

TRAILMARK HOMEOWNERS ASSOCIATION, INC.

| STATUS OF ACCOUNTS | BEGINNING | DEPOSITS | MONTHLY | MONTH OF | ENDING | Oct-12 |
|---------------------------------|---------------------|---------------------|----------------|-----------------------|---------------------|--------|
| OPERATING ACCOUNTS | BALANCE | | INTEREST | DISBURSEMENTS | BALANCE | |
| Checking - Union Bank | \$175,253.01 | \$48,860.68 | | (\$29,430.16) | \$194,683.53 | 1 |
| Escrow - Union Bank | \$0.00 | \$0.00 | | \$0.00 | \$0.00 | 2 |
| | | | | | | 3 |
| TOTAL OPERATING | \$175,253.01 | \$48,860.68 | \$0.00 | (\$29,430.16) | \$194,683.53 | |
| RESTRICTED RESERVE ACCTS | | | | | | |
| Reserve - First Bank #0625 | \$90,921.10 | | \$8.84 | (\$90,929.94) | \$0.00 | 4 |
| Reserve - First Bank #3013 | \$87,218.45 | | \$8.49 | (\$87,226.94) | \$0.00 | 5 |
| Reserve - First Bank #0162 | \$32,956.25 | \$438,276.27 | \$20.44 | (\$235,000.00) | \$236,252.96 | 6 |
| Reserve - First Bank #1737 | \$86,243.76 | | \$8.39 | (\$86,252.15) | \$0.00 | 7 |
| Reserve - First Bank #6659 | \$86,372.36 | | \$8.41 | (\$86,380.77) | \$0.00 | 8 |
| Reserve - First Bank #8835 | \$87,477.96 | | \$8.51 | (\$87,486.47) | \$0.00 | 9 |
| Reserve - Wells Fargo | \$0.00 | \$235,000.00 | \$0.00 | | \$235,000.00 | |
| TOTAL RESERVES | \$471,189.88 | \$673,276.27 | \$63.08 | (\$673,276.27) | \$471,252.96 | |
| TOTALS | \$646,442.89 | \$722,136.95 | \$63.08 | (\$702,706.43) | \$665,936.49 | |

NOTES:

Union Bank statements were not available at the time of financial packet preparation.

Balance Sheet Report
Trailmark Homeowners Assn
Operating

As of October 31, 2012

| | <u>Balance Oct 31, 2012</u> | <u>Balance Sep 30, 2012</u> | <u>Change</u> |
|-------------------------------------------|---------------------------------|---------------------------------|------------------|
| Assets | | | |
| Cash & Investments | | | |
| 1060 - Checking - Union Bank | 194,683.53 | 175,253.01 | 19,430.52 |
| Total Cash & Investments | 194,683.53 | 175,253.01 | 19,430.52 |
| Accounts Receivable | | | |
| 1400 - Accts. Rec. - Assessments | 13,539.91 | 6,094.60 | 7,445.31 |
| 1415 - Accts. Rec. - Late Charges | 3,788.86 | 2,364.83 | 1,424.03 |
| 1416 - Accts. Rec. - Processing Fee | 1,680.00 | 1,080.00 | 600.00 |
| 1419 - Accts. Rec. - Atty Transition Fee | 150.00 | 150.00 | 0.00 |
| 1420 - Accts. Rec. - Violation | 4,439.49 | 1,464.49 | 2,975.00 |
| 1430 - Accts. Rec. - Returned Checks | 1,960.00 | 1,940.00 | 20.00 |
| 1455 - Accts. Rec. - Legal | 1,111.72 | 1,111.72 | 0.00 |
| 1456 - Accts. Rec. - Covenant Enforcement | 46.00 | 46.00 | 0.00 |
| 1475 - Accts. Rec - Late Interest | 1,111.12 | 1,018.62 | 92.50 |
| Total Accounts Receivable | 27,827.10 | 15,270.26 | 12,556.84 |
| Current Assets | | | |
| 1600 - Allowance for Doubtful Account | (1,074.55) | (1,074.55) | 0.00 |
| 1701 - Prepaid Expenses - Prev Mgt | 195.00 | 195.00 | 0.00 |
| 1710 - Prepaid Taxes | 931.00 | 931.00 | 0.00 |
| 1720 - Prepaid Insurance | 725.88 | 725.88 | 0.00 |
| 1780 - Deposits | 50.00 | 50.00 | 0.00 |
| Total Current Assets | 827.33 | 827.33 | 0.00 |
| Total Assets | 223,337.96 | 191,350.60 | 31,987.36 |

