

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of the Beech Mountain Lakes Association, Inc.

### Opinion

We have audited the financial statements of the Beech Mountain Lakes Association, Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of revenues and expenses, changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Beech Mountain Lakes Association, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Beech Mountain Lakes Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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 Beech Mountain Lakes Association, Inc.'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 GAAS 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 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- 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 Beech Mountain Lakes Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beech Mountain Lakes Association, Inc.'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The detail statement of selected revenues and expenses on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that supplementary information on the future major repairs and replacements on page 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's 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.

*J. H. Williams & Co., LLC*

November 4, 2025

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**

ASSETS

|                                                                                                        | <u>2024</u>         | <u>2023</u>         |
|--------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Current Assets:                                                                                        |                     |                     |
| Cash and cash equivalents - operating                                                                  | \$ 58,253           | \$ 49,653           |
| - restricted                                                                                           | 207,827             | 265,700             |
| - reserve                                                                                              | 341,184             | 579,941             |
| Dues receivable, net of allowance for<br>credit losses of \$381,350 for 2024<br>and \$319,250 for 2023 | 45,889              | 34,876              |
| Accounts receivable                                                                                    | 24,002              | 28,387              |
| Inventory                                                                                              | <u>12,009</u>       | <u>10,964</u>       |
| Total Current Assets                                                                                   | 689,164             | 969,521             |
| Property and Equipment, net                                                                            | <u>1,644,941</u>    | <u>1,633,918</u>    |
| Total Assets                                                                                           | <u>\$ 2,334,105</u> | <u>\$ 2,603,439</u> |

LIABILITIES AND FUND BALANCE

|                                                                            |                     |                     |
|----------------------------------------------------------------------------|---------------------|---------------------|
| Current Liabilities:                                                       |                     |                     |
| Accounts payable                                                           | \$ 102,887          | \$ 44,235           |
| Deferred member assessments                                                | 67,317              | 72,576              |
| Refundable deposits                                                        | 24,804              | 23,730              |
| Accrued expenses                                                           | <u>6,956</u>        | <u>2,600</u>        |
| Total Current Liabilities                                                  | <u>201,964</u>      | <u>143,141</u>      |
| Total Liabilities                                                          | <u>201,964</u>      | <u>143,141</u>      |
| Fund Balance:                                                              |                     |                     |
| Board designated for capital replacement<br>and additions and dam spillway | 549,011             | 845,641             |
| Paid in capital                                                            | 985,519             | 985,519             |
| Undesignated                                                               | <u>597,611</u>      | <u>629,138</u>      |
| Total Fund Balance                                                         | <u>2,132,141</u>    | <u>2,460,298</u>    |
| Total Liabilities and Fund Balance                                         | <u>\$ 2,334,105</u> | <u>\$ 2,603,439</u> |

See notes to financial statements.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                                               | <u>2024</u>         | <u>2023</u>      |
|-----------------------------------------------|---------------------|------------------|
| Revenues:                                     |                     |                  |
| Member dues                                   | \$ 1,238,490        | \$ 1,115,335     |
| Garbage fee income                            | 369,138             | 254,540          |
| Quail Hollow Village reimbursement            | 157,500             | 143,250          |
| Amenity income                                | 395,150             | 462,550          |
| Interest income                               | 29,199              | 18,795           |
| Other income                                  | <u>123,531</u>      | <u>142,349</u>   |
| Total Revenues                                | <u>2,313,008</u>    | <u>2,136,819</u> |
| Expenses:                                     |                     |                  |
| Security                                      | 233,654             | 223,546          |
| Recreation                                    | 95,930              | 113,589          |
| Maintenance                                   | 238,637             | 190,978          |
| Administration                                | 222,501             | 229,786          |
| Restaurant                                    | 409,307             | 388,876          |
| Campground                                    | 7,983               | 6,212            |
| Pool                                          | 15,939              | 22,185           |
| Professional expense                          | 197,657             | 146,933          |
| Credit loss expense                           | 187,488             | 82,786           |
| Depreciation                                  | 116,711             | 106,508          |
| Communications                                | 5,989               | 6,036            |
| Garbage                                       | 353,056             | 222,986          |
| Insurance                                     | 172,823             | 157,756          |
| Road maintenance                              | 264,731             | 599,008          |
| Taxes and licenses                            | 2,518               | 2,736            |
| Utilities                                     | 74,673              | 49,121           |
| Water and sewer                               | 24,806              | 25,956           |
| Fire hydrant fees                             | <u>16,762</u>       | <u>16,175</u>    |
| Total Expenses                                | <u>2,641,165</u>    | <u>2,591,173</u> |
| Other Non-Operating Revenue:                  |                     |                  |
| Proceeds from ARPA Grant                      | <u>-</u>            | <u>500,000</u>   |
| Total other Non-Operating Revenue             | <u>-</u>            | <u>500,000</u>   |
| Excess (Deficiency) of Revenues over Expenses | \$ <u>(328,157)</u> | \$ <u>45,646</u> |

