

Financial Statements for  
Stone Brooke Homeowners Association, Inc.  
December 31, 2020

# *Klatt & Associates*

Certified Public Accountants, P.C.

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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' Equity – Income Tax Basis as of December 31, 2020, and the related Statements of Revenues, Expenses – Income Tax Basis for the year 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.

The financial statements of Stone Brooke Homeowners Association, Inc. as of December 31, 2019 were subject to a compilation engagement by other accountants whose report dated March 23, 2020 stated that they have not audited or reviewed the 2019 financials statements and do not express an opinion, a conclusion, nor provide any assurance on those financials statements.

Management has elected to omit substantially all of 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 6 through 9 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 not 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

March 15, 2021

Member, American Institute of Certified Public Accountants

Stone Brooke Homeowners Association, Inc.  
Statement of Assets, Liabilities, and Members' Equity - Income Tax Basis  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents		
Checking - First National Bank	\$ 69,253	\$ 46,153
Hi-Fi - First National	780	555
Money market - Vanguard	361	99
Checking - Availa Bank	0	3,058
Total cash and cash equivalents	<u>70,394</u>	<u>49,865</u>
Accounts receivable	197	2,587
CD - First National	65,301	62,591
Vanguard Wellington account, fair market value	53,379	48,223
Vanguard Healthcare account, fair market value	31,933	28,355
Vanguard brokerage account, fair market value	17,390	16,988
Prepaid insurance	3,003	2,967
Total current assets	<u>241,597</u>	<u>211,576</u>
Property and equipment		
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	145,874
	<u>355,389</u>	<u>355,389</u>
Less accumulated depreciation	<u>(133,550)</u>	<u>(118,419)</u>
Total property and equipment	<u>221,839</u>	<u>236,970</u>
Total assets	<u><u>\$ 463,436</u></u>	<u><u>\$ 448,546</u></u>

Stone Brooke Homeowners Association, Inc.  
Statement of Assets, Liabilities, and Members' Equity - Income Tax Basis  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable	\$ 15,402	\$ 66,799
Accrued invoices	0	750
Accrued real estate taxes	4,747	4,610
Prepaid dues	259	0
Total current liabilities	<u>20,408</u>	<u>72,159</u>
Long term liabilities		
First National - loan	27,656	43,163
Total liabilities	<u>48,064</u>	<u>115,322</u>
Members' equity		
Siding replacement equity	0	4,793
Roofing replacement equity	0	3,573
Common area equity	52,523	93,054
Fixed asset equity	192,706	113,475
Town homes equity	170,143	118,329
Total members' equity	<u>415,372</u>	<u>333,224</u>
Total Liabilities and equity	<u><u>\$ 463,436</u></u>	<u><u>\$ 448,546</u></u>

See accountants' compilation report

Stone Brooke Homeowners Association, Inc.  
Statement of Revenues and Expenses - Income Tax Basis  
December 31, 2020 and 2019

	2020	2019
Revenue		
Dues - town homes roofing	\$ 92,861	\$ 113,050
Dues - town homes siding and painting	98,151	85,839
Dues - town homes services and maintenance	201,628	179,530
Dues - single homes	11,579	11,754
Total Revenue	404,219	390,173
Expenses		
Clubhouse maintenance	7,972	4,038
Clubhouse expenses	2,800	4,581.71
Association manager	20,693	21,852
Hospitality	314	269
Tree maintenance	37,776	201
Path maintenance	624	611
Ground maintenance	4,400	22,011
Lawn maintenance	65,851	62,982
Pool maintenance	6,242	10,748
Real estate tax	4,620	4,669
Depreciation	15,131	16,171
Snow removal	21,748	64,424
Siding replace & repair	48,690	22,220
Painting	45,171	49,854
Rain gutter replace	15,929	6,118
Rain gutter repair	545	-
Roof replace	(\$3,933)	40,660
Roof repair	4,607	43,615
Utility line repair	16,354	-
Miscellaneous expenses	670	-
Office Supplies	119	80
Internet/domain	243	-
Accountant fees	13,635	13,476
Insurance	3,560	3,147
Bank charges	118	1
Total expenses	333,879	391,726.91
Operating income (loss)	70,340	(1,553.47)

Stone Brooke Homeowners Association, Inc.  
Statement of Revenues and Expenses - Income Tax Basis  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Other income (expense)		
Interest and dividend income	4,665	4,296
Realized gain on investment	4,630	3,577
Unrealized gain (loss) on investment	2,816	10,577
Interest expense	-2,493	-3,483
Other income	1,908	1,099
Total other income (expense)	<u>11,526</u>	<u>16,066</u>
 Income before income taxes	 81,867	 14,512.86
 Income tax expense	 <u>-282</u>	 <u>8,782</u>
Net income	<u>\$ 82,148</u>	<u>\$ 5,731</u>

See accountants' compilation report

Stone Brooke Homeowners Association, Inc.  
Statement of Revenues and Expenses by Class - Income Tax Basis  
For the twelve months ended December 31, 2020

