

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009

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, 2010 and 2009, 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.

November 30, 2010

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION

BALANCE SHEETS

SEPTEMBER 30, 2010 AND 2009

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:		
BSWB operating account	\$ 263	-
BSWB interest bearing account	88,948	37,857
BSWB Certificate of Deposit	180,000	204,988
Western security CD	100,000	-
Assessments receivable	40,302	31,927
Less: Allowance for bad debts	(5,727)	-
Receivable from 3 Rivers Telephone	1,961	5,776
Receivable from Northwestern Energy	1,304	-
Accrued interest receivable	2,634	-
Prepaid insurance	<u>5,112</u>	<u>4,945</u>
Total current assets	<u>414,797</u>	<u>285,493</u>
TOTAL ASSETS	<u>\$ 414,797</u>	<u>285,493</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:		
Accounts payable	\$ 28,560	4,856
Income taxes payable	<u>2,880</u>	<u>1,958</u>
Total current liabilities	<u>31,440</u>	<u>6,814</u>
TOTAL LIABILITIES	<u>31,440</u>	<u>6,814</u>
FUND BALANCE:		
Reserves	296,572	222,462
Retained assessments - prior years	56,217	16,342
Retained assessments - current year	<u>30,568</u>	<u>39,875</u>
Total fund balance	<u>383,357</u>	<u>278,679</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 414,797</u>	<u>285,493</u>

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, 2010 AND 2009

	<u>ACTUAL</u> <u>9/30/2009</u>	<u>ACTUAL</u> <u>9/30/2010</u>	<u>BUDGET</u> <u>9/30/2010</u>
REVENUE:			
Owners' assessments	\$ 213,580	201,079	200,890
Penalty & interest income	2,318	6,090	-
Investment interest income	5,738	8,393	-
Laundry income	1,968	2,461	-
Miscellaneous income	<u>65</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>223,669</u>	<u>218,023</u>	<u>200,890</u>
OPERATING EXPENSES:			
Administrative			
Accounting	6,000	6,000	6,000
Insurance	28,879	30,539	31,000
Manager	29,333	24,000	32,000
Office/Postage	905	819	1,000
Annual corporate report	15	15	15
Meeting costs	35	77	100
Income tax expense	1,958	2,880	200
Legal fees	931	7	1,000
Bad debt expense	-	5,727	-
Maintenance			
Building maintenance	4,571	2,689	3,000
Window washing	-	2,000	2,000
Exterior utility enclosures	19,284	1,045	10,000
Chimney maintenance	3,650	3,100	3,000
Trim and deck stain	16,794	17,500	17,000
Lawn maintenance & landscaping	12,999	19,905	20,000
Recreation area			
Pool contract maintenance	15,000	15,000	15,000
Pool building maintenance	336	7,025	4,000
Pool supplies	1,789	2,148	3,000
Propane	6,322	7,874	8,000
Health dept. license	200	275	275
Laundry room	-	-	500
Security system	645	1,120	500
Telephone	1,754	1,146	1,800
Services			
Electricity	7,851	7,868	9,000
Garbage	11,177	8,819	11,000
Water and sewer	1,366	2,177	1,300
Wireless internet	-	-	200
Snow shoveling	-	12,200	13,000
Snow plowing	<u>12,000</u>	<u>5,500</u>	<u>7,000</u>
TOTAL OPERATING EXPENSES	<u>183,794</u>	<u>187,455</u>	<u>200,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	39,875	30,568	-
Reserve additions			
Pool reserve	10,000	10,000	10,000
Roof	<u>26,610</u>	<u>64,110</u>	<u>64,110</u>
TOTAL RESERVE ADDITIONS	36,610	74,110	<u>74,110</u>
Fund balance at beginning of year	<u>202,194</u>	<u>278,679</u>	
Fund balance at end of year	\$ <u>278,679</u>	<u>383,357</u>	

See accountants' compilation report.

