

**The Terrace Homeowners Association B, Inc.**  
**Balance Sheet**  
**As of December 31, 2022 and 2021**

|  | <b>2022</b>           |                         |                   | <b>2021</b>           |                         |                   |
|--|-----------------------|-------------------------|-------------------|-----------------------|-------------------------|-------------------|
|  | <b>Operating Fund</b> | <b>Replacement Fund</b> | <b>Total</b>      | <b>Operating Fund</b> | <b>Replacement Fund</b> | <b>Total</b>      |
| <b>ASSETS</b>                                |                       |                         |                   |                       |                         |                   |
| <b>Cash &amp; Cash Equivalents</b>           |                       |                         |                   |                       |                         |                   |
| Checking                                     | \$ 21,753             | \$ 58,234               | \$ 79,987         | \$ 11,027             | \$ 58,212               | \$ 69,239         |
| Certificates of Deposit                      | -                     | 102,544                 | 102,544           | -                     | 102,303                 | 102,303           |
| <b>Total Cash &amp; Cash Equivalents</b>     | <b>21,753</b>         | <b>160,779</b>          | <b>182,532</b>    | <b>11,027</b>         | <b>160,515</b>          | <b>171,542</b>    |
| Accounts Receivable                          | 1,548                 | -                       | 1,548             | 1,305                 | -                       | 1,305             |
| Prepaid Insurance                            | 281                   | -                       | 281               | 313                   | -                       | 313               |
| Undeposited Funds                            | 65                    | -                       | 65                | 133                   | -                       | 133               |
| Due from other fund                          |                       | 7,661                   | 7,661             | -                     | 2,354                   | 2,354             |
| <b>TOTAL ASSETS</b>                          | <b>\$ 23,647</b>      | <b>\$ 168,440</b>       | <b>\$ 192,086</b> | <b>\$ 12,778</b>      | <b>\$ 162,869</b>       | <b>\$ 175,647</b> |
| <b>LIABILITIES &amp; EQUITY</b>              |                       |                         |                   |                       |                         |                   |
| <b>Liabilities</b>                           |                       |                         |                   |                       |                         |                   |
| Accounts Payable                             | \$ 4,316              | \$ -                    | 4,316             | \$ 1,373              | \$ -                    | 1,373             |
| Prepaid Assessments                          | 5,983                 | -                       | 5,983             | 2,044                 | -                       | 2,044             |
| Contract Liabilities (Reserve) **            | -                     | 168,439                 | 168,439           | -                     | 162,869                 | 162,869           |
| Due to other fund                            | 7,661                 | -                       | 7,661             | 2,354                 | -                       | 2,354             |
| <b>Total Liabilities</b>                     | <b>17,960</b>         | <b>168,439</b>          | <b>186,399</b>    | <b>5,771</b>          | <b>162,869</b>          | <b>168,640</b>    |
| <b>Fund Balances</b>                         |                       |                         |                   |                       |                         |                   |
| Working Capital                              | 5,150                 | -                       | 5,150             | 5,150                 | -                       | 5,150             |
| Operating Fund                               | 536                   | -                       | 536               | 1,857                 | -                       | 1,857             |
| <b>Total Fund Balances</b>                   | <b>5,686</b>          | <b>-</b>                | <b>5,686</b>      | <b>7,007</b>          | <b>-</b>                | <b>7,007</b>      |
| <b>TOTAL LIABILITIES &amp; FUND BALANCES</b> | <b>\$ 23,647</b>      | <b>\$ 168,439</b>       | <b>\$ 192,086</b> | <b>\$ 12,778</b>      | <b>\$ 162,869</b>       | <b>\$ 175,647</b> |

\*\* In accordance with ASC 606, these financial statements consider the performance obligations related to the replacement fund assessments to be satisfied when these funds are expended for their designated purpose. Any unspent reserve fund balances are now reflected as a contract liability.

