

Timber Trails Community Association, Inc.
Financial Statements
December 31, 2022 and 2021

Timber Trails Community Association, Inc.
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December 31, 2022 and 2021

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Independent Auditors' Report

**To the Board of Directors and Lot Owners of
Timber Trails Community Association, Inc.**

Opinion

We have audited the accompanying financial statements of Timber Trails Community Association, Inc. (the "Association") which comprise the balance sheet as of December 31, 2022 and the related statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Association's December 31, 2021 financial statements and our report dated August 17, 2022, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Board and Management's ("Management") Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Board, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on pages 14 and 15 are 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with their responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 16 and 17 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management, and except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



East Brunswick, New Jersey

August 2, 2023

Timber Trails Community Association, Inc.
Balance Sheets
December 31, 2022 and 2021

	2022			2021 Total	
	Total	Operating Fund	Contingency Fund		Replacement Fund
Assets					
Cash and cash equivalents	\$ 140,773	\$ 10,405	\$ 121,478	\$ 8,890	\$ 526,200
Members' assessments receivable, net of allowance for doubtful accounts of \$4,000 and \$22,000 for 2022 and 2021, respectively	3,820	3,820	-	-	8,789
Building, equipment and roads, net	307,133	307,133	-	-	341,566
Total Assets	\$ 451,726	\$ 321,358	\$ 121,478	\$ 8,890	\$ 876,555
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued expenses	\$ 2,468	\$ 2,468	\$ -	\$ -	\$ 1,123
Due to Lake Naomi Club	73,830	73,830	-	-	198,654
Total Liabilities	76,298	76,298	-	-	199,777
Fund Balances	375,428	245,060	121,478	8,890	676,778
Total Liabilities and Fund Balances	\$ 451,726	\$ 321,358	\$ 121,478	\$ 8,890	\$ 876,555

The accompanying notes are an integral part of these financial statements.

Timber Trails Community Association, Inc.
Statements of Revenue and Expenses and Changes in Fund Balances
For the Years Ended December 31, 2022 and 2021

	2022			2021	
	Total	Operating Fund	Contingency Fund	Replacement Fund	Total
Revenues					
Members' assessments	\$ 1,199,001	\$ 1,070,001	\$ -	\$ 129,000	\$ 1,049,673
Recovery of assessments	18,000	18,000	-	-	6,524
Dispatch income	36,531	36,531	-	-	43,921
Miscellaneous income	19,617	5,525	14,092	-	6,140
Finance charges	5,080	5,080	-	-	4,135
Rental income	3,750	3,750	-	-	2,400
Interest income	852	61	211	580	1,403
Total Revenues	1,282,831	1,138,948	14,303	129,580	1,114,196
Expenses					
Contractual expenses with Lake Naomi Club	497,446	497,446	-	-	480,914
Lake Naomi Club Capital Reserve Fund contributions	203,010	203,010	-	-	199,398
Maintenance	328,458	328,458	-	-	224,815
General and administrative	98,902	98,902	-	-	82,366
North Beach well pump	4,000	-	4,000	-	14,063
Road repairs	407,582	-	-	407,582	-
Lake pump system	7,033	-	-	7,033	7,024
Gatehouse gate	3,317	-	-	3,317	-
Bathroom renovations	-	-	-	-	10,351
Total Expenses	1,549,748	1,127,816	4,000	417,932	1,018,931
Excess (Deficiency) of Revenues over Expenses before Depreciation	(266,917)	11,132	10,303	(288,352)	95,265
Depreciation	(34,433)	(34,433)	-	-	(34,433)
Excess (Deficiency) of Revenues over Expenses	(301,350)	(23,301)	10,303	(288,352)	60,832
Fund Balances - Beginning of Year	676,778	268,361	111,175	297,242	615,946
Fund Balances - End of Year	\$ 375,428	\$ 245,060	\$ 121,478	\$ 8,890	\$ 676,778

The accompanying notes are an integral part of these financial statements.