Balance Sheet Report
Trailmark Homeowners Assn
Operating

As of October 31, 2012

| | <u>Balance Oct 31, 2012</u> | <u>Balance Sep 30, 2012</u> | <u>Change</u> |
|-------------------------------------------|---------------------------------|---------------------------------|--------------------|
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| 2000 - Operating Accounts Payable | 150.75 | 3,837.24 | (3,686.49) |
| 2200 - Prepaid Assessments | 9,473.97 | 32,878.91 | (23,404.94) |
| 2701 - Processing Suspense | 1,020.00 | 510.00 | 510.00 |
| 2707 - NSF Fee Suspense | 20.00 | 20.00 | 0.00 |
| Total Current Liabilities | 10,664.72 | 37,246.15 | (26,581.43) |
| Total Liabilities | 10,664.72 | 37,246.15 | (26,581.43) |
| <u>Owners' Equity</u> | | | |
| Owners' Equity | | | |
| 3000 - Working Capital Fund | 33,438.00 | 33,054.00 | 384.00 |
| 3200 - Retained Earnings - Operating | 75,591.55 | 75,591.55 | 0.00 |
| Total Owners' Equity | 109,029.55 | 108,645.55 | 384.00 |
| Total Owners' Equity | 109,029.55 | 108,645.55 | 384.00 |
| Operating Income / (Loss) | 103,643.69 | 45,458.90 | 58,184.79 |
| Total Liabilities and Owner Equity | 223,337.96 | 191,350.60 | 31,987.36 |

Income Statement Report Trailmark Homeowners Assn Operating

October 01, 2012 thru October 31, 2012

| | Current Period | | Year to Date (10 months) | | Annual Budget | Budget Remaining |
|---------------------------------------------|------------------|------------------|--------------------------|-------------------|-------------------|--------------------|
| | Actual | Budget | Actual | Budget | | |
| Income | | | | | | |
| 4000 - Assessments | 76,800.00 | 76,800.00 | 307,200.00 | 307,200.00 | 307,200.00 | 0.00 |
| 4040 - Late Charges | 2,375.39 | 0.00 | 11,241.81 | 0.00 | 0.00 | (11,241.81) |
| 4050 - Violations | 4,200.00 | 0.00 | 5,300.00 | 0.00 | 0.00 | (5,300.00) |
| 4101 - Superlien Income | 113.07 | 0.00 | 113.07 | 0.00 | 0.00 | (113.07) |
| 4310 - Legal Collections-Billed to Owner | 0.00 | 83.00 | 5,639.57 | 833.00 | 1,000.00 | (4,639.57) |
| 4311 - Covenant Enforcement-Billed to Owner | 0.00 | 0.00 | 196.00 | 0.00 | 0.00 | (196.00) |
| 4315 - Newsletter | 100.00 | 83.00 | 700.00 | 833.00 | 1,000.00 | 300.00 |
| 4385 - Homeowner Reimb/Repair | 0.00 | 0.00 | 35.00 | 0.00 | 0.00 | (35.00) |
| Total Income | 83,588.46 | 76,966.00 | 330,425.45 | 308,866.00 | 309,200.00 | (21,225.45) |
| Total Operating Income | 83,588.46 | 76,966.00 | 330,425.45 | 308,866.00 | 309,200.00 | (21,225.45) |
| Expense | | | | | | |
| Administration | | | | | | |
| 5000 - Master Insurance | 0.00 | 0.00 | 1,771.00 | 0.00 | 1,760.00 | (11.00) |
| 5035 - Management Fee | 2,500.00 | 2,500.00 | 25,000.00 | 25,000.00 | 30,000.00 | 5,000.00 |
| 5105 - Audit | 0.00 | 0.00 | 0.00 | 2,200.00 | 2,200.00 | 0.00 |
| 5140 - Legal Collections | 0.00 | 83.00 | 5,639.57 | 833.00 | 1,000.00 | (4,639.57) |
| 5141 - Covenant Enforcement | 0.00 | 0.00 | 196.00 | 0.00 | 0.00 | (196.00) |
| 5142 - Legal - General | 0.00 | 417.00 | 742.00 | 4,167.00 | 5,000.00 | 4,258.00 |
| 5385 - Taxes and Licenses | 0.00 | 0.00 | 175.00 | 0.00 | 0.00 | (175.00) |
| 5420 - Income Taxes | 0.00 | 0.00 | 300.00 | 275.00 | 275.00 | (25.00) |
| 5490 - Bad Debt | 0.00 | 417.00 | 0.00 | 4,167.00 | 5,000.00 | 5,000.00 |
| 5494 - Bad Debt - Late Fees & Interest | 0.00 | 333.00 | 0.00 | 3,333.00 | 4,000.00 | 4,000.00 |
| 5495 - Bad Debt - Collection Expense | 0.00 | 67.00 | 0.00 | 667.00 | 800.00 | 800.00 |
| 5525 - Postage, Printing, Copies | 797.23 | 1,125.00 | 3,729.58 | 11,250.00 | 13,500.00 | 9,770.42 |
| 5595 - Newsletter | 0.00 | 250.00 | 1,750.00 | 2,500.00 | 3,000.00 | 1,250.00 |
| 5630 - Meeting/Minutes | 150.00 | 0.00 | 150.00 | 0.00 | 0.00 | (150.00) |