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**The Terrace Homeowners Association B, Inc.**  
**Revenues and Expenses and Change in Fund Balances**  
**Years ended December 31, 2022 and 2021**

|  | <b>2022</b>           |                         |                   | <b>2021</b>           |                         |                   |
|--|-----------------------|-------------------------|-------------------|-----------------------|-------------------------|-------------------|
|  | <b>Operating Fund</b> | <b>Replacement Fund</b> | <b>Total</b>      | <b>Operating Fund</b> | <b>Replacement Fund</b> | <b>Total</b>      |
| <b>Income</b>                                  |                       |                         |                   |                       |                         |                   |
| Dues-Operating                                 | \$ 56,040             | \$ -                    | \$ 56,040         | \$ 52,440             | \$ -                    | \$ 52,440         |
| Dues-Reserve Fund                              | -                     | 3,240                   | 3,240             | -                     | 6,840                   | 6,840             |
| Paper Statement Fees                           | 213                   | -                       | 213               | 273                   | -                       | 273               |
| Interest income-Reserve Fund                   | -                     | 264                     | 264               | -                     | 332                     | 332               |
| Late Fees/Finance Charges                      | 5                     | -                       | 5                 | 322                   | -                       | 322               |
| Applied (Excess) Reserve Income **             | -                     | (3,713)                 | (3,713)           | -                     | 88,176                  | 88,176            |
| <b>Total Income</b>                            | <b>56,258</b>         | <b>(209)</b>            | <b>56,048</b>     | <b>53,035</b>         | <b>95,348</b>           | <b>148,383</b>    |
| <b>Expense</b>                                 |                       |                         |                   |                       |                         |                   |
| <b>Landscape Maintenance</b>                   |                       |                         |                   |                       |                         |                   |
| Aeration & Fertilization                       | -                     | -                       | -                 | -                     | -                       | -                 |
| Weed Control                                   | -                     | -                       | -                 | -                     | -                       | -                 |
| Irrigation Repairs/Winterization               | 925                   | -                       | 925               | 686                   | -                       | 686               |
| Irrigation Water-Town of Eagle                 | 1,463                 | -                       | 1,463             | 1,489                 | -                       | 1,489             |
| Maintenance Contract                           | 9,370                 | -                       | 9,370             | 8,962                 | -                       | 8,962             |
| Mowing   | -                     | -                       | -                 | -                     | -                       | -                 |
| Open Space/Tot Lot Cleanup                     | 306                   | -                       | 306               | -                     | -                       | -                 |
| Tree Maintenance                               | -                     | -                       | -                 | -                     | -                       | -                 |
| <b>Total Landscape Maintenance</b>             | <b>12,064</b>         | <b>-</b>                | <b>12,064</b>     | <b>11,137</b>         | <b>-</b>                | <b>11,137</b>     |
| <b>General Open Space</b>                      |                       |                         |                   |                       |                         |                   |
| Turning Sand at TOT Lot                        | -                     | -                       | -                 | -                     | -                       | -                 |
| Pet Pick-ups                                   | 1,330                 | -                       | 1,330             | 2,008                 | -                       | 2,008             |
| Plowing  | 4,061                 | -                       | 4,061             | 3,776                 | -                       | 3,776             |
| Maintenance                                    | (400)                 | -                       | (400)             | 100                   | -                       | 100               |
| <b>Total General Open Space</b>                | <b>4,991</b>          | <b>-</b>                | <b>4,991</b>      | <b>5,884</b>          | <b>-</b>                | <b>5,884</b>      |
| <b>DRB Expenses</b>                            |                       |                         |                   |                       |                         |                   |
