

**DAYBREAK AT ISSAQUAH RIDGE
CONDOMINIUM**

EXHIBIT

D

ANNUAL FINANCIAL STATEMENT

**PREPARED BY:
KAPPES MILLER MANAGEMENT, LLC**

OPERATING ACCOUNT - FOUNDATION BANK

BEGINNING BALANCE

\$534.63

Homeowner Assessments	20,729.19	
Prepaid Assessments	3,054.29	
Monthly Service Fee	0.00	
Delinquent Letter Fee	0.00	
Late Fee	0.00	
Legal Expense	0.00	
Certified Letter Fee	0.00	
Questionnaire Fee	0.00	
Total Receipts	<u>23,783.48</u>	
Operating Expenses Paid	(20,977.54)	
Transfer to Maintenance Reserve	0.00	
Bank Charges	0.00	
Total Disbursements	<u>(20,977.54)</u>	

ENDING BALANCE

\$3,340.57

MAINTENANCE RESERVE - FOUNDATION BANK

BEGINNING BALANCE

\$212,952.26

Transferred from Operating Interest	0.00	
	79.89	
Total Receipts	<u>79.89</u>	
Invoices Paid:		
Beifor property Restoration	(1,659.02)	
Bank Charges	0.00	
Total Disbursements	<u>(1,659.02)</u>	

ENDING BALANCE

\$211,373.13



DayBreak at Issaquah Ridge Owners Association
Balance Sheet
As of December 31, 2013

**ACCOUNTING
DEPARTMENT**

ASSETS

Current Assets	
Operating Accounts	
Cash - Checking	3,340.57
Assessments Receivable	23,153.85
Prepaid Insurance	10,873.72
Total Operating Accounts	<u>37,368.14</u>
Reserve Accounts	
Maintenance Reserve	211,373.13
A/R due from Operations	12,516.66
Total Reserve Accounts	<u>223,889.79</u>
Total Assets	<u><u>261,257.93</u></u>

LIABILITY & HOMEOWNERS EQUITY

Operating Liabilities	
Prepaid Assessments	8,170.85
Accounts Payable	12,516.66
Total Operating Liabilities	<u>20,687.51</u>
Homeowner Equity	
Excess of Rev over Exp	(758.93)
Retained Earnings	241,329.35
Total Homeowner Equity	<u>240,570.42</u>
Total Liability & Homeowners Equity	<u><u>261,257.93</u></u>



DayBreak at Issaquah Ridge Owners Association Income and Expense Statement

January 1, 2013 Through December 31, 2013
For the Month Ending December 31, 2013

ACCOUNTING DEPARTMENT

	<u>Current Budget</u>	<u>Current Actual</u>	<u>Current Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Operating Revenue						
Homeowner Fees	24,809	24,809	0	297,706	297,207	(499)
Transfer to Reserves	(6,258)	(6,258)	0	(75,100)	(75,100)	0
Late Fees/Fines	63	125	62	750	490	(260)
Total Operating Revenue	18,614	18,676	62	223,356	222,597	(759)
Operating Expenses						
Maintenance Exp.						
General Repair & Maint.	1,013	2,087	(1,074)	12,153	20,537	(8,384)
Janitorial	675	739	(64)	8,100	8,130	(30)
Landscape Other	208	0	208	2,500	12,098	(9,598)
Landscape Contract	1,217	1,451	(234)	14,600	17,164	(2,564)
Window/Gutter Cleaning	250	0	250	3,000	0	3,000
Fire/Life/Safety Monitor.	833	735	98	10,000	8,990	1,010
Pest Control	0	0	0	0	237	(237)
Total Maintenance Exp.	4,196	5,012	(816)	50,353	67,156	(16,803)
Service/Utility Exp.						
Electricity	390	400	(10)	4,675	4,630	45
Water	1,201	2,425	(1,224)	14,416	13,839	577
Sewer	1,170	2,676	(1,506)	14,042	13,717	325
Garbage	1,558	1,580	(22)	18,700	18,913	(213)
Irrigation Water	750	737	13	9,000	14,357	(5,357)
Metro Sewer	2,403	5,449	(3,046)	28,834	27,189	1,645
Storm Drainage	833	0	833	10,000	8,939	1,061
Total Service/Utility Exp.	8,305	13,267	(4,962)	99,667	101,584	(1,917)
Administrative Exp.						
Office Expenses	250	381	(131)	3,000	3,149	(149)
Management Fee	1,745	1,806	(61)	20,936	21,550	(614)
Legal	208	41	167	2,500	654	1,846
Insurance Premium	3,187	1,208	1,979	38,245	33,081	5,164
Master Association Dues	155	0	155	1,855	1,856	(1)
Licenses & Permits	2	0	2	20	10	10
Audit / Tax Return	115	0	115	1,380	1,380	0
Reserve Study	242	0	242	2,900	6,000	(3,100)
Total Administrative Exp.	5,904	3,436	2,468	70,836	67,680	3,156
Total Operating Expenses	18,405	21,715	(3,310)	220,856	236,420	(15,564)



