

**Glenkirk Estates Homeowners Association**  
**Balance Sheet**  
**As of December 31, 2007**

|  | <u>Dec 31, 07</u>        | <u>Dec 31, 06</u>        |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>                          |                          |                          |
| <b>Current Assets</b>                  |                          |                          |
| <b>Checking/Savings</b>                |                          |                          |
| 1050 · RBC Bank Operating              | 2,590.23                 | 22,478.61                |
| 1051 · RBC Money Market Account        | 981.35                   | 30,060.73                |
| 1101 · SunTrust Money Market Account   | 17,990.04                | 17,917.86                |
| 1105 · Millennium MMKT                 | 74,391.69                | 72,051.91                |
| 1106 · SunTrust CD 3.34% 07/24/08 15Mo | 43,845.40                | 41,737.56                |
| 1107 · RBC Bank CD 5.07% 09/27/08      | 32,096.04                | 30,413.41                |
| 1108 · RBC Centura CD 5.49%12/19/08 1Y | 15,545.82                | 15,027.07                |
| 1109 · VA Commerce CD4.38%11/17/08 5Mo | 15,984.61                | 0.00                     |
| <b>Total Checking/Savings</b>          | <u>203,425.18</u>        | <u>229,687.15</u>        |
| <b>Accounts Receivable</b>             |                          |                          |
| 1200 · Accounts Receivable             | -7,565.67                | -16,743.13               |
| <b>Total Accounts Receivable</b>       | <u>-7,565.67</u>         | <u>-16,743.13</u>        |
| <b>Other Current Assets</b>            |                          |                          |
| 1130 · Prepaid Insurance               | 2,865.30                 | 1,768.78                 |
| 1131 · Prepaid Expenses                | 3,578.50                 | 3,425.00                 |
| 1140 · A/R Yun                         | 526.56                   | 526.56                   |
| 1141 · A/R Matalone 14255MT            | 1,215.03                 | 1,215.03                 |
| 1202 · Developer Lot Fees              | 16,513.53                | 48,504.19                |
| <b>Total Other Current Assets</b>      | <u>24,698.92</u>         | <u>55,439.56</u>         |
| <b>Total Current Assets</b>            | <u>220,558.43</u>        | <u>268,383.58</u>        |
| <b>TOTAL ASSETS</b>                    | <u><u>220,558.43</u></u> | <u><u>268,383.58</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>        |                          |                          |
| <b>Liabilities</b>                     |                          |                          |
| <b>Current Liabilities</b>             |                          |                          |
| <b>Accounts Payable</b>                |                          |                          |
| 2200 · Accounts Payable                | 14,676.33                | 9,998.55                 |
| <b>Total Accounts Payable</b>          | <u>14,676.33</u>         | <u>9,998.55</u>          |
| <b>Other Current Liabilities</b>       |                          |                          |
| 2202 · Transfer Fee Due TWC            | 400.00                   | 375.00                   |
| 2225 · Security Deposit                | 500.00                   | 0.00                     |
| 2250 · Income Taxes Payable            | 442.00                   | 442.00                   |
| <b>Total Other Current Liabilities</b> | <u>1,342.00</u>          | <u>817.00</u>            |
| <b>Total Current Liabilities</b>       | <u>16,018.33</u>         | <u>10,815.55</u>         |
| <b>Total Liabilities</b>               | <u>16,018.33</u>         | <u>10,815.55</u>         |
| <b>Equity</b>                          |                          |                          |
| 3330 · Reserves for Replacement        | 117,230.25               | 116,937.35               |
| 3900 · Retained Earnings               | 140,630.68               | 109,419.22               |
| Net Income                             | -53,320.83               | 31,211.46                |
| <b>Total Equity</b>                    | <u>204,540.10</u>        | <u>257,568.03</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <u><u>220,558.43</u></u> | <u><u>268,383.58</u></u> |

