

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009 AND 2008

***Knaub & Company, P.C.***  
Certified Public Accountants

**ACCOUNTANTS' COMPILATION REPORT**

To the Board of Directors  
Silver Bow Condominium Owners' Association

We have compiled the accompanying balance sheets of **SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION** as of September 30, 2009 and 2008, and the related statements of revenue and expenses and changes in fund balance-historical and budgeted and supplementary schedules for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The budgeted revenue and expense statement information is presented for supplementary analysis purposes only.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. The Association has not presented this supplementary information.

We are not independent with respect to Silver Bow Condominium Owners' Association.

*Knaub & Company, P.C.*

December 7, 2009

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**BALANCE SHEETS**

**SEPTEMBER 30, 2009 AND 2008**

	<b><u>ASSETS</u></b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>CURRENT ASSETS:</b>		
Cash on hand	\$ -	\$ 50
American Bank interest bearing account	-	58,164
BSWB operating account	-	656
BSWB interest bearing account	37,857	11,721
BSWB Certificate of Deposit	204,988	125,000
Assessments receivable	31,927	10,523
Receivable from 3 Rivers Telephone	5,776	-
Prepaid insurance	4,945	4,150
	<u>285,493</u>	<u>210,264</u>
Total current assets	<u>285,493</u>	<u>210,264</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 285,493</u></b>	<b><u>\$ 210,264</u></b>

**LIABILITIES AND FUND BALANCE**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 4,856	\$ 7,040
Income taxes payable	1,958	1,030
	<u>6,814</u>	<u>8,070</u>
Total current liabilities	<u>6,814</u>	<u>8,070</u>
<b>TOTAL LIABILITIES</b>	<b><u>6,814</u></b>	<b><u>8,070</u></b>
<b>FUND BALANCE:</b>		
Reserves	222,462	185,852
Retained assessments - prior years	16,342	21,567
Retained assessments (deficit) - current year	39,875	(5,225)
	<u>278,679</u>	<u>202,194</u>
Total fund balance (deficit)	<u>278,679</u>	<u>202,194</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 285,493</u></b>	<b><u>\$ 210,264</u></b>

See accountants' compilation report.

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE**

**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>ACTUAL</u> 9/30/2008	<u>ACTUAL</u> 9/30/2009	<u>ANNUAL</u> <u>BUDGET</u>
<b>REVENUE:</b>			
Owners' assessments	\$ 197,881	213,580	213,390
Penalty & interest income	2,121	2,318	-
Investment interest income	3,066	5,738	-
Laundry income	2,510	1,968	-
Miscellaneous income	325	65	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>205,903</b>	<b>223,669</b>	<b>213,390</b>
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES:</b>			
Administrative			
Accounting	4,950	6,000	6,000
Insurance	29,487	28,879	30,000
Manager	29,333	29,333	32,000
Office/Postage	526	905	1,000
Telephone	1,541	1,754	1,800
Annual corporate report	15	15	15
Meeting costs	71	35	100
Income tax expense	1,030	1,958	1,000
Legal fees	-	931	-
Maintenance			
Building maintenance	5,202	4,571	5,000
Exterior Lighting Project	-	19,284	13,000
Chimney maintenance	2,625	3,650	3,000
Building stain / painting	29,466	16,794	16,000
Lawn maintenance	22,789	12,999	20,000
Recreation area			
Pool maintenance	24,582	15,336	20,000
Pool supplies	3,589	1,789	4,000
Propane	7,952	6,322	8,000
Health dept. license	275	200	275
Laundry room	-	-	500
Security system	-	645	500
Services			
Electricity	8,198	7,851	10,000
Firewood	4,500	-	5,500
Garbage	11,471	11,177	15,000
Water and sewer	1,030	1,366	1,500
Wireless internet	-	-	200
Snow removal	22,496	12,000	19,000
	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>211,128</b>	<b>183,794</b>	<b>213,390</b>
	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(5,225)</b>	<b>39,875</b>	<b>-</b>
Reserve additions			
Pool reserve	-	10,000	10,000
Sprinkler system	10,000	-	-
Roof	42,310	26,610	26,610
	<hr/>	<hr/>	<hr/>
<b>TOTAL RESERVE ADDITIONS</b>	<b>52,310</b>	<b>36,610</b>	<b>36,610</b>
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	155,109	202,194	
	<hr/>	<hr/>	
Fund balance at end of year	\$ 202,194	278,679	
	<hr/>	<hr/>	