Timber Trails Community Association, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022			2021	
	Total	Operating Fund	Contingency Fund	Replacement Fund	Total
Cash Flows from Operating Activities					
Excess (Deficiency) of Revenues over Expenses	\$ (301,350)	\$ (23,301)	\$ 10,303	\$ (288,352)	\$ 60,832
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities					
Depreciation	34,433	34,433	-	-	34,433
(Recovery) assessments	(18,000)	(18,000)	-	-	(6,524)
Changes in assets and liabilities					
Members' assessments receivable	22,969	22,969	-	-	(610)
Accounts payable and accrued expenses	1,345	1,345	-	-	671
Due to Lake Naomi Club	(124,824)	(124,824)	-	-	93,626
Net Cash Provided by (Used In) Operating Activities	<u>(385,427)</u>	<u>(107,378)</u>	<u>10,303</u>	<u>(288,352)</u>	<u>182,428</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(385,427)	(107,378)	10,303	(288,352)	182,428
Cash and Cash Equivalents - Beginning of Year	526,200	117,783	111,175	297,242	343,772
Cash and Cash Equivalents - End of Year	<u>\$ 140,773</u>	<u>\$ 10,405</u>	<u>\$ 121,478</u>	<u>\$ 8,890</u>	<u>\$ 526,200</u>

The accompanying notes are an integral part of these financial statements.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 1 Nature of Organization

Timber Trails Community Association, Inc. (the "Association"), located in Pocono Pines, Pennsylvania, is an incorporated Association subject to the provisions of the Uniform Planned Community Act of the Commonwealth of Pennsylvania. The purposes of the Association are to provide for the preservation of the values and amenities in the community and for the maintenance of the common facilities. The Association consists of 516 residential lots in a gated community with private roads. Recreational facilities within the Association include Tall Timber Lake, a playground, bathhouse, and greenbelt areas.

The members of the Association, in conjunction with the members of the Pocono Pines Community Association, Inc. ("PPCA"), are responsible for a substantial portion of the replacement funding of the amenities in Lake Naomi Club (the "Club") to ensure they are available for use and enjoyment of members who choose to join the Club. Title to the common facilities is held by the Club. All lot owners have the option to join the Club and gain access to use the amenities. (See note 6)

The Club was organized in 1963 to promote fellowship between the property owners of the Association and PPCA to provide for their social and recreational needs. The Club provides services that benefit all property owners within the Association and PPCA, such as safety and security, administration, and certain maintenance expenses. The Association pays the Club for these services based on contractually agreed upon amounts. (See note 8)

Note 2 Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board and management ("Management") to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 2 Summary of Significant Accounting Policies

Fund Accounting

The Association's legal documents (i.e., By-laws) provide certain guidelines to govern the Association's financial activities. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association by such documents, the accounts of the Association are maintained in accordance with the principles of fund accounting.

The assets, liabilities and fund balances of the Association are reported in the following fund groups:

Operating Fund

This fund represents the portion of expendable funds that is available for the general operations of the Association.

Contingency Fund

The purpose of the Contingency Fund is to accumulate sufficient amounts to provide for nonrecurring major expenses, and to fund possible shortfalls in the Operating or Replacement Funds. These funds cannot be used without prior approval from the Board.

Replacement Fund

The purpose of the Replacement Fund is to accumulate funds for future major repairs and replacements of the Association's common property as determined by the Board.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank deposit accounts and money market funds. Cash and cash equivalents may at times exceed the federally insured limits.

Building, Equipment, and Roads

Building, equipment, and roads are stated at cost. Depreciation is computed using the straight-line method over the estimated lives of the assets: 5-10 years for equipment, 15 years for the gatehouse building, and 10-12 years for roads. Tangible personal property not an integral part of existing facilities is capitalized, all other costs of repair and replacement are expensed as incurred or charged to the Contingency Fund or Replacement Fund if provided for therein.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 2 Summary of Significant Accounting Policies

Recognition of Assets

The Association's property and other common elements, other than that described above, are owned by the Association to the extent that they are not part of the fee simple ownership of the individual lots as described in the Association documents. The Association's common elements consist of the gatehouse, roadways, recreational facilities at Tall Timber Lake, and open areas.

The Association received the common elements referred to above in a nonmonetary transaction with the Pocono Pines Corporation, the Developer of Lake Naomi. The use and disposition of these properties are restricted or governed by the Association's legal documents. Accordingly, no amounts have been reflected on the accompanying balance sheet for the common elements owned by the Association.

The Club is responsible for operating and maintaining the amenities located on the Association property, with the exception of Tall Timber Lake which is maintained by the Association. (See Notes 1, 6, and 8)

Members' Assessments and Assessments Receivable

The Association's members are subject to annual assessments based upon the annual budget and as determined by the Board. Annual assessments to owners are allocated among the Operating, Contingency and Replacement Funds. A portion of the annual assessments to owners is allocated to the Reserve Fund of the Club. The assessments represent multiple performance obligations which includes the annual maintenance of the common elements. Those performance obligations, on a standalone basis, are not considered separate and distinct and therefore the overall operating budget has been deemed to be a single performance obligation. Revenue is recognized throughout the year as the performance obligation is satisfied. The performance obligation is satisfied over time on a daily pro-rata basis.

