

The Gardens at Heritage Green CAI
Schedule III A/R Aging Summary Revised
As of February 28, 2014

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
173	0.00	165.00	165.00	0.00	0.00	330.00
305	0.00	0.00	0.00	0.00	30.00	30.00
321	0.00	165.00	0.00	91.66	0.00	256.66
408	0.00	165.00	0.00	15.00	0.00	180.00
531	0.00	0.00	0.00	15.00	0.00	15.00
557	0.00	0.00	0.00	0.00	40.00	40.00
622	0.00	165.00	0.00	0.00	0.00	165.00
664	0.00	0.00	5.00	0.00	0.00	5.00
709	0.00	165.00	150.00	0.00	0.00	315.00
715	0.00	0.00	2.00	0.00	0.00	2.00
838	0.00	0.00	0.00	15.00	0.00	15.00
939	0.00	0.00	0.00	0.00	25.00	25.00
MAndrews-Attorney Account	0.00	0.00	0.00	0.00	929.01	929.01
TOTAL	<u><u>0.00</u></u>	<u><u>825.00</u></u>	<u><u>322.00</u></u>	<u><u>136.66</u></u>	<u><u>1,024.01</u></u>	<u><u>2,307.67</u></u>

The Gardens at Heritage Green CAI
Schedule II Profit & Loss YTD Comparison
February 2014

	<u>Feb 14</u>	<u>Feb 13</u>	<u>Jan - Feb 14</u>
Ordinary Income/Expense			
Income			
Late Fee Income	180.00	141.00	313.00
Member Monthly Assessment	19,186.69	18,986.00	38,350.03
Returned Check Charges	0.00	0.00	20.00
Total Income	<u>19,366.69</u>	<u>19,127.00</u>	<u>38,683.03</u>
Expense			
Bank Charges	418.34	416.12	808.79
Filing Fees	0.00	0.00	22.25
Garbage Service	1,180.00	1,274.00	2,360.00
Insurance Expense	1,838.00	1,838.00	3,676.00
Irrigation	540.00	175.00	577.50
Landscaping and Groundskeeping	5,693.75	5,860.00	11,107.50
Office Supplies	140.04	24.75	206.10
Pest Control	995.00	820.00	1,990.00
Postage and Delivery	0.00	0.00	92.00
Professional Fees	362.00	325.00	687.00
Rent Expense	47.00	43.00	94.00
Repairs and Maintenance	2,295.50	754.31	2,425.50
Utilities	339.75	371.70	2,222.84
Total Expense	<u>13,849.38</u>	<u>11,901.88</u>	<u>26,269.48</u>
Net Ordinary Income	<u>5,517.31</u>	<u>7,225.12</u>	<u>12,413.55</u>
Other Income/Expense			
Other Income			
Interest Income	5.46	42.27	11.29
Total Other Income	<u>5.46</u>	<u>42.27</u>	<u>11.29</u>
Other Expense			
Reserve Expenses	400.00	1,450.00	4,350.00
Total Other Expense	<u>400.00</u>	<u>1,450.00</u>	<u>4,350.00</u>
Net Other Income	<u>-394.54</u>	<u>-1,407.73</u>	<u>-4,338.71</u>
Net Income	<u><u>5,122.77</u></u>	<u><u>5,817.39</u></u>	<u><u>8,074.84</u></u>