**Glenkirk Estates Homeowners Association**  
**Profit & Loss Budget vs. Actual**  
**January through December 2007**

|   | Jan - Dec ...     | Budget            | \$ Over Bu...    | % of B...     |
|---|-------------------|-------------------|------------------|---------------|
| <b>Income</b>                               |                   |                   |                  |               |
| 4100 · Fees                                 | 243,257.40        | 240,000.00        | 3,257.40         | 101.4%        |
| 4150 · Builder Lot Fees                     | 21,013.53         | 9,500.00          | 11,513.53        | 221.2%        |
| 4300 · Late Fees                            | 5,235.50          | 1,200.00          | 4,035.50         | 436.3%        |
| 4400 · Interest Income                      | 8,237.88          | 7,200.00          | 1,037.88         | 114.4%        |
| 4415 · Facility Rental                      | 900.00            | 0.00              | 900.00           | 100.0%        |
| 4450 · Assoc Pool Memberships               | 12,650.00         | 22,750.00         | -10,100.00       | 55.6%         |
| 4500 · Misc. Income                         | 174.99            | 0.00              | 174.99           | 100.0%        |
| <b>Total Income</b>                         | <b>291,469.30</b> | <b>280,650.00</b> | <b>10,819.30</b> | <b>103.9%</b> |
| <b>Expense</b>                              |                   |                   |                  |               |
| <b>4999 · Administrative Expenses</b>       |                   |                   |                  |               |
| 5000 · Management Reimbursement             | 2,236.47          | 2,400.00          | -163.53          | 93.2%         |
| 5100 · Management Fees                      | 42,150.00         | 42,000.00         | 150.00           | 100.4%        |
| 5200 · Legal Fees                           | 11,072.80         | 2,400.00          | 8,672.80         | 461.4%        |
| 5201 · Communication/Web Site               | 1,231.95          | 1,200.00          | 31.95            | 102.7%        |
| 5202 · Secretarial                          | 0.00              | 800.00            | -800.00          | 0.0%          |
| 5250 · Phone                                | 1,077.12          | 0.00              | 1,077.12         | 100.0%        |
| 5300 · Audit/Tax Preparation                | 2,050.00          | 2,000.00          | 50.00            | 102.5%        |
| 5325 · Income Taxes                         | 642.00            | 240.00            | 402.00           | 267.5%        |
| 5375 · Bad Debt                             | 1,500.38          | 0.00              | 1,500.38         | 100.0%        |
| 5400 · Misc. Administration                 | 3,062.61          | 1,200.00          | 1,862.61         | 255.2%        |
| <b>Total 4999 · Administrative Expenses</b> | <b>65,023.33</b>  | <b>52,240.00</b>  | <b>12,783.33</b> | <b>124.5%</b> |
| <b>5999 · Operating Expenses</b>            |                   |                   |                  |               |
| 5500 · Electricity                          | 377.52            | 1,200.00          | -822.48          | 31.5%         |
| 5510 · Water-Irrigation System              | 461.92            | 2,100.00          | -1,638.08        | 22.0%         |
| 5720 · Trash Collection                     | 61,162.83         | 58,860.00         | 2,302.83         | 103.9%        |
| 5725 · Janitorial                           | 1,745.00          | 6,000.00          | -4,255.00        | 29.1%         |
| 5730 · Grounds Maintenance                  | 52,559.00         | 40,750.00         | 11,809.00        | 129.0%        |
| 5732 · Landscaping                          | 5,362.44          | 7,200.00          | -1,837.56        | 74.5%         |
| 5733 · Irrigation Maintenance               | 105.00            | 1,200.00          | -1,095.00        | 8.8%          |