| Code Enforcement                               | 4,949                 | -                       | 4,949             | 4,200                 | -                       | 4,200             |
| <b>Total DRB Expenses</b>                      | <b>4,949</b>          | <b>-</b>                | <b>4,949</b>      | <b>4,200</b>          | <b>-</b>                | <b>4,200</b>      |
| <b>Operating Expenses</b>                      |                       |                         |                   |                       |                         |                   |
| Accounting                                     | 7,225                 | -                       | 7,225             | 7,204                 | -                       | 7,204             |
| Annual Garage Sale                             | 2,031                 | -                       | 2,031             | 1,507                 | -                       | 1,507             |
| Website Expenses                               | 299                   | -                       | 299               | 274                   | -                       | 274               |
| Bank Fees                                      | 40                    | -                       | 40                | 40                    | -                       | 40                |
| Election Software                              | -                     | -                       | -                 | -                     | -                       | -                 |
| Liability Insurance                            | 3,398                 | -                       | 3,398             | 3,319                 | -                       | 3,319             |
| Legal Fees                                     | 7,935                 | -                       | 7,935             | 4,727                 | -                       | 4,727             |
| Management Fees                                | 12,000                | -                       | 12,000            | 12,000                | -                       | 12,000            |
| Miscellaneous                                  | 335                   | -                       | 335               | 160                   | -                       | 160               |
| Postage and Delivery                           | 154                   | -                       | 154               | 56                    | -                       | 56                |
| Storage Expense                                | 300                   | -                       | 300               | 300                   | -                       | 300               |
| Supplies/Printing                              | -                     | -                       | -                 | 370                   | -                       | 370               |
| Telephone                                      | -                     | -                       | -                 | -                     | -                       | -                 |
| <b>Total Operating Expenses</b>                | <b>33,717</b>         | <b>-</b>                | <b>33,717</b>     | <b>29,957</b>         | <b>-</b>                | <b>29,957</b>     |
| Reserve Expenditures                           | -                     | (209)                   | (209)             | -                     | 95,348                  | 95,348            |
| <b>Total Expense</b>                           | <b>55,721</b>         | <b>(209)</b>            | <b>55,512</b>     | <b>51,178</b>         | <b>95,348</b>           | <b>146,526</b>    |
| <b>Net Income</b>                              | <b>536</b>            | <b>\$ -</b>             | <b>536</b>        | <b>1,857</b>          | <b>\$ -</b>             | <b>1,857</b>      |
| <b>Beginning Operating Fund Balance</b>        |                       |                         |                   |                       |                         |                   |
|  | 1,857                 |                         | 1,857             | 10,234                |                         | 10,234            |
| Transfer from operating fund to reserve fund   | (1,857)               |                         | (1,857)           | (10,234)              |                         | (10,234)          |
| <b>Ending Fund Balances</b>                    | <b>536</b>            |                         | <b>\$ 536</b>     | <b>1,857</b>          |                         | <b>\$ 1,857</b>   |
| <b>Reserve Liability</b>                       |                       |                         |                   |                       |                         |                   |
| <b>Beginning Reserve Liability Balance</b>     |                       | 162,869                 | 162,869           |                       | 240,811                 | 240,811           |
| Surplus of (Use of) Reserve Fund               |                       | 3,713                   | 3,713             |                       | (88,176)                | (88,176)          |
| Transfer of operating surplus from prior years |                       | 1,857                   | 1,857             |                       | 10,234                  | 10,234            |
| <b>Ending Fund Balance</b>                     |                       | <b>\$ 168,439</b>       | <b>\$ 168,439</b> |                       | <b>\$ 162,869</b>       | <b>\$ 162,869</b> |

