

SILVER BOW CONDOMINIUM  
OWNERS ASSOCIATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

***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, 2018 and 2017, and the related statements of revenues and expenses and changes in fund balance – historical and budgeted (2018 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 and reserve activity is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary budget and reserve activity was subject to our compilation engagement. We have not audited or reviewed the supplementary budget and reserve activity and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all 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.*

November 2, 2018

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**BALANCE SHEETS**

**SEPTEMBER 30, 2018 AND 2017**

<b><u>ASSETS</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT ASSETS:</b>		
BSWB operating account	\$ 1,783	1,162
BSWB interest bearing account	81,987	55,923
American Way savings	<u>132,743</u>	<u>130,615</u>
Total Cash accounts	216,513	187,700
Less Reserved Cash	<u>(203,994)</u>	<u>(129,179)</u>
Total Unreserved cash	12,519	58,521
Reserved cash	203,994	129,179
Assessments receivable	5,753	5,580
Less: Allowance for bad debts	(2,200)	(2,200)
Prepaid insurance	<u>5,544</u>	<u>4,891</u>
 Total current assets	 <u>225,610</u>	 <u>195,971</u>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 225,610</u></b>	 <b><u>195,971</u></b>

**LIABILITIES AND FUND BALANCE**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 13,639	31,159
Income taxes payable	<u>50</u>	<u>224</u>
 Total current liabilities	 <u>13,689</u>	 <u>31,383</u>
 <b>TOTAL LIABILITIES</b>	 <u>13,689</u>	 <u>31,383</u>
 <b>FUND BALANCE:</b>		
Reserves	203,994	129,179
Retained assessments	<u>7,927</u>	<u>35,409</u>
 Total fund balance	 <u>211,921</u>	 <u>164,588</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <b><u>\$ 225,610</u></b>	 <b><u>195,971</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, 2018 AND 2017

	<u>ACTUAL</u> <u>9/30/2018</u>	<u>BUDGET</u> <u>9/30/2018</u>	<u>ACTUAL</u> <u>9/30/2017</u>
<b>REVENUE:</b>			
Owners' assessments	\$ 200,185	200,185	\$ 210,000
Penalty & interest income	946	-	976
Investment interest income	2,212	500	731
Legal fee reimbursement	-	-	760
Laundry and miscellaneous income	2,195	2,000	2,965
Bad debt recovery	-	-	15,930
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>205,538</b>	<b>202,685</b>	<b>231,362</b>
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES:</b>			
Administrative			
Accounting	7,200	7,200	6,980
Insurance	33,331	30,000	29,627
Legal fees	-	500	380
Manager	35,040	35,040	33,990
Office/Postage	470	550	333
Annual corporate report	20	20	20
Income tax expense	50	200	224
Interest expense	-	-	979
Meeting expense	-	-	53
Collection fees	-	-	2,246
Maintenance			
Building maintenance	4,000	4,500	6,005
Dumpsters	14,400	-	-
Window washing	2,000	2,000	2,000
Chimney maintenance	5,350	4,100	4,100
Trim and deck stain	17,822	20,000	19,500
Lawn maintenance & landscaping	24,147	24,000	19,930
Landscaping improvements	-	-	4,355
Recreation area			
Pool contract maintenance	18,000	18,000	17,050
Pool building maintenance	21,660	6,000	5,791
Pool supplies	7,298	4,000	2,851
Propane	2,432	4,000	2,950
Electricity - pool facility	2,367	5,500	4,712
Health dept. license	275	275	275
Security system	-	200	-
Telephone	536	500	441
Services			
Electricity	1,398	2,000	1,774
Garbage	14,230	12,600	13,468
Water and sewer	994	1,500	1,538
Snow shoveling	12,000	12,000	12,000
Snow plowing	8,000	8,000	7,640
	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>233,020</b>	<b>202,685</b>	<b>201,212</b>
	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(27,482)</b>	<b>-</b>	<b>30,150</b>
	<hr/>	<hr/>	<hr/>
Reserve additions			
Pool reserve	10,000	10,000	40,000
Re-siding reserve	40,000	40,000	10,000
Landscaping reserve	5,000	5,000	-
Roof reserve	19,815	19,815	15,000
	<hr/>	<hr/>	<hr/>
<b>Total Reserve Additions</b>	<b>74,815</b>	<b>74,815</b>	<b>65,000</b>
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	164,588		69,438
	<hr/>		<hr/>
Fund balance at end of year	\$ 211,921		\$ 164,588
	<hr/>		<hr/>

See accountants' compilation report.

**SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION**

**SCHEDULE OF GENERAL OPERATING AND RESERVE ACTIVITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Operating	Reserves					Reserve Total	Total
		Roof	Pool	Re-Siding	Insurance	Landscaping		
<b>REVENUES:</b>								
Owners' assessments	\$ 200,185	19,815	10,000	40,000	-	5,000	74,815	275,000
Penalty & interest income	946	-	-	-	-	-	-	946
Investment interest income	2,212	-	-	-	-	-	-	2,212
Laundry and miscellaneous income	2,195	-	-	-	-	-	-	2,195
<b>TOTAL REVENUE</b>	<b>205,538</b>	<b>19,815</b>	<b>10,000</b>	<b>40,000</b>	<b>-</b>	<b>5,000</b>	<b>74,815</b>	<b>280,353</b>
<b>OPERATING EXPENSES:</b>								
Administrative								
Accounting	7,200	-	-	-	-	-	-	7,200
Insurance	33,331	-	-	-	-	-	-	33,331
Manager	35,040	-	-	-	-	-	-	35,040
Office/Postage	470	-	-	-	-	-	-	470
Annual corporate report	20	-	-	-	-	-	-	20
Income tax expense	50	-	-	-	-	-	-	50
Maintenance								
Building maintenance	4,000	-	-	-	-	-	-	4,000
Dumpsters	14,400	-	-	-	-	-	-	14,400
Window washing	2,000	-	-	-	-	-	-	2,000
Chimney maintenance	5,350	-	-	-	-	-	-	5,350
Trim and deck stain	17,822	-	-	-	-	-	-	17,822
Lawn maintenance & landscaping	24,147	-	-	-	-	-	-	24,147
Recreation area								
Pool contract maintenance	18,000	-	-	-	-	-	-	18,000
Pool building maintenance	21,660	-	-	-	-	-	-	21,660
Pool supplies	7,298	-	-	-	-	-	-	7,298
Propane	2,432	-	-	-	-	-	-	2,432
Electricity - pool facility	2,367	-	-	-	-	-	-	2,367
Health dept. license	275	-	-	-	-	-	-	275
Telephone	536	-	-	-	-	-	-	536
Services								
Electricity	1,398	-	-	-	-	-	-	1,398
Garbage	14,230	-	-	-	-	-	-	14,230
Water and sewer	994	-	-	-	-	-	-	994
Snow shoveling	12,000	-	-	-	-	-	-	12,000
Snow plowing	8,000	-	-	-	-	-	-	8,000
<b>Total operating expenses</b>	<b>233,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,020</b>
Excess revenues over expenses	(27,482)	19,815	10,000	40,000	-	5,000	74,815	47,333
Fund balance at 9/30/17	35,409	54,179	-	55,000	10,000	10,000	129,179	164,588
<b>Fund balance at 9/30/18</b>	<b>\$ 7,927</b>	<b>73,994</b>	<b>10,000</b>	<b>95,000</b>	<b>10,000</b>	<b>15,000</b>	<b>203,994</b>	<b>211,921</b>

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		
<b>REVENUES:</b>								
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
<b>TOTAL REVENUE</b>	<b>231,362</b>	<b>15,000</b>	<b>40,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>65,000</b>	<b>296,362</b>
<b>OPERATING EXPENSES:</b>								
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
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
<b>Total operating expenses</b>	<b>201,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,212</b>
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
<b>Fund balance at 9/30/17</b>	<b>\$ 35,409</b>	<b>54,179</b>	<b>-</b>	<b>55,000</b>	<b>10,000</b>	<b>10,000</b>	<b>129,179</b>	<b>164,588</b>

See accountants' compilation report.