

**STONE CREEK AT EAGLE HARBOR  
ASSOCIATION, INC.**

**Financial Statements  
Supplementary Information  
and  
Independent Accountants' Review Report  
For the Year Ended December 31, 2023**

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
December 31, 2023

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Stone Creek at Eagle Harbor Association, Inc.  
Fleming Island, Florida

We have reviewed the accompanying financial statements of Stone Creek at Eagle Harbor Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### *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.

### *Accountants' Responsibility*

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Stone Creek at Eagle Harbor Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### *Accountants' Conclusion on the Financial Statements*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
December 31, 2023

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

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*Supplementary Information*

The supplementary information in the "Comparison of Operating Fund Revenues and Expenses to Budget" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 14 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have compiled the required supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

*LBW CPAs and Associates, Inc.*

St. Augustine, Florida  
May 7, 2024

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
At December 31, 2023

*Balance Sheet*

	Operating Fund	Deferred Expenditures Fund	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents:			
Unrestricted	\$146,291		\$146,291
Designated		\$267,695	267,695
Total cash and cash equivalents	146,291	267,695	413,986
Other receivables	8,459		8,459
Interfund receivable/(payable)	3,108	(3,108)	
Prepaid expenses	1,063		1,063
Prepaid insurance	1,134		1,134
Total current assets	160,055	264,587	424,642
Contract assets (spent assessments)		531,770	531,770
Total assets	\$160,055	\$796,357	\$956,412
<b>Liabilities and Fund Balances</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$2,505		\$2,505
Prepaid fees and assessments	82,260		82,260
Loan payable, current portion		\$85,450	85,450
Total current liabilities	84,765	85,450	170,215
Loan payable, less current portion		710,907	710,907
Total liabilities	84,765	796,357	881,122
Fund balances	75,290		75,290
Total liabilities and fund balances	\$160,055	\$796,357	\$956,412

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Statement of Revenues, Expenses, and Changes in Fund Balances*

	Operating Fund	Deferred Expenditures Fund	Total
<b>Revenues</b>			
Regular assessments (billed)	\$217,498	\$222,692	\$440,190
Less: assessment deferral		(196,606)	(196,606)
Net assessments recognized	217,498	26,086	243,584
Finance charges	584		584
Cost share revenue	15,718		15,718
Other income	1,286		1,286
Interest income	318	6,878	7,196
Total revenues	235,404	32,964	268,368
<b>Expenses</b>			
General and administrative	16,108		16,108
Landscaping	139,379		139,379
Maintenance	44,653		44,653
Roof loan interest		34,014	34,014
Utilities	27,358		27,358
Total expenses	227,498	34,014	261,512
<b>Surplus/(deficit) of revenues over expenses</b>	7,906	(1,050)	6,856
Capital contributions		1,050	1,050
Fund balances, beginning of year	67,384		67,384
<b>Fund balances, end of year</b>	\$75,290	\$0	\$75,290

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Statement of Cash Flows*

	Operating Fund	Deferred Expenditures Fund	Total
<b>Cash flows from operating activities:</b>			
Regular assessments received	\$232,890	\$221,642	\$454,532
Interest and other cash receipts	12,743	6,878	19,621
Cash paid for goods and services	(225,107)		(225,107)
Cash paid for roof loan interest		(34,014)	(34,014)
Net cash provided by operating activities	<u>20,526</u>	<u>194,506</u>	<u>215,032</u>
<b>Cash flows from financing activities:</b>			
Capital contributions received		1,050	1,050
Loan repayments		(81,656)	(81,656)
Net cash used in financing activities		<u>(80,606)</u>	<u>(80,606)</u>
<b>Increase/(decrease) in cash</b>	20,526	113,900	134,426
<b>Cash and cash equivalents,</b>			
Beginning of year	125,765	153,795	279,560
<b>End of year</b>	<u><u>\$146,291</u></u>	<u><u>\$267,695</u></u>	<u><u>\$413,986</u></u>
<b>Adjustments to reconcile surplus/(deficit) of revenues over expenses to net cash provided by/(used in) operating activities:</b>			
Surplus/(deficit) of revenues over expenses	\$7,906	(\$1,050)	\$6,856
<i>(Increase)/decrease in:</i>			
Other receivables	(5,163)		(5,163)
Interfund receivable/(payable)	1,050	(1,050)	
Prepaid expenses	(13)		(13)
Contract assets (spent assessments)		196,606	196,606
<i>Increase/(decrease) in:</i>			
Accounts payable and accrued expenses	2,404		2,404
Prepaid fees and assessments	14,342		14,342
Net cash provided by operating activities	<u><u>\$20,526</u></u>	<u><u>\$194,506</u></u>	<u><u>\$215,032</u></u>
<b>Supplemental disclosures of cash flow information:</b>			
Cash paid for roof loan interest			<u><u>\$34,014</u></u>
Cash paid for taxes			<u><u>None</u></u>

## STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.

For the Year Ended December 31, 2023

### *Notes to the Financial Statements*

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#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### *Organization*

The Stone Creek at Eagle Harbor Association, Inc. (the "Association") was incorporated on June 17, 2004 under the laws of the State of Florida as a not-for-profit corporation for the purpose of maintaining and preserving the common property of Stone Creek, a planned community located in Clay County, Florida. The community was developed by Eagle Harbor at Fleming Island Joint Venture (the "Developer") and includes 146 multi-family townhomes on approximately 37 acres. Common property of the Association includes buildings and garages, fencing, roads, drainage structures, and landscaping. The development is located within the Eagle Harbor community. The administration of the Association has been assumed by its duly elected Board of Directors.

There are certain common properties within the Eagle Harbor community that require expenses to be shared by the owners within the community. The Developer provided for and created the Towncenter and East of 17 at Eagle Harbor (the "Master Association"). The Master Association is a mixed-use development, with single-family residences, multi-family residences, an office park, and retail, commercial, and light industrial center. Each owner of the Stone Creek at Eagle Harbor Association, Inc. is a member of the Master Association and is required to pay an annual assessment to the Master Association.

The Master Association is the residential portion of The Crossings at Fleming Island Community Development District (the "CDD"). The CDD is responsible for the golf course, clubhouse and pools, tennis courts, and all common areas including parks and lakes.

##### *Basis of Presentation*

The accompanying financial statements have been prepared using the accrual basis of accounting and in accordance with Florida Statutes and with the "Real Estate - Common Interest Realty Associations" topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The accrual basis of accounting means that revenues are recorded when they are earned and expenses are recorded when they are incurred. The owners are assessed their share of the cost of maintaining and operating the common property. Many owners pay the assessments early. Early collections of assessments are shown as prepaid assessments on the balance sheet.

##### *Fund Accounting*

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting, which requires that funds such as operating funds and funds designated for future major repairs and replacements be classified separately for accounting and reporting purposes. The assets, liabilities, and fund balances of the Association are reported in two self-balancing fund groups.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Fund Accounting (Continued)*

The operating fund reflects the operating assessments paid by owners to meet the regular, recurring costs of operation. Expenditures from this fund are limited to those connected with the day-to-day operations. The voluntary deferred expenditures fund is composed of assessments paid by owners to fund future major repairs and replacements. Interest earned on the fund is retained in the fund (net of applicable income taxes paid from the fund). These funds are designated but are not considered to be restricted (see Note 9).

*Cash and Cash Equivalents*

For purposes of reporting cash flows, the Association considers all monies deposited with financial institutions in checking and money market accounts and certificates of deposit with maturities of three months or less to be cash and cash equivalents.

*Recognition of Assets and Depreciation Policy*

The Association's policy for recognizing common property as assets in its balance sheet is to recognize (a) common personal property and (b) real property to which it has title and that it can dispose of for cash while retaining the proceeds. Real property conveyed to the Association by the Developer is not recognized on the Association's financial statements because its disposition by the Association's Board of Directors is restricted. Replacements and improvements to common property are not generally recognized as assets because their disposition is restricted. However, if the Board of Directors has the discretion to dispose of the real property improvements, and the property is used to generate cash flows from the members on the basis of usage, the property is recorded as an asset. Tangible personal property acquired by using the Association's funds, if any, is recorded at cost and depreciated over its useful life. The Association has no tangible personal property at this time.

*Interest Income*

Interest income earned by the deferred expenditures fund remains in that fund. Other interest income earned by the operating fund cash account is credited to that fund account.

*Donated Services*

The Association's Board of Directors and its officers serve without compensation. The value of these services is not recorded in the financial statements.

*Concentration of Credit Risk*

The Association's primary source of income is assessments paid by owners.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Owners' Assessments and Allowance for Credit Losses*

Association members are subject to equal quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligation related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the deferred expenditures fund assessments are satisfied when these funds are expended for their designated purpose. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from owners. Prepaid assessments at the balance sheet date represent fees paid in advance by owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments become past due. The Association retains excess operating funds at the end of the fiscal year, if any, for use in future periods. There were no delinquent balances as of the beginning or end of the year.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control.

*Contract Assets (Spent Assessments)*

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract asset (spent assessments) is recorded when the Association has spent assessments not yet received for their intended purpose. The balances of contract assets as of the beginning and end of the year are \$728,376 and \$531,770, respectively.

*Fair Value of Financial Instruments*

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the value of such assets and liabilities.