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**The Terrace Homeowners Association B, Inc.  
Change in Reserve Fund Balances  
Years ended December 31, 2022 and 2021**

|   | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| <b>Beginning Reserve Fund Balance</b>         | \$ 162,869  | \$ 240,811  |
| <b>Income</b>                                 |             |             |
| Dues-Reserve Fund                             | 3,240       | 6,840       |
| Interest income-Reserve Fund                  | 264         | 332         |
| Applied (Excess) Reserve Income **            | (3,713)     | 88,176      |
| <b>Total Income</b>                           | (209)       | 95,348      |
| <b>Reserve Expenditures</b>                   | (209)       | 95,348      |
| <b>Total Expense</b>                          | (209)       | 95,348      |
| <b>Net surplus (deficit)</b>                  | -           | -           |
| Excess of (Use of ) Reserve Income **         | 3,713       | (88,176)    |
| Transfer of operating surplus from prior year | 1,857       | 10,234      |
|   | 1,857       | 10,234      |
| <b>Ending Fund Balance</b>                    | \$ 168,439  | \$ 162,869  |

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**The Terrace Homeowners Association B, Inc.**  
**Profit & Loss Budget vs. Actual**  
**Year Ended December 31, 2022**

|   | <u>Actual</u>       | <u>Budget</u>       | <u>\$ Over Budget</u> | <u>% of Budget</u>    |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <b>Ordinary Income/Expense</b>            |                     |                     |                       |                       |
| <b>Income</b>                             |                     |                     |                       |                       |
| 4650 · Paper Statement Fees               | 213                 | -                   | 213                   | 100.0%                |
| 4100 · Operating Assmts                   | 56,040              | 56,040              | -                     | 100.0%                |
| 4700 · Late Fees/Finance Charges          | 5                   | -                   | 5                     | 100.0%                |
| <b>Total Income</b>                       | <u>56,258</u>       | <u>56,040</u>       | <u>218</u>            | <u>100.39%</u>        |
| <b>Expense</b>                            |                     |                     |                       |                       |
| <b>5100 · Landscape Maintenance</b>       |                     |                     |                       |                       |
| 5105 · Landscape Maintenance Contract     | 9,370               | 9,300               | 70                    | 100.75%               |
| 5125 · Irrigation Repairs/Winterizatio    | 925                 | 1,200               | (275)                 | 77.08%                |
| 5127 · Irrigation Water-Town of Eagle     | 1,463               | 1,800               | (337)                 | 81.28%                |
| 5160 · Open Space/Commons                 | 306                 | 500                 | (194)                 | 61.14%                |
| 5170 · Tree Maintenance                   | -                   | 500                 | (500)                 | 0.0%                  |
| <b>Total 5100 · Landscape Maintenance</b> | <u>12,064</u>       | <u>13,300</u>       | <u>(1,236)</u>        | <u>90.7%</u>          |
| <b>5124 · General Open Space</b>          |                     |                     |                       |                       |
| 5135 · Mulch Replenishment/Tot Lot        | (400)               | 400                 | (800)                 | -100.0%               |
| 5140 · Pet Pick-ups                       | 1,330               | 1,700               | (370)                 | 78.24%                |
| 5145 · Plowing                            | 4,061               | 4,000               | 61                    | 101.53%               |
| 5155 · Maintenance                        | -                   | 500                 | (500)                 | 0.0%                  |
| <b>Total 5124 · General Open Space</b>    | <u>4,991</u>        | <u>6,600</u>        | <u>(1,609)</u>        | <u>75.63%</u>         |
| <b>5500 · DRB Expenses</b>                |                     |                     |                       |                       |
| 5530 · Code Enforcement/Software          | 4,949               | 5,100               | (151)                 | 97.05%                |
| <b>Total 5500 · DRB Expenses</b>          | <u>4,949</u>        | <u>5,100</u>        | <u>(151)</u>          | <u>97.05%</u>         |
| <b>6000 · Admin Expenses</b>              |                     |                     |                       |                       |
| 6100 · Accounting                         | 7,225               | 7,200               | 25                    | 100.35%               |
| 6120 · Website Expenses                   | 299                 | 300                 | (1)                   | 99.8%                 |
| 6130 · Bank Fees                          | 40                  | 40                  | -                     | 100.0%                |
| 6140 · Election Software                  | -                   | 700                 | (700)                 | 0.0%                  |
| 6150 · Insurance                          | 3,398               | 3,100               | 298                   | 109.62%               |
| 6160 · Legal and Professional Fees        | 7,935               | 5,000               | 2,935                 | 158.7%                |
| 6170 · Management Fees                    | 12,000              | 12,000              | -                     | 100.0%                |
| 6180 · Miscellaneous                      | 335                 | 300                 | 35                    | 111.67%               |
| 6190 · Postage and Delivery               | 154                 | 300                 | (146)                 | 51.2%                 |
| <b>6200 · Community Events</b>            |                     |                     |                       |                       |
| 6202 · Christmas Decorating Contest       | -                   | 300                 | (300)                 | 0.0%                  |
| 6204 · Annual Garage Sale                 | 2,031               | 1,500               | 531                   | 135.4%                |
| <b>Total 6200 · Community Events</b>      | <u>2,031</u>        | <u>1,800</u>        | <u>231</u>            | <u>112.83%</u>        |
| 6215 · Storage Expense                    | 300                 | 300                 | -                     | 100.0%                |
| <b>Total 6000 · Admin Expenses</b>        | <u>33,717</u>       | <u>31,040</u>       | <u>2,677</u>          | <u>108.63%</u>        |
| <b>Total Expense</b>                      | <u>55,721</u>       | <u>56,040</u>       | <u>(319)</u>          | <u>99.43%</u>         |
| <b>Net Ordinary Income</b>                | 536                 | -                   | 536                   | 100.0%                |
| <b>Reserve Income/Expenses</b>            |                     |                     |                       |                       |
| <b>Income</b>                             |                     |                     |                       |                       |
| 4125 · Reserve Interest                   | 264                 | -                   | 264                   | 100.0%                |
| 4110 · Reserve Assmts                     | 3,240               | 3,240               | -                     | 100.0%                |
| <b>Totalr Income</b>                      | <u>3,504</u>        | <u>3,240</u>        | <u>264</u>            | <u>108.14%</u>        |
| <b>Expenses</b>                           |                     |                     |                       |                       |
| 9000 · Reserve Expenditures               | (209)               |                     |                       |                       |
| <b>Total Expense</b>                      | <u>(209)</u>        |                     |                       |                       |
| <b>Net Reserve</b>                        | 3,713               | 3,240               | 473                   | 114.6%                |
| <b>Net Income</b>                         | <u><u>4,249</u></u> | <u><u>3,240</u></u> | <u><u>1,009</u></u>   | <u><u>131.15%</u></u> |

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