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION

SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<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>
REVENUES:								
Owners' assessments	\$ 201,079	64,110	-	10,000	-	-	74,110	275,189
Penalty & interest income	6,090	-	-	-	-	-	-	6,090
Investment interest income	8,393	-	-	-	-	-	-	8,393
Laundry income	2,461	-	-	-	-	-	-	2,461
Miscellaneous income	-	-	-	-	-	-	-	-
TOTAL REVENUE	<u>218,023</u>	<u>64,110</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>74,110</u>	<u>292,133</u>
OPERATING EXPENSES:								
Administrative								
Accounting	6,000	-	-	-	-	-	-	6,000
Insurance	30,539	-	-	-	-	-	-	30,539
Manager	24,000	-	-	-	-	-	-	24,000
Office/Postage	819	-	-	-	-	-	-	819
Annual corporate report	15	-	-	-	-	-	-	15
Meeting costs	77	-	-	-	-	-	-	77
Income tax expense	2,880	-	-	-	-	-	-	2,880
Legal fees	7	-	-	-	-	-	-	7
Bad debt expense	5,727	-	-	-	-	-	-	5,727
Maintenance								
Building maintenance	2,689	-	-	-	-	-	-	2,689
Window washing	2,000	-	-	-	-	-	-	2,000
Exterior utility enclosures	1,045	-	-	-	-	-	-	1,045
Chimney maintenance	3,100	-	-	-	-	-	-	3,100
Trim and deck stain	17,500	-	-	-	-	-	-	17,500
Lawn maintenance and landscaping	19,905	-	-	-	-	-	-	19,905
Recreation area								
Pool contract maintenance	15,000	-	-	-	-	-	-	15,000
Pool building maintenance	7,025	-	-	-	-	-	-	7,025
Pool supplies	2,148	-	-	-	-	-	-	2,148
Propane	7,874	-	-	-	-	-	-	7,874
Health dept. license	275	-	-	-	-	-	-	275
Laundry room	-	-	-	-	-	-	-	-
Security system	1,120	-	-	-	-	-	-	1,120
Telephone	1,146	-	-	-	-	-	-	1,146
Services								
Electricity	7,868	-	-	-	-	-	-	7,868
Garbage	8,819	-	-	-	-	-	-	8,819
Water and sewer	2,177	-	-	-	-	-	-	2,177
Snow shoveling	12,200	-	-	-	-	-	-	12,200
Snow plowing	5,500	-	-	-	-	-	-	5,500
TOTAL EXPENSES	<u>187,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>30,568</u>	<u>64,110</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>74,110</u>	<u>104,678</u>
Fund balance at beginning of year	56,217	178,962	3,500	10,000	20,000	10,000	222,462	278,679
Fund balance at end of year	<u>\$ 86,785</u>	<u>243,072</u>	<u>3,500</u>	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>296,572</u>	<u>383,357</u>

See accountants' compilation report.

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>
REVENUES:								
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
TOTAL REVENUE	223,669	26,610	-	10,000	-	-	36,610	260,279
OPERATING EXPENSES:								
Administrative								
Accounting	6,000	-	-	-	-	-	-	6,000
Insurance	28,879	-	-	-	-	-	-	28,879
Manager	29,333	-	-	-	-	-	-	29,333
Office/Postage	905	-	-	-	-	-	-	905
Annual corporate report	15	-	-	-	-	-	-	15
Meeting costs	35	-	-	-	-	-	-	35
Income tax expense	1,958	-	-	-	-	-	-	1,958
Legal fees	931	-	-	-	-	-	-	931
Maintenance								
Building maintenance	2,571	-	-	-	-	-	-	2,571
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
Window washing	2,000	-	-	-	-	-	-	2,000
Recreation area								
Pool contract maintenance	15,000	-	-	-	-	-	-	15,000
Pool building maintenance	336	-	-	-	-	-	-	336
Pool supplies	1,789	-	-	-	-	-	-	1,789
Propane	6,322	-	-	-	-	-	-	6,322
Health dept. license	200	-	-	-	-	-	-	200
Laundry room	-	-	-	-	-	-	-	-
Security system	645	-	-	-	-	-	-	645
Telephone	1,754	-	-	-	-	-	-	1,754
Services								
Electricity	7,851	-	-	-	-	-	-	7,851
Garbage	11,177	-	-	-	-	-	-	11,177
Water and sewer	1,366	-	-	-	-	-	-	1,366
Snow removal	12,000	-	-	-	-	-	-	12,000
TOTAL EXPENSES	183,794	-	-	-	-	-	-	183,794
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	39,875	26,610	-	10,000	-	-	36,610	76,485
Fund balance at beginning of year	16,342	152,352	3,500	-	20,000	10,000	185,852	202,194
Fund balance at end of year	\$ 56,217	178,962	3,500	10,000	20,000	10,000	222,462	278,679

See accountants' compilation report.