

Financial Statements for
Stone Brooke Homeowners Association, Inc.

December 31, 2021

Stone Brooke Homeowners' Association, Inc.
Financial Statements
as of
December 31, 2021

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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, 2021, and the related Statements of Revenues and 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.

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 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



April 21, 2022

Stone Brooke Homeowners Association, Inc.
Statement of Assets, Liabilities, and Members' Reserves - Income Tax Basis
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents		
Checking - First National Bank	\$ 76,594	\$ 69,253
Hi-Fi - First National	780	780
Money market - Vanguard	99	361
Total cash and cash equivalents	77,473	70,394
Accounts receivable	142	197
CD - First National		65,301
Vanguard Wellington account, fair market value	63,577	53,379
Vanguard Healthcare account, fair market value	36,500	31,933
Vanguard brokerage account, fair market value	22,425	17,390
Prepaid insurance	3,134	3,003
Total current assets	203,251	241,597
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	147,149	145,874
	356,665	355,389
Less accumulated depreciation	(147,319)	(133,550)
Total property and equipment	209,346	221,839
Total assets	\$ 412,597	\$ 463,436
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 4,538	\$ 15,402
Accrued invoices	-	-
Accrued real estate taxes	5,030	4,747
Income tax payable	300	
Prepaid dues	3,101	259
Total current liabilities	12,969	20,408
Long term liabilities		
First National - loan	-	27,656
Total liabilities	12,969	48,064
Members' reserves		
Siding replacement equity	42,582	15,672
Roofing replacement equity	79,998	128,412
Common area equity	40,923	23,974
Fixed asset equity	208,070	221,839
Town homes equity	28,055	25,475
Net Income		
Total members' equity	399,628	415,372
Total Liabilities and equity	\$ 412,597	\$ 463,436

Stone Brooke Homeowners Association, Inc.
Statement of Revenues and Expenses - Income Tax Basis
December 31, 2021 and 2020

	2021	2020
Revenue		
Dues - town homes roofing	\$ 128,808	\$ 92,861
Dues - town homes siding	92,610	98,151
Dues - town homes operations	115,534	111,637
Dues - common area	95,135	101,570
Total Revenue	432,087	404,219
Expenses		
Clubhouse maintenance	11,674	7,972
Clubhouse expenses	-	2,800
Association manager	21,063	20,693
Hospitality	1,199	314
Tree maintenance	4,647	37,776
Path maintenance	60	624
Parking maintenance	2,357	
Ground maintenance	8,551	4,400
Lawn maintenance	66,894	65,851
Pool maintenance	4,784	6,242
Real estate tax	4,620	4,620
Depreciation	13,769	15,131
Snow removal	45,795	21,748
Siding replace & repair	67,657	48,690
Painting	-	45,171
Gutter repair & replacement	-	15,929
Roof repair & replacement	193,302	1,219
Utility line repair	-	16,354
Miscellaneous expenses	342	670
Office Supplies	311	119
Internet/domain	-	243
Accountant fees	16,305	13,635
Professional fees	1,080	-
Insurance	3,560	3,560
Bank charges	-	118
Total expenses	467,971	333,879
Operating income (loss)	(35,884)	70,340
Other income (expense)		-
Interest and dividend income	1,549	4,665
Realized gain on investment	-	4,630
Unrealized gain (loss) on investment	19,800	2,816
Interest expense	(759)	(2,493)
Bank fees	(150)	-
Insurance reimbursement		
Other income	-	1,908
Total other income (expense)	20,440	11,526
Income before income taxes	(15,444)	81,866
Income tax expense	300	(282)
Net income	\$ (15,744)	\$ 82,148

See accountants' compilation report

Stone Brooke Homeowners' Association, Inc.
Statement of Members' Reserves-Income Tax Basis
December 31, 2021

	<u>Total Reserves</u>	<u>Siding</u>	<u>Roofing</u>	<u>Common Area</u>	<u>Fixed Assets</u>	<u>Town Home Operations</u>
1/1/2021 Balance	\$ 415,372	\$ 15,672	\$ 128,412	\$ 23,974	\$ 221,839	\$ 25,475
Interest income	1,549	144	1,183	222		
Net revenues	(22,265)	24,953	(64,495)	14,697		2,580
Interest expense	(759)			(759)		
Depreciation	(13,769)				(13,769)	
Change in FMV of investments	19,800	1,841	15,127	2,832		
Gain/(loss) on investments	-					
Income tax	(300)	(28)	(229)	(43)		
12/31/21 Balance	<u>\$ 399,628</u>	<u>\$ 42,582</u>	<u>\$ 79,998</u>	<u>\$ 40,923</u>	<u>\$ 208,070</u>	<u>\$ 28,055</u>

See Accountants' Compilation Report

Stone Brooke Homeowners' Association, Inc.
Statement of Revenues and Expenses by Class-Income Tax Basis
December 31, 2021