See notes to financial statements.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.  
STATEMENTS OF CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                                        | Designated<br>Fund<br><u>Balance</u> | Undesignated<br>Fund<br><u>Balance</u> | Paid<br>In<br><u>Capital</u> | <u>Total</u>        |
|----------------------------------------|--------------------------------------|----------------------------------------|------------------------------|---------------------|
| Fund Balance, December 31, 2022        | \$ 782,548                           | \$ 646,585                             | \$ 985,519                   | \$ 2,414,652        |
| Net revenues (expenses) (See page 5)   | -                                    | 45,646                                 | -                            | 45,646              |
| Transfers to designated fund balance   | <u>63,093</u>                        | <u>(63,093)</u>                        | <u>-</u>                     | <u>-</u>            |
| Fund Balance, December 31, 2023        | \$ 845,641                           | \$ 629,138                             | \$ 985,519                   | \$ 2,460,298        |
| Net revenues (expenses) (See page 5)   | -                                    | (328,157)                              | -                            | (328,157)           |
| Transfers from designated fund balance | <u>(296,630)</u>                     | <u>296,630</u>                         | <u>-</u>                     | <u>-</u>            |
| Fund Balance, December 31, 2024        | <u>\$ 549,011</u>                    | <u>\$ 597,611</u>                      | <u>\$ 985,519</u>            | <u>\$ 2,132,141</u> |

See notes to financial statements.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                                                                                                                    | <u>2024</u>       | <u>2023</u>       |
|--------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash flows from operating activities:                                                                              |                   |                   |
| Excess (deficiency) of revenues over expenses                                                                      | \$ (328,157)      | \$ 45,646         |
| Adjustments to reconcile net income to net cash provided by operations:                                            |                   |                   |
| Depreciation                                                                                                       | 116,711           | 106,508           |
| Net (increase) decrease in net dues receivable                                                                     | (11,013)          | 2,235             |
| Net (increase) decrease in accounts receivable                                                                     | 4,385             | (7,919)           |
| Net (increase) in inventory                                                                                        | (1,045)           | (128)             |
| Net increase (decrease) in accounts payable, deferred member assessments, refundable deposits and accrued expenses | <u>58,823</u>     | <u>34,587</u>     |
| Net cash provided by (used in) operating activities                                                                | <u>(160,296)</u>  | <u>180,929</u>    |
| Cash flows from investing activities:                                                                              |                   |                   |
| Acquisition of property and equipment                                                                              | <u>(127,734)</u>  | <u>(155,002)</u>  |
| Net increase (decrease) in cash and cash equivalents                                                               | (288,030)         | 25,927            |
| Cash and cash equivalents, beginning of year                                                                       | <u>895,294</u>    | <u>869,367</u>    |
| Cash and cash equivalents, end of year                                                                             | \$ <u>607,264</u> | \$ <u>895,294</u> |
| Supplemental Disclosures:                                                                                          |                   |                   |
| Interest paid                                                                                                      | \$ -              | \$ -              |
| Income tax paid                                                                                                    | \$ -              | \$ -              |

See notes to financial statements.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Organization**

Beech Mountain Lakes Association, Inc. is a 1,264 property community association, located in Northeastern Pennsylvania, organized as a not for profit corporation for purposes of maintaining and preserving the common property of the community. Although the Association is responsible for the maintenance and replacement of common property, it is unable to sell or otherwise dispose of this property.

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

**Cash equivalents**

For purposes of reporting cash flows, cash and cash equivalents include money market accounts and certificates of deposit with a maturity of six months or less.

**Property and equipment**

Property and equipment purchased are stated at cost. The recreation complex, which was granted to the Association as part of the turnover agreement as of January 7, 1998, is stated at its appraised value as of that date. Expenditures for original paving of roads are capitalized. Road repaving and repairs are expensed in the period incurred.

