

---

**NOTICE TO READER**

---

We have compiled the **interim** balance sheet of the Rocky Ridge Ranch Homeowner's Association as at September 30, 2011 and the **interim** statements of income and retained earnings for the year then ended from information provided by management. We have not performed an audit or review engagement on these financial statements and accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Calgary, Alberta

Troy Stanley Professional Corporation  
Certified General Accountant

# Rocky Ridge Ranch Homeowner's Association (Unaudited)

---

## INTERIM BALANCE SHEET

---

|                                     | As at<br>Sep. 30, 2011 | Schedule 'A' |
|-------------------------------------|------------------------|--------------|
| <b>ASSETS</b>                       |                        |              |
| <b>Current Assets</b>               |                        |              |
| Cash                                | 58,114                 |              |
| Restricted Savings Account          | 6,134                  | (1)          |
| Restricted Savings Account          | 10,766                 | (2)          |
| GIC                                 | 352,187                | (3)          |
| Lawyer Trust Account                | 27,511                 |              |
| Accounts Receivable                 | 19,157                 | (4)          |
| CRA Receivable                      | 3,582                  |              |
| Prepaid Expenses                    | 2,462                  |              |
| <b>Total Current Assets</b>         | <u>479,913</u>         |              |
| <b>Total Fixed Assets</b>           | <b>305361</b>          | Schedule 'B' |
| <b>TOTAL ASSETS</b>                 | <u><u>785,274</u></u>  |              |
| <b>LIABILITIES</b>                  |                        |              |
| <b>Current Liabilities</b>          |                        |              |
| Accounts Payable                    | 24,827                 | (5)          |
| Accrued Liabilities                 | 32,511                 |              |
| Damage Deposits Payable             | 2,935                  |              |
| Unearned Revenue                    | 795                    |              |
| GST Payable                         | -                      |              |
| Deferred Grant Revenue              | 19,255                 |              |
| <b>Total Current Liabilities</b>    | <u>80,323</u>          |              |
| <b>Long Term Liabilities</b>        |                        |              |
| Restricted Capital Reserve          | 61,651                 | (6)          |
| Restricted Replacement Reserve      | 155,750                | (7)          |
| <b>Total Long Term Liabilities</b>  | <u>217,401</u>         |              |
| <b>TOTAL LIABILITIES</b>            | <b>297,724</b>         |              |
| <b>EQUITY</b>                       |                        |              |
| Retained Earnings                   | 281,209                |              |
| Current Earnings                    | 206,341                |              |
| <b>TOTAL EQUITY</b>                 | <u>487,550</u>         |              |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <u><u>785,274</u></u>  |              |

# Rocky Ridge Ranch Homeowner's Association (Unaudited)

## INTERIM STATEMENT OF INCOME AND EXPENSES

|                                  | ACTUAL<br>As at<br>Sep. 30, 2011 | 2010 BUDGET    | Schedule<br>'A' |
|----------------------------------|----------------------------------|----------------|-----------------|
| <b>Revenue</b>                   |                                  |                |                 |
| Encumbrance fees                 | 506,375                          | 489,250        | 103.50%         |
| Bank Interest                    | 2,617                            | 2,000          | 130.85%         |
| Interest                         | 6,299                            | 12,000         | 52.49%          |
| Program Revenue                  | 37,860                           | 30,000         | 126.20%         |
| Rental Revenue                   | 18,528                           | 31,000         | 59.77%          |
| Other                            | 8,290                            | 10,000         | (8) 82.90%      |
|                                  | <u>579,968</u>                   | <u>574,250</u> |                 |
| <b>Property Expenses</b>         |                                  |                |                 |
| Operational Wages & Benefits     | 136,259                          | 183,462        | 74.27%          |
| Landscape maintenance            | 25,102                           | 28,000         | 89.65%          |
| Building repairs and maintenance | 7,597                            | 14,500         | 52.39%          |
| Vehicle Expenses                 | 13,735                           | 17,500         | (11) 78.49%     |
| Equipment Rentals                | 1,245                            | 1,000          | 124.53%         |
| Outdoor Recreational Equipment   | 1,056                            | 1,000          | 105.60%         |
| Subcontractor                    | 9,004                            | 23,500         | 38.32%          |
| Security services                | 495                              | 1,000          | 49.50%          |
| Building insurance               | 3,812                            | 5,000          | 76.24%          |
| Property taxes                   | 10,793                           | 19,000         | 56.80%          |
| Utilities                        | 25,659                           | 43,000         | (9) 59.67%      |
|                                  | <u>234,758</u>                   | <u>336,962</u> |                 |
| <b>Administrative Expenses</b>   |                                  |                |                 |
| Administrative Wages & Benefits  | 64,196                           | 97,907         | 65.57%          |
| Accounting fees                  | 20,398                           | 43,000         | 47.44%          |
| Office Supplies                  | 6,060                            | 8,000          | 75.75%          |
| Office Equipment Lease           | 2,499                            | 3,500          | 71.39%          |
| Legal                            | 17,825                           | 10,000         | 178.25%         |
| Audit Fee                        | 2,650                            | 10,000         | 26.50%          |
| Bank/Visa charges                | 7,008                            | 7,000          | (10) 100.11%    |
| Social Event Expenses            | 215                              | 3,000          | 7.15%           |
| Memberships, Permits             | -                                | 1,000          | 0.00%           |
| Directors Liability Insurance    | 750                              | 1,000          | 75.00%          |
| Staff Uniforms                   | -                                | 2,000          | 0.00%           |
| Staff Training                   | -                                | 2,000          | 0.00%           |
| Land Title Searches              | 140                              | 1,000          | 14.00%          |
| Program Expenses                 | 16,486                           | 18,000         |                 |
| Public Relations                 | 370                              | 1,000          |                 |
| Special Events                   | -                                | 2,000          | 0.00%           |
| Web Costs                        | 273                              | 2,000          | 13.63%          |
|                                  | <u>138,869</u>                   | <u>212,407</u> | 65.38%          |
| <b>Total Expenses</b>            | <u>373,627</u>                   | <u>549,369</u> | 68.01%          |
| <b>Net Operating Surplus</b>     | <u>206,341</u>                   | <u>24,881</u>  |                 |