The Association retains excess operating funds at the end of the year, if any, for use in future operating periods, or as otherwise specified by the Association's governing documents.

Assessments receivable at the balance sheet dates are stated at the amounts expected to be collected from the members. The Association's policy is to assess finance charges monthly on any account that is more than thirty days past due. Past due accounts continue to accrue finance charges monthly until they are paid or written off. The Association's policy is to write off an account upon foreclosure to the extent not otherwise recoverable by a personal judgment against the owner, upon discharge of the debt in bankruptcy or by agreement with the owner to accept the lot or a reduced amount in settlement of the outstanding balance.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 2 Summary of Significant Accounting Policies

Members' Assessments and Assessments Receivable

On a periodic basis, management evaluates the assessments receivable and estimates an allowance for doubtful accounts, based on history of past write-offs and collections and the current legal status of past due accounts. The evaluation and estimated allowance for doubtful accounts are reviewed and approved by the Board.

Interest Income Earned

The Board's policy is to retain interest income earned on all Contingency and Replacement Fund interest bearing cash accounts in the respective funds.

Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

Note 3 Building, Equipment and Roads

Building, equipment and roads are recorded at cost and consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Building	\$ 83,024	\$ 83,024
Equipment	109,844	109,844
Roads	<u>285,986</u>	<u>285,986</u>
Total Building, Equipment and Roads	478,854	478,854
Less: accumulated depreciation	<u>(171,721)</u>	<u>(137,288)</u>
Building, Equipment and Roads, Net	<u>\$ 307,133</u>	<u>\$ 341,566</u>

Note 4 Income Taxes

Under the Internal Revenue Code, associations may be taxed as a regular corporation or a homeowners association, which is based on an annual election and meeting certain criteria. If the criteria are met, the Association may select either method in any year. A method selected in one year affects only that year and the Association is free to select either method in future years.

For the years ended December 31, 2022 and 2021, the Association is taxed as a homeowners association and therefore, not taxed as a regular corporation. No income taxes have been provided for the years ending December 31, 2022 and 2021, since there are sufficient non-exempt function expenses to offset non-exempt function income in each year. The Association evaluates its tax provisions and accruals and believes that they are appropriate based on current facts and circumstances.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 4 Income Taxes

The prior three years federal tax returns as filed remain open for examination by the Internal Revenue Service.

The Association is classified as a not-for-profit organization in Pennsylvania and therefore qualifies for section 528(c) of the internal revenue code of Pennsylvania and is not required to pay Pennsylvania corporation business tax income.

Note 5 Line of Credit

In July 2005, the Association obtained a revolving line of credit with People's Security Bank and Trust Company (formerly Penn's Security Bank) in the amount of \$100,000. Payments of interest only are due monthly at a rate equal to the prime rate, with all outstanding principal plus accrued unpaid interest due at maturity. The prime rate at December 31, 2022 and 2021 was 7.50% and 3.50%, respectively. The line of credit matures on September 28, 2023. This borrowing is guaranteed by the Club.

There were no borrowings on the line of credit at December 31, 2022 and 2021.

Note 6 Replacement Fund

Timber Trails Community Association, Inc. Replacement Fund

The Association's governing documents provide that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations without Board approval.

Management prepares a schedule, which is updated annually, to estimate the remaining useful lives and the replacement costs of the common property components. The most recent update was completed in November 2022. The schedule includes those components with an estimated remaining useful life within management's determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were obtained from suppliers and contractors based on the then current replacement costs. The table included in the unaudited supplementary information on future major repairs and replacements is based on the schedule as updated in November 2022.

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the schedule's estimates of the then current replacement costs, considering amounts previously accumulated in the Replacement Fund.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 6 Replacement Fund

Timber Trails Community Association, Inc. Replacement Fund

Funds are accumulated in the Replacement Fund based upon 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 Replacement 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 to increase regular assessments, impose special assessments, or delay major repairs and replacements until funds are available, if possible. The effect on future assessments is unknown at this time.