**Inventory**

Inventory is stated at the lower of cost or market on a first-in, first-out basis.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentrations of Credit Risk**

The Association maintains its cash accounts in two Pennsylvania financial institutions. The Federal Deposit Insurance Corporation insures accounts up to \$250,000 through December 31, 2024 at each institution. At December 31, 2024 and 2023, the Association had \$407,073 and \$740,185 respectively in uninsured cash in bank accounts.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued:**

**Subsequent Events**

Subsequent events were evaluated through November 4, 2025 which is the date the financial statements were available to be issued.

**Reclassification of Prior Year Amounts**

Certain prior year amounts have been reclassified for consistency with the current year's presentation. These reclassifications had no effect on the prior year's reported results of operations.

**NOTE 2. DUES RECEIVABLE:**

Dues receivable consists of the following:

|                                     | <u>2024</u>      | <u>2023</u>      |
|-------------------------------------|------------------|------------------|
| Member dues and special assessments | \$ 254,219       | \$ 214,972       |
| Garbage fee receivable              | 41,449           | 28,670           |
| Late charges and other              | <u>131,571</u>   | <u>110,484</u>   |
|                                     | 427,239          | 354,126          |
| Less: Allowance for credit losses   | <u>(381,350)</u> | <u>(319,250)</u> |
|                                     | <u>\$ 45,889</u> | <u>\$ 34,876</u> |

It is the Association's practice to bill the succeeding year's assessment in December of the current fiscal year. Since these billings relate to the succeeding fiscal years, they are not included in dues receivable as of the balance sheet date. Annual billings totaled \$1,238,490 and \$1,115,335 for the years ended December 31, 2024 and 2023. Amounts collected on these billings in advance of the years to which they relate are recorded as deferred member assessments.

Assessment revenue is recognized when assessments are due. Any amounts received in advance of the due date are deferred until due. The Financial Accounting Standards Board issued Accounting Standards Code 606 requiring the deferral of the recognition of income until the services are rendered. The Association has determined ASC 606 does not apply to the Association as no customer relationship exists as it is defined by the Code. The Association does not defer the recognition of any portion of revenue as a Contract Liability.

Substantially all of the Association's revenue is derived from homeowners in Beech Mountain Lakes Association, Inc. The Association has the right to file a lien on the property of any owner who fails to pay dues and assessments.

An allowance for credit losses has been provided based on estimated collectible amounts determined by management.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2. DUES RECEIVABLE – continued:**

The Association establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance is determined by using the loss-rate method, which requires an estimation of loss rates based upon prior years' historical loss experience adjusted for factors that are relevant to determining the expected collectability of accounts receivable. Some of these factors include macroeconomic conditions that correlate with historical loss experience, delinquency trends, aging behavior of receivables, and credit and liquidity quality indicators for industry groups, member classes, or individual members.

Effective January 1, 2023, the Association adopted ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. Estimated credit losses under CECL consider relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of financial assets, resulting in recognition of lifetime expected credit losses at initial recognition of the related asset.

Activity in the allowance for credit losses for the years ended December 31, 2024 and 2023 is as follows:

|                                          | <u>2024</u>       | <u>2023</u>       |
|------------------------------------------|-------------------|-------------------|
| Balance, January 1                       | \$ 319,250        | \$ 271,400        |
| Provision for expected credit losses     | 187,488           | 82,786            |
| Write-offs charged against the allowance | <u>(125,388)</u>  | <u>(34,936)</u>   |
| Balance, December 31                     | \$ <u>381,350</u> | \$ <u>319,250</u> |

**NOTE 3. PROPERTY AND EQUIPMENT:**

Property and equipment consists of the following:

|                               | <u>2024</u>         | <u>2023</u>         |
|-------------------------------|---------------------|---------------------|
| Dam repairs                   | \$ 173,289          | \$ 173,289          |
| Machinery and equipment       | 1,170,213           | 1,137,328           |
| Buildings and fixtures        | 1,997,657           | 1,902,808           |
| Land and improvements         | <u>191,368</u>      | <u>191,368</u>      |
|                               | 3,532,527           | 3,404,793           |
| Less accumulated depreciation | <u>(1,887,586)</u>  | <u>(1,770,875)</u>  |
|                               | \$ <u>1,644,941</u> | \$ <u>1,633,918</u> |

Depreciation has been provided by use of the straight-line method over the estimated useful lives of the assets as follows:

|                         |            |
|-------------------------|------------|
| Machinery and equipment | 5-15 years |
| Buildings               | 50 years   |

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 4. TURNOVER AGREEMENT:**

The Association began operations under the terms of a turnover agreement with the developer, Beech Mountain Lakes Corporation, dated January 7, 1998. Under the agreement, the developer transferred and conveyed substantially all common areas and sports facilities within the development, certain fixtures, materials, supplies, inventory, accounts receivable, vehicles and equipment as described in the agreement. The Association agreed to lease certain office space to the developer for two years at an annual gross rental of \$1 per year.