**NOTE 2 - DATE OF MANAGEMENT'S REVIEW AND SUBSEQUENT EVENTS**

The Association has evaluated events and transactions for potential recognition or disclosure through May 7, 2024, the date that the financial statements were available to be issued. Based upon this evaluation, the Association has determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 3 - OWNERS' ASSESSMENTS**

Annual assessments to homeowners were \$3,015 (paid in one quarterly installment of \$720 and three quarterly installments of \$765) for the year ended December 31, 2023. Of this annual amount, \$1,525 per owner (\$381 per quarter) was contributed to the deferred expenditures fund during 2023. Furthermore, of the annual assessments, \$792 per owner (\$198 per quarter) funded debt service on the loan payable that is discussed in Note 7. There were no delinquent assessments at year end.

**NOTE 4 - CAPITAL CONTRIBUTIONS**

At the closing and transfer of title to each resident other than the Developer, the owner contributes working capital to the Association in the amount of \$150. These contributions are not advance payments of assessments nor are they to be held in reserve, but can be used for additional capital improvements or services which were not included in the original budget categories as specified in the Declaration. The total of capital contributions recorded during 2023 was \$1,050. These funds were contributed to the deferred expenditures fund during 2023 in accordance with the Declaration.

**NOTE 5 - CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Association to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts with balances, at times, in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") and assessments receivable. Management of the Association evaluates the financial stability of its depositories and considers the risk of loss to be remote. The Association's assessments receivable are related to billed assessments. The Association monitors the collectability of these assessments receivable and pursues collection. Management routinely assesses the collectability of the Association's assessments receivable and provides for allowances for credit losses based on this assessment.

The Association had a cash balance with a financial institution that was \$163,986 in excess of the FDIC limit of \$250,000 as of December 31, 2023. The Association has not experienced any losses to date.

**NOTE 6 - INCOME TAXES**

Homeowners associations may elect to be taxed as a regular corporation or as a homeowners association. The Association elected to be taxed as a homeowners association for the year ended December 31, 2023. Under Internal Revenue Service Code Section 528, the Association excludes from taxation exempt function income, which generally consists of revenue from uniform assessments to owners. The Association's investment income and other nonexempt income were subject to tax at a flat federal rate of 30%. Taxable income totaled \$5,243 for 2023. Federal income tax expense in the amount of \$1,573 has been recorded and included in accounts payable and accrued expenses at year end. There was no Florida state income tax liability.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 6 - INCOME TAXES (CONTINUED)**

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Association's management believes it is no longer subject to income tax examinations for years prior to 2020.

**NOTE 7 - LOAN PAYABLE**

On March 26, 2021, the Association obtained a promissory note from Valley National Bank in an amount up to \$950,000 for the purpose of replacing roofs. The loan was modified in September 2021, and the new loan date is September 17, 2021. The loan is for a term of 125 months and matures on January 26, 2032. The loan carries a fixed interest rate of 3.99% and is collateralized by assignment of all general and special assessments and lien rights. Monthly payments of principal and interest in the amount of \$9,639 began in February 2022, following a period of interest only payments that began in April 2021. Total interest paid during 2023 was \$34,014. The loan balance as of December 31, 2023 was \$796,357. Future principal payments are as follows:

Year ended December 31,	2024	\$85,450
	2025	88,922
	2026	92,536
	2027	96,296
	2028	100,210
	Thereafter	332,943
	Total	<u><u>\$796,357</u></u>

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The Association may periodically be involved in legal actions and claims that arise as a result of events that occur in the normal course of operations. Management reviews the validity of such actions and acts accordingly. The Association is defending itself in a slip and fall case that is being handled by the insurance company. The financial statements do not include any adjustments for such actions. The Association also has entered into various contracts including landscaping and other services.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN THE GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.**

The Association's governing documents do not require that funds be accumulated for future major repairs and replacements and the Association has not obtained the affirmative approval of a majority of the total voting interests of the Association, which is required in order to establish reserve accounts. However, the Association is funding for major repairs and replacements through a voluntary deferred expenditures fund.

Accumulated funds total to a deficit balance of \$531,770 and are presented on the accompanying balance sheet as a contract asset (spent assessments) at December 31, 2023. This consists of cash in an interest-bearing bank account in the amount of \$267,695, reduced by a balance of \$3,108 due to the operating fund and the loan payable balance of \$796,357. These funds are generally not available for operating purposes.

During 2023, additions to the fund included budgeted contributions of \$222,692, capital contributions of \$1,050, and interest income of \$6,878. Budgeted contributions included \$115,692 for loan repayments. Expenditures totaled \$34,014 and included loan interest.