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>General Operating</u>	<u>Roof</u>	<u>Wireless Internet</u>	<u>Pool</u>	<u>Sprinkler System</u>	<u>Insurance</u>	<u>Reserve Total</u>	<u>Total</u>
<b>REVENUES:</b>								
Owners' assessments	\$ 213,580	26,610	-	10,000	-	-	36,610	250,190
Penalty & interest income	2,318	-	-	-	-	-	-	2,318
Investment interest income	5,738	-	-	-	-	-	-	5,738
Laundry income	1,968	-	-	-	-	-	-	1,968
Miscellaneous income	65	-	-	-	-	-	-	65
<b>TOTAL REVENUE</b>	<u>223,669</u>	<u>26,610</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>36,610</u>	<u>260,279</u>
<b>OPERATING EXPENSES:</b>								
Administrative								
Accounting	6,000	-	-	-	-	-	-	6,000
Insurance	28,879	-	-	-	-	-	-	28,879
Manager	29,333	-	-	-	-	-	-	29,333
Office/Postage	905	-	-	-	-	-	-	905
Telephone	1,754	-	-	-	-	-	-	1,754
Annual corporate report	15	-	-	-	-	-	-	15
Meeting costs	35	-	-	-	-	-	-	35
Income tax expense	1,958	-	-	-	-	-	-	1,958
Legal fees	931	-	-	-	-	-	-	931
Maintenance								
Building maintenance	4,571	-	-	-	-	-	-	4,571
Exterior lighting Project	19,284	-	-	-	-	-	-	19,284
Chimney maintenance	3,650	-	-	-	-	-	-	3,650
Building stain / painting	16,794	-	-	-	-	-	-	16,794
Lawn maintenance	12,999	-	-	-	-	-	-	12,999
Recreation area								
Pool maintenance	15,336	-	-	-	-	-	-	15,336
Pool supplies	1,789	-	-	-	-	-	-	1,789
Propane	6,322	-	-	-	-	-	-	6,322
Health dept. license	200	-	-	-	-	-	-	200
Laundry room	-	-	-	-	-	-	-	-
Security system	645	-	-	-	-	-	-	645
Services								
Electricity	7,851	-	-	-	-	-	-	7,851
Garbage	11,177	-	-	-	-	-	-	11,177
Water and sewer	1,366	-	-	-	-	-	-	1,366
Snow removal	12,000	-	-	-	-	-	-	12,000
<b>TOTAL EXPENSES</b>	<u>183,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,794</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>39,875</u>	<u>26,610</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>36,610</u>	<u>76,485</u>
Fund balance at beginning of year	<u>16,342</u>	<u>152,352</u>	<u>3,500</u>	<u>-</u>	<u>20,000</u>	<u>10,000</u>	<u>185,852</u>	<u>202,194</u>
Fund balance at end of year	<u>\$ 56,217</u>	<u>178,962</u>	<u>3,500</u>	<u>10,000</u>	<u>20,000</u>	<u>10,000</u>	<u>222,462</u>	<u>278,679</u>

See accountants' compilation report.

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	General Operating	Reserves					Total
		Roof	Wireless Internet	Contingency Projects	Sprinkler System	Insurance	
<b>Revenues</b>							
Assessments	\$ 197,694	42,310	-	-	10,000	-	250,004
Assessments - addition	187	-	-	-	-	-	187
Investment interest	3,066	-	-	-	-	-	3,066
Penalty & interest	2,121	-	-	-	-	-	2,121
Laundry revenue	2,510	-	-	-	-	-	2,510
Miscellaneous	325	-	-	-	-	-	325
<b>Total revenues</b>	<b>205,903</b>	<b>42,310</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>258,213</b>
<b>Operating Expenditures</b>							
<b>Administrative</b>							
Accounting	4,950	-	-	-	-	-	4,950
Insurance	29,487	-	-	-	-	-	29,487
Manager	29,333	-	-	-	-	-	29,333
Office/Postage	526	-	-	-	-	-	526
Telephone	1,541	-	-	-	-	-	1,541
Annual incorporation expense	15	-	-	-	-	-	15
Meeting costs	71	-	-	-	-	-	71
Income tax expense	1,030	-	-	-	-	-	1,030
<b>Maintenance</b>							
Building maintenance	5,202	-	-	-	-	-	5,202
Chimney maintenance	2,625	-	-	-	-	-	2,625
Building stain	29,466	-	-	-	-	-	29,466
Lawn maintenance	22,789	-	-	-	-	-	22,789
<b>Recreation area</b>							
Pool maintenance	24,582	-	-	-	-	-	24,582
Pool supplies	3,589	-	-	-	-	-	3,589
Propane	7,952	-	-	-	-	-	7,952
Health dept. license	275	-	-	-	-	-	275
<b>Services</b>							
Electricity	8,198	-	-	-	-	-	8,198
Firewood	4,500	-	-	-	-	-	4,500
Garbage	11,471	-	-	-	-	-	11,471
Water and sewer	1,030	-	-	-	-	-	1,030
Snow removal	22,496	-	-	-	-	-	22,496
<b>Total operating expenses</b>	<b>211,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,128</b>
<b>Reserve expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>211,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,128</b>
Excess revenues over expenses	(5,225)	42,310	-	-	10,000	-	47,085
Transfers to reserves	(40,000)	50,217	-	(10,217)	-	-	-
Fund balance at 9/30/07	61,567	59,825	3,500	10,217	10,000	10,000	155,109
<b>Fund balance at 9/30/08</b>	<b>\$ 16,342</b>	<b>152,352</b>	<b>3,500</b>	<b>-</b>	<b>20,000</b>	<b>10,000</b>	<b>202,194</b>