| 5734 · Pond Maintenance                     | 2,000.00          | 1,500.00          | 500.00           | 133.3%        |
| 5752 · Tree Maintenance                     | 9,550.00          | 3,600.00          | 5,950.00         | 265.3%        |
| 5770 · Snow Expenses                        | 1,640.07          | 1,200.00          | 440.07           | 136.7%        |
| 6030 · General Maintenance                  | 4,310.38          | 2,400.00          | 1,910.38         | 179.6%        |
| 6045 · Electrical Repairs                   | 595.00            | 1,200.00          | -605.00          | 49.6%         |
| 7040 · Insurance                            | 6,466.91          | 6,000.00          | 466.91           | 107.8%        |
| <b>Total 5999 · Operating Expenses</b>      | <b>146,336.07</b> | <b>133,210.00</b> | <b>13,126.07</b> | <b>109.9%</b> |
| <b>6999 · Pool/Tennis</b>                   |                   |                   |                  |               |
| 8000 · Pool Management Service              | 61,410.40         | 48,900.00         | 12,510.40        | 125.6%        |
| 8005 · Pool Water                           | 10,110.39         | 2,100.00          | 8,010.39         | 481.4%        |
| 8010 · Pool Electric                        | 10,497.78         | 5,200.00          | 5,297.78         | 201.9%        |
| 8011 · HVAC Repairs/Maintenance             | 0.00              | 1,500.00          | -1,500.00        | 0.0%          |
| 8015 · Pool Telephone                       | 0.00              | 600.00            | -600.00          | 0.0%          |
| 8020 · Pool Repair                          | 380.00            | 1,500.00          | -1,120.00        | 25.3%         |
| 8022 · Painting                             | 0.00              | 1,200.00          | -1,200.00        | 0.0%          |
| 8025 · Pool Supplies                        | 4,791.85          | 3,600.00          | 1,191.85         | 133.1%        |
| 8030 · Passes/Rules                         | 3,768.39          | 1,500.00          | 2,268.39         | 251.2%        |
| 8031 · Activites/Social Events              | 0.00              | 1,500.00          | -1,500.00        | 0.0%          |
| 8035 · Permits and Licenses                 | 435.00            | 300.00            | 135.00           | 145.0%        |
| 8045 · Furniture Storage                    | 2,648.39          | 1,200.00          | 1,448.39         | 220.7%        |
| 8050 · Clubhouse                            | 0.00              | 2,100.00          | -2,100.00        | 0.0%          |
| <b>Total 6999 · Pool/Tennis</b>             | <b>94,042.20</b>  | <b>71,200.00</b>  | <b>22,842.20</b> | <b>132.1%</b> |
| <b>8999 · Reserves</b>                      |                   |                   |                  |               |
| 9000 · General                              | 1,200.00          | 1,200.00          | 0.00             | 100.0%        |
| 9006 · Clubhouse Exterior                   | 900.00            | 900.00            | 0.00             | 100.0%        |
| 9010 · Clubhouse Roof                       | 900.00            | 900.00            | 0.00             | 100.0%        |
| 9015 · Roads/Rec.                           | 900.00            | 900.00            | 0.00             | 100.0%        |
| 9031 · Irrigation System                    | 900.00            | 900.00            | 0.00             | 100.0%        |
| 9035 · Concrete/Sidewalks                   | 900.00            | 900.00            | 0.00             | 100.0%        |
| 9053 · Fence/Brickwall                      | 1,200.00          | 1,200.00          | 0.00             | 100.0%        |
| 9075 · Tot Lot                              | 2,400.00          | 2,400.00          | 0.00             | 100.0%        |
| 9080 · Clubhouse Interior                   | 2,100.00          | 2,100.00          | 0.00             | 100.0%        |