Lake Naomi Club Capital Reserve Fund Contributions

The members of the Association and the members of PPCA have agreed to fund a substantial portion of the Club's major capital reserve expenditures needed to assure the continued availability of amenities to all lot owners. The Boards of the two Associations have undertaken to fund these capital costs in accordance with the Club's capital reserve schedule. Funds are paid to the Club and the Club holds the accumulated funds.

Management of the Club prepared a capital reserve schedule which was updated in October 2022 to estimate the remaining useful lives and the replacement costs of the components of common property. The schedule includes those components with an estimated remaining useful life within the Club's management-determined useful life guidelines for inclusion in the reserve schedule for purposes of determining annual funding. Estimates were obtained from suppliers and contractors based on the then current replacement cost. The table included in the unaudited supplementary information on future major repairs and replacements is based on the schedule, as updated in October 2022, and includes only those components that the Association has agreed to fund for replacement.

Since 2003, the Association has included in its budget its proportionate share of the annual funding costs per the Club's capital reserve schedule. Accordingly, for the years ended December 31, 2022 and 2021, budgeted contributions for reserve funding totaled \$203,010 and \$199,398, respectively. (See Note 8) Funds are being accumulated by the Club based upon estimated costs for repairs and replacements of common property components. Actual expenditures may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated by the Club in the Club's Capital Reserve Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Club has the right to increase budgeted reserve funding or assess the Association and PPCA. The effect on future assessments is unknown at this time.

Timber Trails Community Association, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

Note 7 Members' Assessments

Annual members' assessments were as follows:

	<u>Improved Lot</u>	<u>Unimproved Lot</u>
2022	<u>\$ 2,336</u>	<u>\$ 1,911</u>
2021	<u>\$ 2,043</u>	<u>\$ 1,742</u>

Note 8 Related Party Transactions

The Club manages the day-to-day affairs of the Association under a contractual arrangement with the Association. During the years ended December 31, 2022 and 2021, the Club charged the Association for contractual services it provided to the Association such as safety and security, administration and maintenance, and for non-contractual expenses, such as insurance, office expenses and other miscellaneous expenses. The Club also charged the Association for its contributions towards the replacement and improvement of amenities in the Club as discussed in Note 6.

Amounts charged by the Club for the years ended December 31, 2022 and 2021 were:

	<u>2022</u>	<u>2021</u>
Contractual Expenses	\$ 497,446	\$ 480,914
Other Expenses (includes equipment usage)	132,219	75,181
Capital Reserve Fund Contributions	<u>203,010</u>	<u>199,398</u>
Total Amounts Charged by the Club	<u>\$ 832,675</u>	<u>\$ 755,493</u>

As of December 31, 2022, and 2021, the Association owed the Club \$73,830 and \$198,654, respectively.

SUPPLEMENTARY INFORMATION

Timber Trails Community Association, Inc.
Schedule of Information on Future Major Repairs and Replacements - Timber Trails
Community Association, Inc.
December 31, 2022 and 2021

Management has prepared a schedule, which is updated annually, to estimate the remaining useful lives and the replacement costs of the common property components. The most recent update was completed in November 2022. The schedule includes those components with an estimated remaining useful life within the management-determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were obtained from suppliers and contractors based on the then current replacement costs.

The following table is based on the schedule and presents significant information about the components of common property.

<u>Components</u>	As of 2022 Schedule (Unaudited)	
	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Secondary roads	0-15	\$ 2,140,545
Roads	2-10	361,945
Tall Timber Lake	10-25	207,000
Gatehouse	1-15	78,000
Pumps	1-5	14,000
Entrance sign	15	1,500
Total		<u>\$ 2,802,990</u>
Replacement Fund balance as of December 31, 2022 (See Note 10)		<u>\$ 8,890</u>

Timber Trails Community Association, Inc.
Schedule of Information on Future Major Repairs and Replacements - Lake Naomi Club
December 31, 2022 and 2021

The members of the Association and its counterpart, PPCA, have agreed to fund a substantial portion of the Club's major capital replacement expenditures needed to assure the continued availability of amenities to all lot owners. The Boards of the two Associations have undertaken to fund these capital costs in accordance with the Club's capital reserve schedule. Funds are paid to the Club and the Club holds the accumulated funds. The management of the Club prepared a capital reserve schedule which was updated in October 2022 to estimate the remaining useful lives and the replacement costs of the components of common property. The schedule includes those components with an estimated remaining useful life within the Club's management-determined useful life guidelines for inclusion in the schedule for the purposes of determining annual funding. Estimates were obtained from suppliers and contractors based on the then current replacement cost.