Income Statement Report Trailmark Homeowners Assn Operating

October 01, 2012 thru October 31, 2012

| Expense | Current Period | | Year to Date (10 months) | | Annual Budget | Budget Remaining |
|--------------------------------|-----------------|-----------------|--------------------------|------------------|--------------------|------------------|
| | Actual | Budget | Actual | Budget | | |
| Administration | | | | | | |
| 5700 - Community Activities | 0.00 | 0.00 | 0.00 | 1,000.00 | (1,000.00) | 1,000.00 |
| 5703 - Design Review Committee | 0.00 | 0.00 | 0.00 | 500.00 | (500.00) | 500.00 |
| 5704 - Social Committee | 0.00 | 4,500.00 | 13,991.40 | 18,000.00 | (4,008.60) | 4,008.60 |
| 5705 - Finance Committee | 0.00 | 0.00 | 0.00 | 500.00 | (500.00) | 500.00 |
| 5706 - Common Area Committee | 0.00 | 0.00 | 0.00 | 1,500.00 | (1,500.00) | 1,500.00 |
| 5708 - Communication Committee | 0.00 | 0.00 | 251.09 | 2,000.00 | (1,748.91) | 1,748.91 |
| 5710 - Safety Committee | 0.00 | 0.00 | 184.00 | 500.00 | (316.00) | 316.00 |
| 5711 - Welcome Committee | 0.00 | 0.00 | 0.00 | 1,000.00 | (1,000.00) | 1,000.00 |
| 5805 - Bank Charges | 0.00 | 42.00 | 0.00 | 417.00 | (417.00) | 500.00 |
| 5950 - Contingency | 0.00 | 239.00 | 0.00 | 2,391.00 | (2,391.00) | 2,869.00 |
| Total Administration | 3,447.23 | 9,973.00 | 53,879.64 | 82,200.00 | (28,320.36) | 41,024.36 |
| Grounds | | | | | | |
| 6200 - Landscape Contract | 1,275.00 | 1,283.00 | 12,750.00 | 12,830.00 | (80.00) | 2,646.00 |
| 6210 - Snow Removal | 0.00 | 2,000.00 | 3,803.01 | 8,000.00 | (4,196.99) | 8,196.99 |
| 6220 - Sprinkler Repairs | 455.05 | 1,429.00 | 7,950.88 | 10,000.00 | (2,049.12) | 2,049.12 |
| 6250 - Exterminating | 0.00 | 0.00 | 0.00 | 300.00 | (300.00) | 300.00 |
| 6260 - Common Area Lights | 110.00 | 0.00 | 110.00 | 0.00 | 110.00 | (110.00) |
| 6270 - Fences | 0.00 | 286.00 | 7,353.09 | 2,000.00 | 5,353.09 | (5,353.09) |
| 6378 - Plants/Trees/Shrubs | 0.00 | 286.00 | 1,126.49 | 2,000.00 | (873.51) | 873.51 |
| 6410 - Grounds Contracts Extra | 0.00 | 1,445.00 | 2,754.54 | 11,556.00 | (8,801.46) | 10,245.46 |
| 6643 - Holiday Lighting | 4,945.00 | 0.00 | 4,945.00 | 0.00 | 4,945.00 | 1,055.00 |
| Total Grounds | 6,785.05 | 6,729.00 | 40,793.01 | 46,686.00 | (5,892.99) | 19,902.99 |
| Utilities | | | | | | |
| 6700 - Gas & Electric | 89.93 | 92.00 | 843.32 | 917.00 | (73.68) | 256.68 |
| 6710 - Water & Sewer | 4,870.46 | 2,083.00 | 29,235.79 | 20,833.00 | 8,402.79 | (4,235.79) |

