

SILVER BOW CONDOMINIUM
OWNERS ASSOCIATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017 AND 2016

Knaub & Company, P.C.
Certified Public Accountants

To the Board of Directors
Silver Bow Condominium Owners' Association

Management is responsible for the accompanying financial statements of the **SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION** (a homeowner's corporation), which comprise the balance sheets as of September 30, 2017 and 2016, and the related statements of revenues and expenses and changes in fund balance – historical and budgeted (2017 only) for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary budget information contained in the statements of revenues and expenses and the schedules of operating and reserve activity is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Association'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.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Knaub & Company, P.C.

October 26, 2017

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION

BALANCE SHEETS

SEPTEMBER 30, 2017 AND 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
BSWB operating account	\$ 1,162	3,529
BSWB interest bearing account	55,923	30,721
Certificates of Deposit	130,615	95,133
Total Cash accounts	187,700	129,383
Less Reserved Cash	(129,179)	(25,405)
Total Unreserved cash	58,521	103,978
Reserved cash	129,179	25,405
Assessments receivable	5,580	30,634
Less: Allowance for bad debts	(2,200)	(19,619)
Accrued interest receivable	-	92
Prepaid insurance	4,891	4,859
Total current assets	195,971	145,349
TOTAL ASSETS	\$ 195,971	145,349
<u>LIABILITIES AND FUND BALANCE</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 31,159	25,861
Income taxes payable	224	50
Current portion of long term debt	-	20,010
Total current liabilities	31,383	45,921
LONG TERM LIABILITIES:		
BSWB note payable	-	50,000
Less current portion of long term debt	-	(20,010)
Total long term liabilities	-	29,990
TOTAL LIABILITIES	31,383	75,911
FUND BALANCE:		
Reserves	129,179	25,405
Retained assessments	35,409	44,033
Total fund balance	164,588	69,438
TOTAL LIABILITIES AND FUND BALANCE	\$ 195,971	145,349

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, 2017 AND 2016

	<u>ACTUAL</u> <u>9/30/2017</u>	<u>BUDGET</u> <u>9/30/2017</u>	<u>ACTUAL</u> <u>9/30/2016</u>
REVENUE:			
Owners' assessments	\$ 210,000	210,000	\$ 200,000
Penalty & interest income	976	-	2,019
Investment interest income	731	500	241
Legal fee reimbursement	760	-	680
Laundry and miscellaneous income	2,965	1,500	1,951
Bad debt recovery	15,930	-	-
TOTAL REVENUE	<u>231,362</u>	<u>212,000</u>	<u>204,891</u>
OPERATING EXPENSES:			
Administrative			
Accounting	6,980	6,960	6,960
Insurance	29,627	30,000	28,646
Legal fees	380	1,000	1,433
Manager	33,990	33,990	33,000
Office/Postage	333	550	423
Annual corporate report	20	20	20
Income tax expense	224	50	50
Interest expense	979	2,000	3,973
Meeting expense	53	-	-
Collection fees	2,246	-	-
Maintenance			
Building maintenance	6,005	12,655	6,029
Window washing	2,000	2,000	2,000
Chimney maintenance	4,100	4,000	4,155
Trim and deck stain	19,500	20,000	17,500
Lawn maintenance & landscaping	19,930	20,000	22,744
Landscaping improvements	4,355	5,000	325
Recreation area			
Pool contract maintenance	17,050	18,600	18,600
Pool building maintenance	5,791	6,000	10,827
Pool supplies	2,851	4,000	5,208
Propane	2,950	4,000	3,101
Electricity - pool facility	4,712	5,000	4,970
Health dept. license	275	275	275
Security system	-	200	-
Telephone	441	500	465
Services			
Electricity	1,774	1,700	1,418
Garbage	13,468	12,000	10,385
Water and sewer	1,538	1,500	1,640
Snow shoveling	12,000	12,000	12,000
Snow plowing	7,640	8,000	7,276
TOTAL OPERATING EXPENSES	<u>201,212</u>	<u>212,000</u>	<u>203,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>30,150</u>	<u>-</u>	<u>1,468</u>
Reserve additions			
Pool reserve	40,000	40,000	40,000
Re-siding reserve	10,000	10,000	15,000
Landscaping reserve	-	-	5,000
Roof reserve	15,000	15,000	15,000
Total Reserve Additions	<u>65,000</u>	<u>65,000</u>	<u>75,000</u>
Fund balance at beginning of year	<u>69,438</u>		<u>(7,030)</u>
Fund balance at end of year	<u>\$ 164,588</u>	<u>-</u>	<u>\$ 69,438</u>

See accountants' compilation report.