DayBreak at Issaquah Ridge Owners Association

Income and Expense Statement

January 1, 2013 Through December 31, 2013
For the Month Ending December 31, 2013

ACCOUNTING
DEPARTMENT

	<u>Current Budget</u>	<u>Current Actual</u>	<u>Current Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Operating Gain(Loss)	209	(3,039)	(3,248)	2,500	(13,823)	(16,323)
Reserve Revenue						
Major Maintenance Assess	6,258	6,258	0	75,100	75,100	0
Interest Income - Reserve	228	80	(148)	2,730	933	(1,797)
Total Reserve Revenue	6,486	6,338	(148)	77,830	76,033	(1,797)
Reserve Expenses						
Major Maintenance Expense	0	1,659	(1,659)	0	62,968	(62,968)
Total Reserve Expenses	0	1,659	(1,659)	0	62,968	(62,968)
Reserve Gain(Loss)	6,486	4,679	(1,807)	77,830	13,065	(64,765)
Total Gain(Loss)	6,695	1,640	(5,055)	80,330	(758)	(81,088)

OPERATING ACCOUNT - FOUNDATION BANK

BEGINNING BALANCE		\$16,207.88
Homeowner Assessments	16,135.89	
Prepaid Assessments	3,079.94	
Monthly Service Fee	0.00	
Delinquent Letter Fee	54.00	
Late Fee	100.00	
Legal Expense	0.00	
Returned Check Fee	0.00	
Certified Letter Fee	55.00	
KMM Handling Fee	0.00	
Total Receipts	<u>19,424.83</u>	
Operating Expenses Paid	(19,609.00)	
Transfer to Maintenance Reserve	(6,141.67)	
Bank Charges	0.00	
Total Disbursements	<u>(25,750.67)</u>	
ENDING BALANCE		<u>\$9,882.04</u>

MAINTENANCE RESERVE - FOUNDATION BANK

BEGINNING BALANCE		\$227,656.80
Transferred from Operating Interest	6,141.67	
	93.58	
Total Receipts	<u>6,235.25</u>	
Invoices Paid:		
Remco Deacon	(23,066.79)	
Bank Charges	0.00	
Total Disbursements	<u>(23,066.79)</u>	
ENDING BALANCE		<u>\$210,825.26</u>

Balance Sheet

As of December 31, 2012

ASSETS

Current Assets		
Operating Accounts		
Cash - Checking	9,882.04	
Assessments Receivable	20,809.89	
Prepaid Insurance	7,703.19	
Total Operating Accounts		<u>38,395.12</u>
Reserve Accounts		
Maintenance Reserve	210,825.26	
Total Reserve Accounts		<u>210,825.26</u>
Total Assets		<u><u>249,220.38</u></u>

LIABILITY & HOMEOWNERS EQUITY

Operating Liabilities		
Prepaid Assessments	7,891.03	
Total Operating Liabilities		<u>7,891.03</u>
Homeowner Equity		
Excess of Rev over Exp	(139,332.91)	
Retained Earnings	380,662.26	
Total Homeowner Equity		<u>241,329.35</u>
Total Liability & Homeowners Equity		<u><u>249,220.38</u></u>