See Accountants' Compilation Report

The Gardens at Heritage Green CAI
Schedule I - Budget vs. Actual
February 2014

	<u>Feb 14</u>	<u>Budget</u>	<u>\$ Over B...</u>	<u>% of Bu...</u>
Ordinary Income/Expense				
Income				
Late Fee Income	180.00	150.00	30.00	120.0%
Member Monthly Assessment	19,186.69	18,900.00	286.69	101.5%
Total Income	<u>19,366.69</u>	<u>19,050.00</u>	<u>316.69</u>	<u>101.7%</u>
Expense				
Bank Charges	418.34	444.34	-26.00	94.1%
Computer and Internet Expenses	0.00	53.67	-53.67	0.0%
Federal Taxes	0.00	20.84	-20.84	0.0%
Filing Fees	0.00	1.92	-1.92	0.0%
Garbage Service	1,180.00	1,400.00	-220.00	84.3%
Insurance Expense	1,838.00	1,838.00	0.00	100.0%
Irrigation	540.00	58.75	481.25	919.1%
Landscaping and Groundskeeping				
Tru Green	0.00	625.00	-625.00	0.0%
Landscaping and Groundskeeping - Other	5,693.75	5,413.75	280.00	105.2%
Total Landscaping and Groundskeeping	<u>5,693.75</u>	<u>6,038.75</u>	<u>-345.00</u>	<u>94.3%</u>
Meeting Expense	0.00	3.05	-3.05	0.0%
Office Supplies	140.04	32.32	107.72	433.3%
Pest Control				
Termite	645.00	645.00	0.00	100.0%
Pest Control - Other	350.00	350.00	0.00	100.0%
Total Pest Control	<u>995.00</u>	<u>995.00</u>	<u>0.00</u>	<u>100.0%</u>
Postage and Delivery	0.00	32.50	-32.50	0.0%
Printing and Reproduction	0.00	8.34	-8.34	0.0%
Professional Fees				
Accounting Expense	350.00	333.34	16.66	105.0%
Legal Fees	12.00	50.00	-38.00	24.0%
Total Professional Fees	<u>362.00</u>	<u>383.34</u>	<u>-21.34</u>	<u>94.4%</u>
Rent Expense	47.00	47.00	0.00	100.0%
Repairs and Maintenance	2,295.50	2,152.06	143.44	106.7%
Utilities				
Electric	0.00	166.67	-166.67	0.0%
Water				
Private Fire Protection	0.00	722.92	-722.92	0.0%
Water - Other	339.75	555.84	-216.09	61.1%
Total Water	<u>339.75</u>	<u>1,278.76</u>	<u>-939.01</u>	<u>26.6%</u>
Total Utilities	<u>339.75</u>	<u>1,445.43</u>	<u>-1,105.68</u>	<u>23.5%</u>
Total Expense	<u>13,849.38</u>	<u>14,955.31</u>	<u>-1,105.93</u>	<u>92.6%</u>
Net Ordinary Income	<u>5,517.31</u>	<u>4,094.69</u>	<u>1,422.62</u>	<u>134.7%</u>
Other Income/Expense				
Other Income				
Interest Income	5.46	72.31	-66.85	7.6%
Total Other Income	<u>5.46</u>	<u>72.31</u>	<u>-66.85</u>	<u>7.6%</u>
Other Expense				
Reserve Expenses	400.00	4,167.00	-3,767.00	9.6%
Total Other Expense	<u>400.00</u>	<u>4,167.00</u>	<u>-3,767.00</u>	<u>9.6%</u>
Net Other Income	<u>-394.54</u>	<u>-4,094.69</u>	<u>3,700.15</u>	<u>9.6%</u>
Net Income	<u><u>5,122.77</u></u>	<u><u>0.00</u></u>	<u><u>5,122.77</u></u>	<u><u>100.0%</u></u>

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The Gardens at Heritage Green CAI
Profit & Loss
February 2014

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Income		
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Member Monthly Assessment	19,186.69	38,350.03
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Total Income	19,366.69	38,683.03
Expense		
Bank Charges	418.34	808.79
Filing Fees	0.00	22.25
Garbage Service	1,180.00	2,360.00
Insurance Expense	1,838.00	3,676.00
Irrigation	540.00	577.50
Landscaping and Groundskeeping	5,693.75	11,107.50
Office Supplies	140.04	206.10
Pest Control	995.00	1,990.00
Postage and Delivery	0.00	92.00
Professional Fees	362.00	687.00
Rent Expense	47.00	94.00
Repairs and Maintenance	2,295.50	2,425.50
Utilities	339.75	2,222.84
Total Expense	13,849.38	26,269.48
Net Ordinary Income	5,517.31	12,413.55
Other Income/Expense		
Other Income		
Interest Income	5.46	11.29
Total Other Income	5.46	11.29
Other Expense		
Reserve Expenses	400.00	4,350.00
Total Other Expense	400.00	4,350.00
Net Other Income	-394.54	-4,338.71
Net Income	5,122.77	8,074.84

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The Gardens at Heritage Green CAI
Balance Sheet
As of February 28, 2014

	<u>Feb 28, 14</u>	<u>Feb 28, 13</u>
ASSETS		
Current Assets		
Checking/Savings		
1st Citizens Ckng 009020053418	12,411.06	29,532.50
1st Citizens MMA 009020053637	103,041.11	275,735.11
Total Checking/Savings	115,452.17	305,267.61
Accounts Receivable		
Accounts Receivable PrePd Fees	-13,708.00	-17,513.20
Total Accounts Receivable	-13,708.00	-17,513.20
Other Current Assets		
1st TN 12mth CD	100,000.00	0.00
SunTrust Bank 12mth CD	100,000.00	0.00
Total Other Current Assets	200,000.00	0.00
Total Current Assets	301,744.17	287,754.41
TOTAL ASSETS	<u>301,744.17</u>	<u>287,754.41</u>
LIABILITIES & EQUITY		
Equity		
Opening Bal Equity	111,926.15	111,926.15
Retained Earnings	181,743.18	158,222.06
Net Income	8,074.84	17,606.20
Total Equity	301,744.17	287,754.41
TOTAL LIABILITIES & EQUITY	<u>301,744.17</u>	<u>287,754.41</u>

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Accountants' Compilation Report

The Gardens at Heritage Green Condominium Association, Inc.
800 Callaway Court
Chattanooga, TN 37421-0651

We have compiled the accompanying balance sheet of The Gardens at Heritage Green Condominium Association, Inc. (a Corporation) as of February 28, 2013 and February 28, 2014 and the related profit and loss statement for the month and the two months ended February 28, 2014. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

The Company's financial statements do not disclose the amount of current depreciation. Those amounts are adjusted annually at year end to agree with actual. Disclosure of that information is required by accounting principles generally accepted in the United States of America; however, management believes it is impracticable to develop the information more frequently than annually.

The supplementary information contained in Schedules I - III are presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operation, and cash flows. Accordingly the 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to The Gardens at Heritage Green Condominium Association, Inc.
Chattanooga, TN

March 3, 2014

The Gardens at Heritage Green Condominium Association, Inc.

INTERIM FINANCIAL REPORT

February 28, 2014

See Accountants' Compilation Report