# Rocky Ridge Ranch Homeowner's Association (Unaudited)

---

## SCHEDULE 'A' TO INTERIM STATEMENTS

---

- (1) Restricted Replacement Reserve Savings Account designated for the repair or replacement of existing current assets as approved by the Board of Directors.
- (2) Restricted Capital Reserve Savings Account designated for the purchase of capital assets as approved by the Board of Directors.
- (3) GIC - Cash collateral for MasterCards and Investment Certificates
- (4) Accounts Receivable balance as of September 30, 2011. This consists of outstanding encumbrance fees from 2006 - 2011 and encumbrance fee searches, credit card payments not yet deposited to the bank account.
- (5) Accounts Payable balance as of September 30, 2011, ATB Financial Mastercard, and Accrued Liabilities.
- (6) Capital Reserve segregated account designated for the purchase of Capital Assets as approved by the Board of Directors.
- (7) Replacement Reserve segregated account designated for the repair or replacement of existing current assets as approved by the Board of Directors.
- (8) Other Revenue consists of Encumbrance Search Fees, Collection Fees, Donations, Damage Deposit Revenue, and Miscellaneous Income.
- (9) Utilities expense contains:
- |               | Year to Date        |
|---------------|---------------------|
| Telephone     | \$ 5,248.03         |
| Gas           | \$ 3,961.64         |
| Waste Removal | \$ 2,210.69         |
| Water         | \$ 4,353.23         |
| Electricity   | \$ 9,885.01         |
| Total         | <u>\$ 25,658.60</u> |
- (10) Bank/Visa Charges
- |                  |                    |
|------------------|--------------------|
| Credit Card Fees | \$ 5,967.08        |
| Interest         | \$ 514.59          |
| Bank charges     | \$ 526.17          |
| Total            | <u>\$ 7,007.84</u> |
- (11) Vehicle Expenses Year to date breakdown as follows.
- |                         |                     |
|-------------------------|---------------------|
| Insurance               | \$ 2,666.45         |
| Maintenance and Repairs | \$ 5,389.95         |
| Fuel                    | \$ 5,679.06         |
| Total                   | <u>\$ 13,735.46</u> |

# Rocky Ridge Ranch Homeowner's Association (Unaudited)

## SCHEDULE 'B' TO INTERIM STATEMENTS

|                                     |                  |                             | 2011              |
|-------------------------------------|------------------|-----------------------------|-------------------|
| <b>CAPITAL ASSETS</b>               | Original<br>Cost | Accumulated<br>Amortization | Net Book<br>Value |
| Computer Equipment                  | 11,914           | 8,939                       | 2,975             |
| Computer Software                   | 1,575            | 1,365                       | 210               |
| Rental Furniture                    | 5,159            | 3,942                       | 1,217             |
| Office Furniture & Equipment        | 4,704            | 1,718                       | 2,986             |
| Tools & Equipment                   | 42,173           | 26,987                      | 15,186            |
| Skid Steer                          | 32,437           | 29,194                      | 3,243             |
| Fencing                             | 26,872           | 18,948                      | 7,924             |
| Landscape Equipment                 | 131,468          | 61,302                      | 70,165            |
| Recreational Facilities & Amenities | 310,986          | 151,739                     | 159,247           |
| Vehicles                            | 27,286           | 25,949                      | 1,337             |
| Garden Shed                         | 1,498            | 473                         | 1,025             |
| Alarm System                        | 24,462           | 6,060                       | 18,402            |
| Trees                               | 25,063           | 3,619                       | 21,444            |
| <b>TOTAL CAPITAL ASSETS</b>         | <b>645,597</b>   | <b>340,236</b>              | <b>\$ 305,361</b> |