The following table is based on the schedule and presents significant information about the portion of the components of common property of the Club that the Association have agreed to fund for replacement.

<u>Components</u>	As of 2022 Schedule* (Unaudited)	
	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacements Costs*</u>
Community center	0-44	\$ 1,064,480
Pools	1-32	678,954
Food and beverage facilities	0-38	545,484
Golf	0-32	437,248
Tennis	0-53	346,616
Lakes, beaches, and boats	1-33	289,917
Vehicles and equipment	0-10	269,084
Maintenance	1-30	193,552
Administration building	0-47	88,279
Recreation	1-10	48,234
Safety and security	0-5	23,464
Total		<u>\$ 3,985,312</u>

* Only includes those costs that the Association is responsible for replacing. The contributions are paid to the Club and the Club holds the accumulated funds in segregated accounts.

Timber Trails Community Association, Inc.
Schedules of Total Revenues, Operating Expenses and Allocations to Funds Excluding
Investment Income as Compared to Budget
For the Years Ended December 31, 2022 and 2021

	2022		Variance	2021
	Actual	(Unaudited) Budget	Favorable (Unfavorable)	Actual
Revenues				
Members' assessments - improved lots	\$ 1,170,336	\$ 1,170,099	\$ 237	\$ 1,023,462
Members' assessments - unimproved lots	28,665	28,658	7	26,211
Total members' assessments	1,199,001	1,198,757	244	1,049,673
Recovery/(Uncollectible) assessments	18,000	(5,000)	23,000	6,524
Net members' assessments	1,217,001	1,193,757	23,244	1,056,197
Dispatch income	36,531	36,531	-	43,921
Miscellaneous income - operating	5,525	5,000	525	6,140
Finance charges	5,080	2,000	3,080	4,135
Rental income	3,750	3,000	750	2,400
Interest income - operating	61	-	61	582
Total Revenues	1,267,948	1,240,288	27,660	1,113,375
Operating Expenses				
Contractual Expenses with Lake Naomi Club				
Safety and security	265,909	265,909	-	258,312
Maintenance	130,627	130,627	-	126,088
Administration	100,910	100,910	-	96,514
Total Contractual Expenses with Lake Naomi Club	497,446	497,446	-	480,914
Lake Naomi Club Capital Reserve Fund Contributions	203,010	203,010	-	199,398
Maintenance				
Trash removal	216,197	212,925	(3,272)	136,229
Snowplowing and ice control	55,662	53,000	(2,662)	54,392
Repair and maintenance	42,660	35,000	(7,660)	31,777
Road maintenance	9,380	3,500	(5,880)	73
Wildlife management	4,559	6,250	1,691	2,344
Street signage	-	500	500	-
Total Maintenance	328,458	311,175	(17,283)	224,815

Timber Trails Community Association, Inc.
Schedules of Total Revenues, Operating Expenses and Allocations to Funds Excluding
Investment Income as Compared to Budget
For the Years Ended December 31, 2022 and 2021

	2022		Variance	2021
	Actual	(Unaudited) Budget	Favorable (Unfavorable)	Actual
Operating Expenses (Continued)				
General and Administrative				
Insurance	54,619	58,157	3,538	38,560
Telephone and utilities	18,893	13,000	(5,893)	12,811
Accounting fees	8,380	7,500	(880)	8,450
Gate attendant	6,597	6,000	(597)	7,926
Bank fees	3,086	2,000	(1,086)	1,739
Printing and postage	2,464	4,000	1,536	2,880
Office and miscellaneous	2,449	1,000	(1,449)	5,456
Legal fees	1,898	2,500	602	4,544
CAI legislative action	516	500	(16)	-
Total General and Administrative	98,902	94,657	(4,245)	82,366
Replacement Fund				
Members' assessments allocated to Replacement Fund	129,000	129,000	-	155,000
Total Operating Expenses and Allocations to Funds	1,256,816	1,235,288	(21,528)	1,142,493
Excess (Deficiency) of Revenues over Operating Expenses and Allocations to Funds Excluding Depreciation and Budgeted Surplus Carryover	11,132	5,000	6,132	(29,118)
Depreciation	(34,433)	-	(34,433)	(34,433)
Budgeted Deficit	-	(5,000)	5,000	-
Deficiency of Revenues over Operating Expenses and Allocations to Funds after Budgeted Surplus and Depreciation	\$ (23,301)	\$ -	\$ (23,301)	\$ (63,551)