	Administrative	Common Area	Town Homes	TOTAL
Revenue				
Dues - town homes services & maintenance	-	-	111,637	111,637
Dues - town homes siding & painting	-	-	98,151	98,151
Dues - townhomes roofing	-	-	92,861	92,861
Dues - town homes common area	-	74,627	-	74,627
Dues - single family common area	-	9,275	-	9,275
Dues - town homes administrative	15,365	-	-	15,365
Dues - single family administrative	2,304	-	-	2,304
Total Revenue	17,669	83,901	302,649	404,219
Expense				
Association manager	-	4,407	16,286	20,693
Lawn maintenance	-	21,766	44,086	65,852
Snow removal	-	283	21,465	21,748
Siding replace & repair	-	-	48,690	48,690
Painting	-	-	45,171	45,171
Rain gutter replace	-	-	15,929	15,929
Rain gutter repair	-	-	545	545
Roof replace	-	-	(3,933)	(3,933)
Roof repair	-	-	4,607	4,607
Utility line repair	-	-	16,354	16,354
Club house expenses	-	2,800	-	2,800
Club house maintenance	-	7,972	-	7,972
Hospitality	-	314	-	314
Tree maintenance	-	37,776	-	37,776
Path maintenance	-	624	-	624
Ground maintenance	-	4,400	-	4,400
Pool maintenance	-	6,242	-	6,242
Real estate tax	-	4,620	-	4,620
Depreciation	-	15,131	-	15,131
Miscellaneous expenses	670	-	-	670
Office Supplies	119	-	-	119
Internet/domain	243	-	-	243
Accountant fees	13,635	-	-	13,635
Insurance	3,560	-	-	3,560
Bank charges	118	-	-	118
Total Expense	18,345	106,335	209,200	333,880
Operating income (loss)	(676)	(22,434)	93,448	70,339
Other income (expense)				
Interest and dividend income	2,974	-	-	2,974
Unrealized gain (loss) on investment	9,137	-	-	9,137
Interest expense	(2,493)	-	-	(2,493)
Other income	1,908	-	-	1,908
Total other income (expense)	11,526	-	-	11,526
Income before income taxes	10,851	(22,434)	93,448	81,866
Income tax expense	(282)	-	-	(282)
Net income	11,132	(22,434)	93,448	82,148

See accountants' compilation report

Stone Brooke Homeowners Association, Inc.  
Administrative Budget Report  
For the twelve months ended December 31, 2020

	2020	Budget	\$ Over Budget
Revenue			
Dues - town homes administrative	15,365	15,404	-39
Dues - single family administrative	2,304	2,306	-2
Total revenue	17,669	17,710	17,669
Expenses			
Miscellaneous expenses	670	0	670
Office supplies	119	100	19
Clerical	0	175	-175
Internet/domain	243	0	
Accountant fees	13,635	13,500	135
Insurance	3,560	3,560	0
Bank charges	118	375	-257
Total expenses	18,345	17,710	635
Net operating income (loss)	-676	0	17,034
Other income (expense)			
Interest and dividend income	2,974	2,496	478
Unrealized gain (loss) on investment	9,137		
Interest expense	-2,493	2,484	-4,977
Other income	1,908		
Total other income (expense)	11,526	4,980	-4,499
Income before income taxes	10,851	4,980	12,536
Income tax expense	-282		
Net income	11,132	4,980	12,536

See accountants' compilation report



Stone Brooke Homeowners Association, Inc.  
Common Area Budget Report  
For the twelve months ended December 31, 2020

	<u>2020</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Revenue			
Dues - town homes common area	74,627	74,816	-189
Dues - single family common area	9,275	9,271	4
Total revenue	<u>83,901</u>	<u>84,087</u>	<u>-186</u>
Expenses			
Club house expenses	700	1,250	-550
Club house maintenance	7,972	5,050	2,922
Association manager	4,407	4,280	127
Hospitality	314	375	-61
Tree maintenance	37,776	2,500	35,276
Path maintenance	624	5,000	-4,376
Ground maintenance	4,400	7,500	-3,100
Lawn maintenance	21,766	21,420	346
Pool maintenance	6,242	13,500	-7,258
Snow removal	283	400	-118
Real estate tax	4,620	4,800	-180
Depreciation	15,131	16,109	-978
Club house garbage	171	150	21
Phone	447	400	47
Electricity and water	915	1,873	-958
Gas	567	1,390	-823
Total expense	<u>106,335</u>	<u>85,997</u>	<u>20,338</u>
Net operating income	<u><u>-22,434</u></u>	<u><u>-1,910</u></u>	<u><u>-20,523</u></u>

See accountants' compilation report

Stone Brooke Homeowners Association, Inc.  
Town Homes Budget Report  
For the twelve months ended December 31, 2020

	<u>2020</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Revenue			
Dues - town homes services & maintenance	111,637	111,924	-287
Dues - town homes siding & painting	98,151	98,400	-249
Dues - townhomes roofing	92,861	93,096	-235
Total revenue	<u>302,649</u>	<u>303,420</u>	<u>-771</u>
Expenses			
Association manager	16,286	16,480	-194
Lawn maintenance	44,086	42,840	1,246
Snow removal	21,465	39,600	-18,135
Siding replace & repair	48,690	40,000	8,690
Painting	45,171	48,400	-3,229
Rain gutter replace	15,929	10,000	5,929
Rain gutter repair	545	0	545
Roof replace	-3,933	98,000	-101,933
Roof repair	4,607	2,000	2,607
Professional fees	0	1,000	-1,000
Utility line repair	16,354	12,000	4,354
Total expense	<u>209,200</u>	<u>310,320</u>	<u>-101,120</u>
Net operating income	<u>93,448</u>	<u>-6,900</u>	<u>100,348</u>

See accountants' compilation report