

Financial Statements for  
Stone Brooke Homeowners Association, Inc.  
December 31, 2022

Stone Brooke Homeowners' Association, Inc.  
Financial Statements  
as of  
December 31, 2022

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## Accountants' Compilation Report

Stone Brooke Homeowners Association, Inc.  
Ames, Iowa

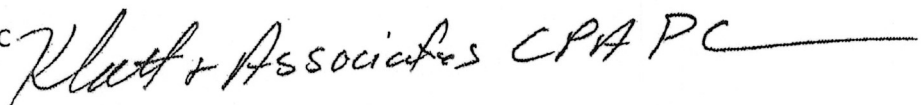
Management is responsible for the accompanying financial statements of Stone Brooke Homeowners Association, Inc. ("Association") which comprise the Statements of Assets, Liabilities, and Members' Reserves – Income Tax Basis as of December 31, 2022 & 2021, and the related Statements of Revenues and Expenses – Income Tax Basis for the years then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows ordinarily included in the financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplemental information contained on pages 5 through 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, and we have not audited or reviewed the supplemental information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplemental information.

We are not independent with respect to Stone Brooke Homeowners Association, Inc.

Klatt & Associates CPA PC  
Ames, IA



February 25, 2023

Stone Brooke Homeowners Association, Inc.  
Statement of Assets, Liabilities, and Members' Reserves  
Income Tax Basis  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents		
Checking - First National Bank	\$ 91,203	\$ 76,594
Hi-Fi - First National	782	780
Money market - Vanguard	101	99
Total cash and cash equivalents	<u>92,086</u>	<u>77,473</u>
Accounts receivable	302	142
Vanguard Wellington account, fair market value	54,510	63,577
Vanguard Healthcare account, fair market value	36,114	36,500
Vanguard brokerage account, fair market value	23,168	22,425
Prepaid insurance	3,687	3,134
Total current assets	<u>209,867</u>	<u>203,251</u>
Fixed Assets		
Land improvements and landscaping	130,290	130,290
Land	75,700	75,700
Furniture and equipment	3,525	3,525
Clubhouse and pool	145,874	147,149
	<u>355,389</u>	<u>356,665</u>
Accumulated depreciation	<u>(159,655)</u>	<u>(147,319)</u>
Total Fixed Assets	<u>195,734</u>	<u>209,346</u>
Total Assets	<u>\$ 405,601</u>	<u>\$ 412,597</u>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable	\$ 23,317	\$ 4,538
Accrued invoices	-	-
Accrued real estate taxes	5,072	5,030
Income tax payable	2,132	2,702
Prepaid dues	352	3,101
Total current liabilities	<u>30,873</u>	<u>15,371</u>
Total liabilities	30,873	15,371
Members' reserves		
Siding replacement equity	25,134	42,054
Roofing replacement equity	65,522	78,989
Common area equity	50,548	40,418
Fixed asset equity	195,734	208,070
Town homes equity	37,790	27,695
Total members' equity	<u>374,728</u>	<u>397,226</u>
Total Liabilities and Equity	<u>\$ 405,601</u>	<u>\$ 412,597</u>

See Accountant's Compilation Report

Stone Brooke Homeowner's Association, Inc.  
Statement of Revenues and Expenses-Income Tax Basis  
December 31, 2022 and 2021