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION

SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Operating	Reserves					Reserve Total	Total
		Roof	Pool	Re-Siding	Insurance	Landscaping		
REVENUES:								
Owners' assessments	\$ 210,000	15,000	40,000	10,000	-	-	65,000	275,000
Penalty & interest income	976	-	-	-	-	-	-	976
Investment interest income	731	-	-	-	-	-	-	731
Legal fee reimbursement	760	-	-	-	-	-	-	760
Laundry and miscellaneous income	2,965	-	-	-	-	-	-	2,965
Bad debt recovery	15,930	-	-	-	-	-	-	15,930
TOTAL REVENUE	231,362	15,000	40,000	10,000	-	-	65,000	296,362
OPERATING EXPENSES:								
Administrative								
Accounting	6,980	-	-	-	-	-	-	6,980
Insurance	29,627	-	-	-	-	-	-	29,627
Legal fees	380	-	-	-	-	-	-	380
Manager	33,990	-	-	-	-	-	-	33,990
Office/Postage	333	-	-	-	-	-	-	333
Annual corporate report	20	-	-	-	-	-	-	20
Income tax expense	224	-	-	-	-	-	-	224
Interest expense	979	-	-	-	-	-	-	979
Meeting expense	53	-	-	-	-	-	-	53
Collection fees	2,246	-	-	-	-	-	-	2,246
Maintenance								
Building maintenance	6,005	-	-	-	-	-	-	6,005
Window washing	2,000	-	-	-	-	-	-	2,000
Chimney maintenance	4,100	-	-	-	-	-	-	4,100
Trim and deck stain	19,500	-	-	-	-	-	-	19,500
Lawn maintenance & landscaping	19,930	-	-	-	-	-	-	19,930
Landscaping improvements	4,355	-	-	-	-	-	-	4,355
Recreation area								
Pool contract maintenance	17,050	-	-	-	-	-	-	17,050
Pool building maintenance	5,791	-	-	-	-	-	-	5,791
Pool supplies	2,851	-	-	-	-	-	-	2,851
Propane	2,950	-	-	-	-	-	-	2,950
Electricity - pool facility	4,712	-	-	-	-	-	-	4,712
Health dept. license	275	-	-	-	-	-	-	275
Security system	-	-	-	-	-	-	-	-
Telephone	441	-	-	-	-	-	-	441
Services								
Electricity	1,774	-	-	-	-	-	-	1,774
Garbage	13,468	-	-	-	-	-	-	13,468
Water and sewer	1,538	-	-	-	-	-	-	1,538
Snow shoveling	12,000	-	-	-	-	-	-	12,000
Snow plowing	7,640	-	-	-	-	-	-	7,640
Total operating expenses	201,212	-	-	-	-	-	-	201,212
Excess revenues over expenses	30,150	15,000	40,000	10,000	-	-	65,000	95,150
Transfers	(38,774)	-	33,774	-	-	5,000	38,774	-
Fund balance at 9/30/16	44,033	39,179	(73,774)	45,000	10,000	5,000	25,405	69,438
Fund balance at 9/30/17	\$ 35,409	54,179	-	55,000	10,000	10,000	129,179	164,588

See accountants' compilation report.

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION

SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Operating	Reserves					Reserve Total	Total
		Roof	Pool	Re-Siding	Insurance	Landscaping		
REVENUES:								
Owners' assessments	\$ 200,000	15,000	40,000	15,000	-	5,000	75,000	275,000
Penalty & interest income	2,019	-	-	-	-	-	-	2,019
Investment interest income	241	-	-	-	-	-	-	241
Legal fee reimbursement	680	-	-	-	-	-	-	680
Miscellaneous income	70	-	-	-	-	-	-	70
Laundry income	1,881	-	-	-	-	-	-	1,881
TOTAL REVENUE	204,891	15,000	40,000	15,000	-	5,000	75,000	279,891
OPERATING EXPENSES:								
Administrative								
Accounting	6,960	-	-	-	-	-	-	6,960
Insurance	28,646	-	-	-	-	-	-	28,646
Legal fees	1,433	-	-	-	-	-	-	1,433
Manager	33,000	-	-	-	-	-	-	33,000
Office/Postage	423	-	-	-	-	-	-	423
Annual corporate report	20	-	-	-	-	-	-	20
Income tax expense	50	-	-	-	-	-	-	50
Interest expense	3,973	-	-	-	-	-	-	3,973
Maintenance								
Building maintenance	6,029	-	-	-	-	-	-	6,029
Window washing	2,000	-	-	-	-	-	-	2,000
Chimney maintenance	4,155	-	-	-	-	-	-	4,155
Trim and deck stain	17,500	-	-	-	-	-	-	17,500
Lawn maintenance & landscaping	22,744	-	-	-	-	-	-	22,744
Landscaping improvements	325	-	-	-	-	-	-	325
Recreation area								
Pool contract maintenance	18,600	-	-	-	-	-	-	18,600
Pool building maintenance	10,827	-	-	-	-	-	-	10,827
Pool supplies	5,208	-	-	-	-	-	-	5,208
Propane	3,101	-	-	-	-	-	-	3,101
Electricity - pool facility	4,970	-	-	-	-	-	-	4,970
Health dept. license	275	-	-	-	-	-	-	275
Security system	-	-	-	-	-	-	-	-
Telephone	465	-	-	-	-	-	-	465
Services								
Electricity	1,418	-	-	-	-	-	-	1,418
Garbage	10,385	-	-	-	-	-	-	10,385
Water and sewer	1,640	-	-	-	-	-	-	1,640
Snow shoveling	12,000	-	-	-	-	-	-	12,000
Snow plowing	7,276	-	-	-	-	-	-	7,276
Total operating expenses	203,423	-	-	-	-	-	-	203,423
Reserve expenditures	-	-	-	-	-	-	-	-
Total expenses	203,423	-	-	-	-	-	-	203,423
Excess revenues over expenses	1,468	15,000	40,000	15,000	-	5,000	75,000	76,468
Fund balance at 9/30/15	42,565	24,179	(113,774)	30,000	10,000	-	(49,595)	(7,030)
Fund balance at 9/30/16	\$ 44,033	39,179	(73,774)	45,000	10,000	5,000	25,405	69,438

See accountants' compilation report.