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06/23/08  
Accrual Basis

**Glenkirk Estates Homeowners Association**  
**Profit & Loss Budget vs. Actual**  
January through December 2007

|                              | <u>Jan - Dec ...</u>     | <u>Budget</u>      | <u>\$ Over Bu...</u>     | <u>% of B...</u>     |
|------------------------------|--------------------------|--------------------|--------------------------|----------------------|
| 9081 · Pool Mechanical       | 2,400.00                 | 2,400.00           | 0.00                     | 100.0%               |
| 9082 · Pool Whitecoat        | 2,400.00                 | 2,400.00           | 0.00                     | 100.0%               |
| 9084 · Pool Furniture        | 2,400.00                 | 2,400.00           | 0.00                     | 100.0%               |
| 9090 · Landscaping           | 2,400.00                 | 2,400.00           | 0.00                     | 100.0%               |
| 9092 · Natural Area/Pond     | 15,388.53                | 0.00               | 15,388.53                | 100.0%               |
| 9097 · Lighting              | 600.00                   | 600.00             | 0.00                     | 100.0%               |
| 9098 · Pool Deck             | 2,400.00                 | 2,400.00           | 0.00                     | 100.0%               |
| <b>Total 8999 · Reserves</b> | <u>39,388.53</u>         | <u>24,000.00</u>   | <u>15,388.53</u>         | <u>164.1%</u>        |
| <b>Total Expense</b>         | <u>344,790.13</u>        | <u>280,650.00</u>  | <u>64,140.13</u>         | <u>122.9%</u>        |
| <b>Net Income</b>            | <u><b>-53,320.83</b></u> | <u><b>0.00</b></u> | <u><b>-53,320.83</b></u> | <u><b>100.0%</b></u> |

**GLENKIRK ESTATES  
SUMMARY OF REPLACEMENT RESERVES  
DECEMBER 31, 2007**

|                     | BALANCE<br>BEGINNING<br>OF THE YEAR | RESERVES<br>THIS YEAR | EXPENDITURES | TRANSFERS   | BALANCE<br>END OF<br>PERIOD |
|---------------------|-------------------------------------|-----------------------|--------------|-------------|-----------------------------|
| GENERAL             | 41,790.66                           | 1,200.00              | 6,161.15     |             | 36,829.51                   |
| CLUBHOUSE EXTERIOR  | 0.00                                | 900.00                |              |             | 900.00                      |
| CLUBHOUSE ROOF      | 0.00                                | 900.00                |              |             | 900.00                      |
| ROADS/REC.          | 2,400.00                            | 900.00                |              |             | 3,300.00                    |
| IRRIGATION SYSTEM   | 2,400.00                            | 900.00                |              |             | 3,300.00                    |
| CONC/SIDEWALKS      | 2,400.00                            | 900.00                |              |             | 3,300.00                    |
| FENCE/BRICKWALL     | 1,530.00                            | 1,200.00              |              |             | 2,730.00                    |
| TOT LOT             | 6,000.00                            | 2,400.00              |              |             | 8,400.00                    |
| CLUBHOUSE INTERIOR  | 0.00                                | 2,100.00              |              |             | 2,100.00                    |
| POOL MECHANICAL     | 0.00                                | 2,400.00              | 2,500.00     |             | -100.00                     |
| POOL WHITECOAT      | 0.00                                | 2,400.00              |              |             | 2,400.00                    |
| POOL FURNITURE      | 39,862.32                           | 2,400.00              | 26,729.48    |             | 15,532.84                   |
| LANDSCAPING         | 12,991.28                           | 2,400.00              | 3,646.91     |             | 11,744.37                   |
| NATURAL AREA        | 0.00                                | 15,388.53             |              |             | 15,388.53                   |
| LIGHTING            | 2,100.00                            | 600.00                | 595.00       |             | 2,105.00                    |
| POOL DECK           | 0.00                                | 2,400.00              |              |             | 2,400.00                    |
| CAPITAL IMPROVEMENT | 6,000.00                            | 0.00                  |              |             | 6,000.00                    |
| <b>TOTAL</b>        | <b>117,474.26</b>                   | <b>39,388.53</b>      | <b>0.00</b>  | <b>0.00</b> | <b>117,230.25</b>           |