DayBreak at Issaquah Ridge Owners Association

Income and Expense Statement

January 1, 2012 Through December 31, 2012
For the Month Ending December 31, 2012

**ACCOUNTING
DEPARTMENT**

	<u>Current Budget</u>	<u>Current Actual</u>	<u>Current Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Operating Revenue						
Homeowner Fees	23,241	23,241	0	278,892	279,615	723
Transfer to Reserves	(6,142)	(6,142)	0	(73,700)	(73,700)	0
Late Fees/Fines	63	200	137	750	1,225	475
Insurance Claim Reimbursement	0	0	0	0	10,362	10,362
Total Operating Revenue	17,162	17,299	137	205,942	217,502	11,560
Operating Expenses						
Maintenance Exp.						
General Repair & Maint.	1,013	1,656	(643)	12,153	10,929	1,224
Janitorial	585	739	(154)	7,020	7,913	(893)
Landscape Other	208	0	208	2,500	4,655	(2,155)
Landscape Contract	1,217	1,205	12	14,600	14,484	116
Window/Gutter Cleaning	250	0	250	3,000	0	3,000
Fire/Life/Safety Monitor.	833	735	98	10,000	9,723	277
Dryer Vent Cleaning	55	0	55	660	2,478	(1,818)
Pest Control	0	0	0	0	266	(266)
Total Maintenance Exp.	4,161	4,335	(174)	49,933	50,448	(515)
Service/Utility Exp.						
Electricity	367	451	(84)	4,400	4,656	(256)
Water	1,111	2,418	(1,307)	13,332	14,973	(1,641)
Sewer	992	2,032	(1,040)	11,900	13,851	(1,951)
Garbage	1,558	1,532	26	18,700	18,197	503
Irrigation Water	667	0	667	8,000	10,110	(2,110)
Metro Sewer	2,403	4,682	(2,279)	28,834	28,103	731
Storm Drainage	833	0	833	10,000	8,939	1,061
Total Service/Utility Exp.	7,931	11,115	(3,184)	95,166	98,829	(3,663)
Administrative Exp.						
Office Expenses	250	131	119	3,000	3,167	(167)
Management Fee	1,646	1,792	(146)	19,750	21,077	(1,327)
Legal	208	127	81	2,500	1,851	649
Insurance Premium	2,490	3,607	(1,117)	29,875	39,666	(9,791)

DayBreak at Issaquah Ridge Owners Association

Income and Expense Statement

January 1, 2012 Through December 31, 2012
For the Month Ending December 31, 2012

**ACCOUNTING
DEPARTMENT**

	<u>Current Budget</u>	<u>Current Actual</u>	<u>Current Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Master Association Dues	202	0	202	2,418	0	2,418
Licenses & Permits	2	0	2	20	0	20
Bad Debt Expense	0	0	0	0	4,950	(4,950)
Audit / Tax Return	107	0	107	1,280	1,380	(100)
Reserve Study	167	0	167	2,000	0	2,000
Miscellaneous Expense	0	0	0	0	500	(500)
Total Administrative Exp.	5,072	5,657	(585)	60,843	72,591	(11,748)
Total Operating Expenses	17,164	21,107	(3,943)	205,942	221,868	(15,926)
Operating Gain(Loss)	(2)	(3,808)	(3,806)	0	(4,366)	(4,366)
Reserve Revenue						
Major Maintenance Assess	6,142	6,142	0	73,700	73,700	0
Insurance Claim Reimbursement	0	0	0	0	17,740	17,740
Interest Income - Reserve	228	94	(134)	2,730	1,734	(996)
Total Reserve Revenue	6,370	6,236	(134)	76,430	93,174	16,744
Reserve Expenses						
Major Maintenance Expense	0	23,067	(23,067)	0	228,139	(228,139)
Total Reserve Expenses	0	23,067	(23,067)	0	228,139	(228,139)
Reserve Gain(Loss)	6,370	(16,831)	(23,201)	76,430	(134,965)	(211,395)
Total Gain(Loss)	6,368	(20,639)	(27,007)	76,430	(139,331)	(215,761)