	Common Area	Fixed Assets	Town Home Operations	Town Home Roofing	Town Home Siding	TOTAL
Revenue						
Dues	\$ 95,135	\$ -	\$ 115,534	\$ 128,808	\$ 92,610	\$ 432,087
Total Revenue	<u>95,135</u>	<u>-</u>	<u>115,534</u>	<u>128,808</u>	<u>92,610</u>	<u>432,087</u>
Expense						
Association manager	4,423	-	16,640	-	-	21,063
Lawn maintenance	10,613	-	56,281	-	-	66,894
Snow removal	6,842	-	38,953	-	-	45,795
Siding replace & repair	-	-	-	-	67,657	67,657
Painting	-	-	-	-	-	-
Gutter repair & replacement	-	-	-	-	-	-
Roof repair & replacement	-	-	-	193,302	-	193,302
Utility line repair	-	-	-	-	-	-
Club house maintenance & exp	11,674	-	-	-	-	11,674
Parking maintenance	2,357	-	-	-	-	2,357
Hospitality	1,199	-	-	-	-	1,199
Tree maintenance	4,647	-	-	-	-	4,647
Path maintenance	60	-	-	-	-	60
Ground maintenance	8,551	-	-	-	-	8,551
Pool maintenance	4,784	-	-	-	-	4,784
Real estate tax	4,620	-	-	-	-	4,620
Miscellaneous expenses	342	-	-	-	-	342
Office Supplies	311	-	-	-	-	311
Internet/domain	-	-	-	-	-	-
Accountant fees	16,305	-	-	-	-	16,305
Professional fees	-	-	1,080	-	-	1,080
Insurance	3,560	-	-	-	-	3,560
Bank charges	150	-	-	-	-	150
Total expense	<u>80,439</u>	<u>-</u>	<u>112,954</u>	<u>193,302</u>	<u>67,657</u>	<u>454,352</u>
Operating income (loss)	<u>14,697</u>	<u>-</u>	<u>2,580</u>	<u>(64,494)</u>	<u>24,953</u>	<u>(22,265)</u>
Other income (expense)						
Interest and dividend income	222	-	-	1,183	144	1,549
Unrealized gain (loss) on investment	2,832	-	-	15,127	1,841	19,800
Misc Income	-	-	-	-	-	-
Total other income (expense)	<u>3,054</u>	<u>-</u>	<u>-</u>	<u>16,310</u>	<u>1,985</u>	<u>21,349</u>
Other Expense						
Depreciation expense	-	13,769	-	-	-	13,769
Interest expense	759	-	-	-	-	759
Total other expense	<u>759</u>	<u>13,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,528</u>
Net revenues before income tax	16,992	\$ (13,769)	\$ 2,580	\$ (48,184)	\$ 26,938	\$ (15,444)
Income tax expense	43	-	-	229	28	300
Net Revenues	<u>\$ 16,949</u>	<u>\$ (13,769)</u>	<u>\$ 2,580</u>	<u>\$ (48,413)</u>	<u>\$ 26,910</u>	<u>\$ (15,744)</u>

See accountants' compilation report

Stone Brooke Homeowners's Associatin
Statement of Common Area Budget
December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over/(Under) Budget</u>
Revenue-Common Area			
Dues	\$ 95,135	\$ 95,135	\$ -
Total Revenue	<u>\$ 95,135</u>	<u>\$ 95,135</u>	<u>\$ -</u>
 Expenses			
Clubhouse maintenance	\$ 5,874	\$ 4,919	955
Clubhouse expenses	5,637	3,250	2,387
Garbage	163	180	
Association manager	4,423	4,366	58
Hospitality	1,199	400	799
Tree maintenance	4,647	6,750	(2,103)
Path maintenance	60	2,000	(1,940)
Ground maintenance	8,551	14,200	(5,649)
Lawn maintenance	10,614	10,239	375
Pool maintenance	4,784	14,000	(9,216)
Parking maintenance	2,357		
Real estate tax	4,620	4,000	620
Snow removal	6,842	5,063	1,779
Miscellaneous expenses	-	(50)	50
Office Supplies	311	100	211
Internet/domain	342	300	42
Accountant fees	16,305	15,880	425
Insurance	3,560	3,600	(40)
Bank charges	150	90	60
Total budgeted expenses	<u>\$ 80,439</u>	<u>\$ 89,286</u>	<u>\$ (8,847)</u>

Stone Brooke Homeowners' Association, Inc
Statement of Town Home Operations Budget
December 31, 2021

	Actual	Budget	Over/(Under) Budget
Revenue-Townhomes			
Dues	\$ 115,534	\$ 115,534	\$ -
Total Revenue	\$ 115,534	\$ 115,534	\$ -
 Expenses			
Association manager	\$ 16,640	\$ 16,810	\$ (170)
Lawn maintenance	56,281	54,621	1,660
Snow removal	38,953	28,688	10,266
Professional fees	1,080	1,000	80
Total expenses	\$ 112,954	\$ 101,118	\$ 11,836