Income Statement Report
Trailmark Homeowners Assn
Operating

October 01, 2012 thru October 31, 2012

| | Current Period | | Year to Date (10 months) | | Annual Budget | Budget Remaining |
|----------------------------------------|------------------|------------------|--------------------------|-------------------|-------------------|---------------------|
| | Actual | Budget | Actual | Budget | | |
| Expense | | | | | | |
| Utilities | | | | | | |
| 6760 - Trash | 10,211.00 | 10,625.00 | 102,030.00 | 106,250.00 | 127,500.00 | 25,470.00 |
| Total Utilities | 15,171.39 | 12,800.00 | 132,109.11 | 128,000.00 | 153,600.00 | 21,490.89 |
| Total Operating Expense | 25,403.67 | 29,502.00 | 226,781.76 | 256,886.00 | 309,200.00 | 82,418.24 |
| Total Operating Income / (Loss) | 58,184.79 | 47,464.00 | 103,643.69 | 51,980.00 | 0.00 | (103,643.69) |

**Balance Sheet Report
Trailmark Homeowners Assn
Replacement**

As of October 31, 2012

| | <u>Balance Oct 31, 2012</u> | <u>Balance Sep 30, 2012</u> | <u>Change</u> |
|-------------------------------------------|---------------------------------|---------------------------------|---------------|
| <u>Assets</u> | | | |
| Cash & Investments | | | |
| 1301 - Reserves-1st Bank #0625 | 0.00 | 90,921.10 | (90,921.10) |
| 1302 - Reserves-1st Bank #3013 | 0.00 | 87,218.45 | (87,218.45) |
| 1303 - Reserves-1st Bank #0162 | 236,252.96 | 32,956.25 | 203,296.71 |
| 1304 - Reserves-1st Bank #1737 | 0.00 | 86,243.76 | (86,243.76) |
| 1305 - Reserves-1st Bank #6659 | 0.00 | 86,372.36 | (86,372.36) |
| 1306 - Reserves-1st Bank #8835 | 0.00 | 87,477.96 | (87,477.96) |
| 1307 - Reserves-Wells Fargo | 235,000.00 | 0.00 | 235,000.00 |
| Total Cash & Investments | 471,252.96 | 471,189.88 | 63.08 |
| Total Assets | 471,252.96 | 471,189.88 | 63.08 |
| <u>Owners' Equity</u> | | | |
| Owners' Equity | | | |
| 3300 - Retained Earnings - Replacement | 481,538.93 | 481,538.93 | 0.00 |
| Total Owners' Equity | 481,538.93 | 481,538.93 | 0.00 |
| Total Owners' Equity | 481,538.93 | 481,538.93 | 0.00 |
| Replacement Income / (Loss) | (10,285.97) | (10,349.05) | 63.08 |
| Total Liabilities and Owner Equity | 471,252.96 | 471,189.88 | 63.08 |

Income Statement Report Trailmark Homeowners Assn Replacement

October 01, 2012 thru October 31, 2012

| | Current Period | | Year to Date (10 months) | | Annual Budget | Budget Remaining |
|----------------------------------------------|------------------|------------------|--------------------------|------------------|--------------------|--------------------|
| | Actual | Budget | Actual | Budget | | |
| Income | | | | | | |
| Replacement Income | | | | | | |
| 8700 - Taxable Interest | 63.08 | 0.00 | 748.05 | 0.00 | 748.05 | (748.05) |
| Total Replacement Income | 63.08 | 0.00 | 748.05 | 0.00 | 748.05 | (748.05) |
| Total Replacement Income | 63.08 | 0.00 | 748.05 | 0.00 | 748.05 | (748.05) |
| Expense | | | | | | |
| Replacement Expenses | | | | | | |
| 9151 - Fencing Painting/Staining | 0.00 | 0.00 | 11,034.02 | 0.00 | 11,034.02 | (11,034.02) |
| Total Replacement Expenses | 0.00 | 0.00 | 11,034.02 | 0.00 | 11,034.02 | (11,034.02) |
| Total Replacement Expense | 0.00 | 0.00 | 11,034.02 | 0.00 | 11,034.02 | (11,034.02) |
| Total Replacement Income / (Loss) | 63.08 | 0.00 | (10,285.97) | 0.00 | (10,285.97) | 10,285.97 |
| Total Association Net Income / (Loss) | 58,247.87 | 47,464.00 | 93,357.72 | 51,980.00 | 41,377.72 | (93,357.72) |