

# 1 BALANCE SHEET

Property - America's Best HOA (ame411)

\*As of = 03/2011

<b>2</b>	<b>ASSETS</b>	
<b>3</b>	<b>OPERATING FUNDS</b>	
	CHECKING ACCOUNT	2,843.38
	<b>TOTAL OPERATING FUNDS</b>	<b>2,843.38</b>
<b>4</b>	<b>RESERVE FUNDS</b>	
	Citizens Business 254-001002	9,334.40
	American Bank 0557564542	10,200.56
	Our Bank & Trust 2034564549	10,423.76
<b>5</b>	<b>TOTAL RESERVE FUNDS</b>	
<b>6</b>	<b>TOTAL ASSETS</b>	<b>32,802.10</b>
<b>7</b>	<b>MEMBERS EQUITY</b>	
	RETAINED EARNINGS - PRIOR YEARS	30,676.10
	RETAINED EARNINGS - CURRENT YEAR	2,126.00
	<b>TOTAL MEMBERS EQUITY</b>	<b>32,802.10</b>

## Understanding Your Monthly Balance Sheet

### 1. Balance Sheet

The Balance Sheet displays a snapshot of the HOA's financial condition at the end of each month. It lists the association's total assets and members' equity. The Total Assets should equal the Total Members Equity.

### 2. Assets

Assets are all of the funds which an HOA owns, specifically the operating account and all reserve accounts. You should notify us immediately if there is any bank account that belongs to your HOA that is not listed on the Balance Sheet. Also, call our office to let us know when an account has been closed as well as the disposition of those funds. If there is a reserve account which exists but is not listed, please let us know so that we can include it in the financials.

### 3. Operating Funds

The majority, if not all, of the HOA's monthly income and expenses passes through the operating account. It is listed on the balance sheet as the CHECKING ACCOUNT.

### 4. Reserve Funds

The association is responsible for saving money each month to be transferred from the operating account to a reserve account. These reserve funds are not to be used for paying monthly operating expenses, but should be used for capital improvements, i.e. items that are identified in the association's Reserve Study. For several reasons, we strongly discourage the practice of paying vendors directly from the reserve account(s). One important legal reason that all payments must be made from the operating account is so that we can appropriately supply vendors with their annual 1099 forms as is required of the association by state law.

The accounts listed on the Balance Sheet indicate those which Beven & Brock has been made aware of. In order for the monthly financial to be accurate, the accounting department must timely receive a copy of each bank statement.

### **5. Total Reserve Funds**

Total Reserve Funds refers to the sum of all reserve accounts that are listed on the balance sheet.

### **6. Total Assets**

Total Assets is obtained by adding the Total Operating Funds and the Total Reserve Funds.

### **7. Members Equity**

Members Equity can be understood as monetary value that has been built up over time. This report shows the retained earnings from 2 viewpoints, specifically from prior years (not including the current fiscal year) and from the current year alone.