**NOTE 5. INCOME TAXES:**

The Association can elect annually to file its federal income tax return as a regular corporation under Code Section 277 or to be treated under Section 528 of the Internal Revenue Code as a homeowner's association. Under the provisions of Section 277, all income received from members is excluded from taxable income. All non-member income (i.e., interest and property sales) net of non-member expenses are taxable. For the years ended December 31, 2024 and 2023, the Association has elected to file under Section 277. Under this method, it is taxed only on net income from sources derived from non-members, primarily interest. The Association is exempt from state income taxes.

**NOTE 6. FUTURE MAJOR REPAIRS AND REPLACEMENTS:**

The Association retained \$549,011 in replacement funds at December 31, 2024. A 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 was conducted in 2015. The study has identified \$3,422,117 in total replacement costs. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay replacements until funds are available.

**NOTE 7. AMERICAN RESCUE PLAN ACT GRANT:**

In 2023, the Association was awarded an American Rescue Plan Act grant in the amount of \$500,000. The funds from this grant were used to fund past and future expenditures relating to the Association's stormwater management plan.

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8. CONTINGENCIES AND COMMITMENTS:**

The Beech Mountain Lake dam is a Category 1 (High Hazard) Class B Dam (DEP #40-225). The Pennsylvania Department of Environmental Protection is currently completing reassessments for these dams in the Commonwealth. As part of this initiative, Department engineers have reassessed the dam's spillway capacity using updated Probable Maximum Precipitation and Probable Maximum Flood criteria. Using this approach, the spillway's capacity has been determined to be seriously inadequate. A dam with deficiencies of such nature that if not corrected could result in the failure of the dam with subsequent loss of lives and/or substantial property damage is designated as "Unsafe". The Department may require the reservoir to be partially or completely drained as a risk reduction measure until corrective actions have been taken.

A meeting (telephone conference) was held on Monday, February 7, 2022 with members of Pennsylvania DEP, BMLA staff & Board members and Pennoni Engineering to review and discuss the issue. At the conclusion of discussion, the following action plan was agreed upon:

- Alternative Analysis will be submitted to DEP in December, 2022. Order of magnitude cost estimates will not be available until the DEP selects an alternative plan.
- Negotiations to reach an agreement between the parties are then anticipated to occur over the next several months (3<sup>rd</sup> quarter – 2023).
- Final design to occur in 2023-2024 and actual completion of the corrective modifications are anticipated to occur in 2024 and 2025.

**SUPPLEMENTARY  
INFORMATION**

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**DETAIL STATEMENT OF SELECTED REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                                           | <u>2024</u>       | <u>2023</u>       |
|-------------------------------------------|-------------------|-------------------|
| Other Income:                             |                   |                   |
| Renters fee                               | \$ 7,025          | \$ 4,950          |
| Late charges                              | 33,650            | 32,108            |
| Resale certificate income                 | 8,800             | 11,300            |
| Transfer fee income                       | 29,400            | 36,675            |
| ACC filing fees and income                | 3,700             | 4,225             |
| Other miscellaneous fees and revenues     | 32,256            | 36,076            |
| Newsletter advertising                    | -                 | 2,070             |
| Security revenue                          | 8,700             | 14,945            |
| Total Other Income                        | <u>\$ 123,531</u> | <u>\$ 142,349</u> |
| Security Expenses:                        |                   |                   |
| Security contract                         | \$ 232,148        | \$ 203,272        |
| Routing vehicle expenses                  | 423               | 17,748            |
| Office and supplies                       | 1,083             | 2,526             |
| Total Security Expenses                   | <u>\$ 233,654</u> | <u>\$ 223,546</u> |
| Recreational Expenses:                    |                   |                   |
| Labor & related expense                   | \$ 58,971         | \$ 73,010         |
| Office supplies                           | 686               | 483               |
| Pest control                              | 3,253             | 3,693             |
| Operating supplies                        | 22,048            | 25,788            |
| Fire alarm systems                        | 3,711             | 3,366             |
| Food and beverage                         | 7,261             | 7,249             |
| Total Recreational Expenses               | <u>\$ 95,930</u>  | <u>\$ 113,589</u> |
| Maintenance Expenses:                     |                   |                   |
| Labor & related expense                   | \$ 143,519        | \$ 110,349        |
| Landscaping                               | 41,523            | 33,027            |
| Building upkeep                           | 34,775            | 29,945            |
| Vehicle upkeep                            | 3,996             | 7,035             |
| General maintenance and repairs           | 14,578            | 9,032             |
| Miscellaneous expense                     | 246               | 150               |
| Dam inspection                            | -                 | 1,440             |
| Total Maintenance Expenses                | <u>\$ 238,637</u> | <u>\$ 190,978</u> |
| General and Administrative Expenses       |                   |                   |
| Labor and related expense                 | \$ 198,402        | \$ 202,875        |
| Printing and stationery                   | 5,584             | 6,312             |
| Other expenses                            | 2,609             | 1,170             |
| Bank service fees                         | 9,055             | 14,384            |
| Postage                                   | 2,931             | 2,384             |
| Rental expense                            | -                 | 726               |
| Member meeting and entertainment          | 1,570             | 582               |
| Operating supplies                        | 2,350             | 1,353             |
| Total General and Administrative Expenses | <u>\$ 222,501</u> | <u>\$ 229,786</u> |