	2022	2021
Revenue		
Dues - Class A	\$ 437,243	\$ 429,724
Dues - Class B	13,254	2,363
Dues - Common Area	-	-
	<hr/>	<hr/>
Total Revenue	450,497	432,087
Expenses		
Clubhouse maintenance	5,133	11,674
Clubhouse expenses		-
Association manager	21,689	21,063
Hospitality	3,418	1,199
Tree maintenance	7,104	4,647
Path maintenance		60
Parking maintenance		2,357
Ground maintenance	7,159	8,551
Lawn maintenance	70,535	66,894
Pool maintenance	8,566	4,784
Real estate tax	4,234	4,620
Depreciation	12,336	13,769
Snow removal	58,045	45,795
Siding replace & repair	37,560	67,657
Painting	56,431	-
Gutter repair & replacement	15,713	-
Roof repair & replacement	115,094	193,302
Utility line repair	9,387	-
Miscellaneous expenses		342
Office Supplies	345	311
Accountant fees	21,450	16,305
Professional fees	3,475	1,080
Insurance	3,560	3,560
Bank charges	40	150
Clubhouse Reservation Clerk	1,250	
Gas	1,235	
Electricity/Water	940	
Phone/Internet	705	
Clerical Expense	160	
Total expenses	465,564	468,121
	<hr/>	<hr/>
Operating income	(15,067)	(36,034)
Other income (expense)		
Interest and dividend income	6,108	1,549
Misc revenue	2,708	
Realized gain (loss) on investments	-	-
Tree Donations	700	
Change in FMV of investments	(14,815)	19,800
Interest expense	-	(759)
Total other income (expense)	(5,299)	20,590
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Income before income taxes	(20,366)	(15,444)
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Income tax expense	2,132	2,402
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Net income	\$ (22,498)	\$ (17,846)

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Stone Brooke Homeowners' Association, Inc.  
Statement of Members' Reserves-Income Tax Basis  
December 31, 2022

	Total Reserves	Siding	Roofing	Common Area	Fixed Assets	Town Home Operations
1/1/2022 Balance	\$ 397,226	\$ 42,054	\$ 78,989	\$ 40,418	\$ 208,070	\$ 27,695
Interest/Dividend income	6,108	1,358	2,550	1,305	-	895
Net operating revenues	(2,731)	(14,510)	(8,940)	9,038	-	11,681
Misc revenue	2,708	-	-	2,708	-	-
Tree Donation	700	-	-	700	-	-
Depreciation	(12,336)	-	-	-	(12,336)	-
Change in FMV of investm	(14,815)	(3,294)	(6,187)	(3,166)	-	(2,169)
Gain/(loss) on investments	-	-	-	-	-	-
Income tax	(2,132)	(474)	(890)	(456)	-	(312)
12/31/22 Balance	<u>\$ 374,728</u>	<u>\$ 25,134</u>	<u>\$ 65,522</u>	<u>\$ 50,548</u>	<u>\$ 195,734</u>	<u>\$ 37,790</u>

Invest Distr %	0.2223	0.4176	0.2137	0.1464
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See Accountant's Compilation Report

Stone Brooke Homeowners' Association, Inc.  
Statement of Revenues and Expenses by Class-Income Tax Basis  
December 31, 2022

	Common Area	Fixed Assets	Town Home Operations	Town Home Roofing	Town Home Siding	TOTAL
Revenue						
Dues Class A	\$ 88,430	\$ -	\$ 232,479	\$ 102,714	\$ 13,620	\$ 437,243
Dues Class B	13,254	-	-	-	-	13,254
Total Revenue	<u>101,684</u>	<u>-</u>	<u>232,479</u>	<u>102,714</u>	<u>13,620</u>	<u>450,497</u>
Expense						
Association manager	4,554	-	17,135	-	-	21,689
Lawn maintenance	11,381	-	59,154	-	-	70,535
Snow removal	8,707	-	49,338	-	-	58,045
Siding replace & repair	310	-	24,013	-	13,237	37,560
Painting	-	-	56,431	-	-	56,431
Gutter repair & replacement	-	-	820	-	14,893	15,713
Roof repair & replacement	-	-	3,440	111,654	-	115,094
Utility line repair	-	-	9,387	-	-	9,387
Club house maintenance & exp	5,133	-	-	-	-	5,133
CH Reservation Clerk	1,250	-	-	-	-	1,250
Clerical Expense	160	-	-	-	-	160
Parking maintenance	-	-	-	-	-	-
Hospitality	3,418	-	-	-	-	3,418
Tree maintenance	7,104	-	-	-	-	7,104
Path maintenance	-	-	-	-	-	-
Ground maintenance	7,159	-	-	-	-	7,159
Pool maintenance	8,566	-	-	-	-	8,566
Real estate tax	4,234	-	-	-	-	4,234
Miscellaneous expenses	-	-	-	-	-	-
Gas	1,235	-	-	-	-	1,235
Electricity/Water	940	-	-	-	-	940
Phone	489	-	-	-	-	489
Office Supplies	345	-	-	-	-	345
Internet/domain	216	-	-	-	-	216
Accountant fees	21,450	-	-	-	-	21,450
Professional fees	2,395	-	1,080	-	-	3,475
Insurance	3,560	-	-	-	-	3,560
Bank charges	40	-	-	-	-	40
Total expense	<u>92,646</u>	<u>-</u>	<u>220,798</u>	<u>111,654</u>	<u>28,130</u>	<u>453,228</u>
Operating income (loss)	<u>9,038</u>	<u>-</u>	<u>11,681</u>	<u>(8,940)</u>	<u>(14,510)</u>	<u>(2,731)</u>
Other income (expense)						
Interest and dividend income	1,305	-	895	2,550	1,358	6,108
Unrealized gain (loss) on investments	(3,165)	-	(2,170)	(6,187)	(3,293)	(14,815)
Tree Donations	700	-	-	-	-	700
Depreciation	-	(12,336)	-	-	-	(12,336)
Misc Income	2,708	-	-	-	-	2,708
Total other income (expense)	<u>1,548</u>	<u>(12,336)</u>	<u>(1,275)</u>	<u>(3,637)</u>	<u>(1,935)</u>	<u>(17,635)</u>
Net revenues before income tax	10,586	(12,336)	10,406	(12,577)	(16,445)	(20,366)
Income tax expense	456	-	312	890	474	2,132
Net Revenues	<u>\$ 10,130</u>	<u>\$ (12,336)</u>	<u>\$ 10,094</u>	<u>\$ (13,467)</u>	<u>\$ (16,919)</u>	<u>\$ (22,498)</u>

