u> |

See Accompanying Notes to Financial Statements