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**DETAIL STATEMENT OF SELECTED REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                            | <u>2024</u>       | <u>2023</u>       |
|----------------------------|-------------------|-------------------|
| Restaurant Expenses:       |                   |                   |
| Labor and related expense  | \$ 182,095        | \$ 167,635        |
| Food and beverage costs    | 146,083           | 156,826           |
| Repairs and maintenance    | 9,758             | 5,152             |
| Operating supplies         | 15,291            | 20,705            |
| Licenses                   | 6,118             | 6,087             |
| Advertising                | 466               | 37                |
| Entertainment              | 36,900            | 21,255            |
| Miscellaneous expenses     | <u>12,596</u>     | <u>11,179</u>     |
| Total Restaurant Expenses  | <u>\$ 409,307</u> | <u>\$ 388,876</u> |
| Campground Expenses:       |                   |                   |
| Communications             | \$ 2,305          | \$ 2,303          |
| Electric                   | 5,457             | 3,902             |
| Repairs and maintenance    | <u>221</u>        | <u>7</u>          |
| Total Campground Expenses  | <u>\$ 7,983</u>   | <u>\$ 6,212</u>   |
| Pool Expenses:             |                   |                   |
| Propane                    | \$ 6,389          | \$ 7,038          |
| Supplies                   | 5,688             | 6,328             |
| Professional expense       | <u>3,862</u>      | <u>8,819</u>      |
| Total Pool Expenses        | <u>\$ 15,939</u>  | <u>\$ 22,185</u>  |
| Professional Expense:      |                   |                   |
| Collection expense         | \$ 1,617          | \$ 3,060          |
| Legal fees                 | 34,527            | 46,690            |
| Miscellaneous              | <u>161,513</u>    | <u>97,183</u>     |
| Total Professional Expense | <u>\$ 197,657</u> | <u>\$ 146,933</u> |

**BEECH MOUNTAIN LAKES ASSOCIATION, INC.**  
**REQUIRED SUPPLEMENTARY INFORMATION ON FUTURE MAJOR**  
**REPAIRS AND REPLACEMENTS (UNAUDITED)**  
**DECEMBER 31, 2024**

The Association conducted a professional Full Reserve Study in December of 2015. This study was completed by Yingst Engineers and Associates who has certified that the study is in compliance with and exceeds the standards set forth by Community Association Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study". The Reserve Study is a budget planning tool that identifies the current status of the reserve fund and a stable and equitable Reserve Funding Plan to offset the anticipated future major common area expenditures. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study and were adjusted for inflation.

The following information is based on the full 2015 study and presents significant information about the components of common property. Components:

| <u>Components</u>  | <u>Estimated Future<br/>Replacement Cost</u> | <u>Useful<br/>Life Range</u> | <u>Estimated<br/>Annual Reserve<br/>Requirement</u> |
|--------------------|----------------------------------------------|------------------------------|-----------------------------------------------------|
| Site Components    | \$ 1,950,511                                 | 2 to 25                      | \$ 87,266                                           |
| Exterior Systems   | 349,801                                      | 2 to 45                      | 18,663                                              |
| Interior System    | 210,108                                      | 2 to 25                      | 7,469                                               |
| Mechanical Systems | 248,703                                      | 10 to 25                     | 9,647                                               |
| Community Features | <u>662,994</u>                               | 1 to 30                      | <u>24,348</u>                                       |
|                    | <u>\$ 3,422,117</u>                          |                              | <u>\$ 147,393</u>                                   |

At December 31, 2024, the Association had a total of \$341,184 in its reserve fund.