The Financial Accounting Standards Board ("FASB") has issued and amended Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers in the Accounting Standards Codification Topic 606 (collectively, "ASC 606"). Pursuant to ASC 606, the total deferred expenditures fund debit balance of \$531,770 is classified on the balance sheet as a contract asset. The contract asset represents assessments spent before they are received. For the year ended December 31, 2023, the Association added \$196,606 of unspent assessments to the beginning debit balance of \$728,376, reducing total contract assets to \$531,770.

During 2021, the Board of Directors conducted an informal study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The study recommended funding of \$115,760 for 2024. The Board of Directors took guidance from the study and included \$127,000 for deferred expenditure funding in the approved 2024 budget. The approved budget also includes \$115,692 for loan repayments (see Note 7).

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Notes to the Financial Statements*

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**NOTE 9 - FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)**

The table included in the “Supplementary Information on Future Major Repairs and Replacements” provides an analysis of the funding for the year ended December 31, 2023. Funds are being accumulated in the deferred expenditures fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the deferred expenditures fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, levy special assessments, or delay major repairs and replacements.

**NOTE 10 - RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to the guidance in FASB ASC 326 were assessments receivable. We adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Comparison of Operating Fund Revenues and Expenses to Budget*

	Actual	Budget	Variance
<b>Revenues</b>			
Regular assessments	\$217,498	\$217,498	
Finance charges	584		\$584
Cost share revenue	15,718	13,500	2,218
Other income	1,286	2,000	(714)
Interest income	318		318
Total revenues	<u>235,404</u>	<u>232,998</u>	<u>2,406</u>
<b>Expenses</b>			
General and administrative			
Accounting and tax return	4,375	3,600	775
Income tax expense	1,573		1,573
Insurance	2,488	2,400	88
Legal and professional fees	2,256	4,000	(1,744)
Licenses and permits	61	1,000	(939)
Management software	3,038	3,000	38
Master Association fee	1,460	1,500	(40)
Office supplies/expenses	156	220	(64)
Postage and delivery	701	900	(199)
Total general and administrative	<u>16,108</u>	<u>16,620</u>	<u>(512)</u>
Landscaping			
Irrigation maintenance/repairs	18,531	19,300	(769)
Landscape maintenance/improvement	9,343	14,800	(5,457)
Landscaping contract	96,205	97,300	(1,095)
Mulch	15,300	13,000	2,300
Total landscaping	<u>139,379</u>	<u>144,400</u>	<u>(5,021)</u>
Maintenance			
Backflow certification/repairs	800	1,000	(200)
Building maintenance and repairs	18,280	13,000	5,280
General/common area maintenance	3,064		3,064
Power washing	13,575	13,500	75
Termite bond	8,934	8,184	750
Total maintenance	<u>44,653</u>	<u>35,684</u>	<u>8,969</u>
Utilities			
Electricity	5,992	6,294	(302)
Water	21,366	30,000	(8,634)
Total utilities	<u>27,358</u>	<u>36,294</u>	<u>(8,936)</u>
Total expenses	<u>227,498</u>	<u>232,998</u>	<u>(5,500)</u>
<b>Surplus of revenues over expenses</b>	<u><u>\$7,906</u></u>	<u><u>\$0</u></u>	<u><u>\$7,906</u></u>

**STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**  
For the Year Ended December 31, 2023

*Supplementary Information on Future Major Repairs and Replacements*

The Association is funding reserves based on a study performed by the Board of Directors during 2021 to estimate the remaining useful lives and the replacement costs of the common property components. The following table presents significant information about the components of common property.

	Estimated Remaining Useful Life	Estimated Current Replacement Cost	Contract Assets Balance at 12/31/2022	Additions	Expenses	Transfers	Contract Assets Balance at 12/31/2023	2024 Approved Budget
<b>Contract Liabilities/(Assets):</b>								
Exterior building elements	5-15 years	\$3,153,954						
Property site elements	1-38 years	42,500						
Reserve study update	1 year							
Pooled reserves			(\$728,376)	\$222,692	(\$34,014)	\$7,928	(\$531,770)	\$242,692
		<u>3,196,454</u>	<u>(728,376)</u>	<u>222,692</u>	<u>(34,014)</u>	<u>7,928</u>	<u>(531,770)</u>	<u>242,692</u>
<b>Fund Balance:</b>								
Capital contributions				1,050		(1,050)		
Interest income				6,878		(6,878)		
				<u>7,928</u>		<u>(7,928)</u>		
Totals		<u>\$3,196,454</u>	<u>(\$728,376)</u>	<u>\$230,620</u>	<u>(\$34,014)</u>	<u>\$0</u>	<u>(\$531,770)</u>	<u>\$242,692</u>