See Accountant's Compilation Report

Stone Brooke Homeowners's Association  
Statement of Common Area Budget  
December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under) Budget</u>
Revenue-Common Area			
Dues-class A	\$ 88,430	\$ 88,540	\$ (110)
Dues-class B	13,254	13,254	
Total Revenue	<u>\$ 101,684</u>	<u>\$ 101,794</u>	<u>\$ (110)</u>
Expenses			
Clubhouse maintenance	5,133	\$ 11,871	(6,738)
Clubhouse reservation clerk	1,250	1,320	(70)
Association manager	4,555	4,558	(3)
Hospitality	3,418	800	2,618
Tree maintenance	7,104	6,700	404
Path maintenance	-	2,000	(2,000)
Ground maintenance	7,159	9,400	(2,241)
Lawn maintenance	11,381	11,195	186
Pool maintenance	8,566	11,805	(3,239)
Parking maintenance	-	-	-
Real estate tax	4,234	4,426	(192)
Snow removal	8,707	7,200	1,507
Miscellaneous expenses	-	-	-
Office Supplies	345	250	95
Internet/domain	216	300	(84)
Accountant fees	21,450	17,400	4,050
Insurance	3,560	3,692	(132)
Bank charges	40	180	(140)
Ground Improvement Study	-	5,000	(5,000)
Gas	1,235	1,391	(156)
Electricity/Water	940	1,872	(932)
Phone	489	400	89
Clerical Expense	160	180	(20)
Professional Fees	2,395	2,500	(105)
Town Siding Expense	310	-	310
Total budgeted expenses	<u>\$ 92,646</u>	<u>\$ 104,440</u>	<u>\$ (11,794)</u>

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Stone Brooke Homeowners' Association, Inc.  
Statement of Town Home Operations Budget  
December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under) Budget</u>
Revenue-Townhomes			
Dues	\$ 232,479	\$ 233,043	\$ (564)
Total Revenue	<u>\$ 232,479</u>	<u>\$ 233,043</u>	<u>\$ (564)</u>
Expenses			
Association manager	\$ 17,135	\$ 17,147	(12)
Lawn maintenance	59,154	60,040	(886)
Snow removal	49,338	40,800	8,538
Professional fees	1,080	-	1,080
Utility line maintenance	9,387	12,000	(2,613)
Rain gutter maintenance	820	400	420
Siding maintenance	24,013	37,000	(12,987)
Roof maintenance	3,440	600	2,840
Painting	56,431	61,600	(5,169)
Total expenses	<u>\$ 220,798</u>	<u>\$ 229,587</u>	<u>\$ (8,789)</u>

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