

---

David J. Bryant, CPA  
916 Brookside Place  
Pensacola, Florida 32503  
850.982.6067

## Compilation Report

Brookside Townhomes  
Homeowners' Association, Inc.  
4285 Brookside Drive  
Pensacola, Florida 32503

I have compiled the accompanying statements of assets, liabilities and members' equity – income tax basis of Brookside Townhomes Homeowners Association, Inc., as of December 31, 2009 and 2008, and the related statements of revenues and expenses – income tax basis for the years then ended, in accordance with Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of the financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the company's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Brookside Townhomes Homeowners Association, Inc.



David J. Bryant, CPA  
January 12, 2010

---

**Brookside Townhomes Homeowners Association, Inc.**  
**Statement of Assets, Liabilities and Members' Equity**  
**Income Tax Basis**  
**December 31, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
Current Assets		
Coastal Bank & Trust - Checking	\$ 23,176.44	\$ 19,186.69
Coastal Bank & Trust - MMA	17,916.52	24,528.64
Total Current Assets	\$ 41,092.96	\$ 43,715.33
<b>TOTAL ASSETS</b>	\$ 41,092.96	\$ 43,715.33
 <b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Liabilities		
Current Liabilities		
Prepaid Association Fees & Deposits	\$ 16,805.00	\$ 13,766.82
Current Portion - Siding Loan	27,912.38	24,016.83
Total Current Liabilities	\$ 44,717.38	\$ 37,783.65
Long Term Liabilities		
Siding Loan	\$ 255,077.79	\$ 279,094.62
Less - Current Portion	(27,912.38)	(24,016.83)
Total Long Term Liabilities	\$ 227,165.41	\$ 255,077.79
Total Liabilities	\$ 271,882.79	\$ 292,861.44
Members' Equity		
Members' Equity - Loan Balance	\$ (255,077.79)	\$ (279,094.62)
Members' Equity - Reserve	5,931.68	33,119.89
Current Year Net Revenue (Expenses)	18,356.28	(3,171.38)
Total Members' Equity	\$ (230,789.83)	\$ (249,146.11)
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	\$ 41,092.96	\$ 43,715.33

See Accountant's Compilation Report

**Brookside Townhomes Homeowners Association, Inc.**  
**Statement of Revenues and Expenses**  
**For the years ended December 31, 2009 and 2008**

	2009	2008
<b>ORDINARY REVENUE/EXPENSES</b>		
Revenue		
Homeowners Dues	\$ 105,343.06	\$ 112,444.76
Total Revenue	\$ 105,343.06	\$ 112,444.76
Expenses		
Bank Charges	2.50	7.60
General Maintenance	899.11	944.15
Holding Pond Repairs	2,398.00	-
Insurance	3,516.59	4,091.15
Lawn Maintenance	21,897.64	24,050.00
Meeting Expenses	75.00	-
Neighborhood Watch	(553.99)	-
Office supplies	350.33	459.19
Pest Control	950.00	2,392.00
Pool Maintenance & Repairs	17,084.48	6,480.58
Postage	456.91	536.76
Professional Fees	1,161.50	690.00
Sprinkler Repairs	487.59	402.00
Taxes and Licenses	479.25	683.40
Utilities	12,747.90	14,068.45
Total Expenses	\$ 61,952.81	\$ 54,805.28
<b>NET ORDINARY REVENUE</b>	\$ 43,390.25	\$ 57,639.48
<b>OTHER REVENUE/EXPENSES</b>		
Other Revenue		
Interest	327.54	290.96
Late Fee Income	1,310.00	1,515.00
Lien Filing Income (Fees)	160.00	(21.50)
Other Income	25.00	-
Total Other Revenue	\$ 1,822.54	\$ 1,784.46
Other Expenses		
Grant Expenses	2,275.50	-
Siding Costs	-	36,819.92
Siding Loan Interest	24,581.01	25,775.40
Total Other Expenses	\$ 26,856.51	\$ 62,595.32
<b>NET OTHER REVENUE (EXPENSES)</b>	\$ (25,033.97)	\$ (60,810.86)
<b>NET REVENUE (EXPENSES)</b>	\$ 18,356.28	\$ (3,171.38)

See Accountant's Compilation Report

**Brookside Townhomes Homeowners Association, Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

The Brookside Townhomes Homeowners Association, Inc. (the Association) is incorporated under the laws of Florida and operated to perform those services normally associated with the type of association. These services include preserving and maintaining the common property of the Association.

The Association consists of 86 individually-owned townhouses located in Pensacola, Florida. The Association is governed by an elected Board of Directors of no more than nine individuals. The Board executes and monitors various contracts for the preservation and maintenance of the common property of the Association, which include roads, parking lots, a pool, a tennis court, and other areas. In addition, the Association maintains certain privately-owned property or Association-owned property located on privately-owned property, including a sprinkler system, lawns, and fencing. The Board of Directors has elected to employ a member of the association, with the requisite experience, to manage the financial accounts of the Association.

The Association is governed by certain documents including Covenants, Conditions and Restrictions, as amended and filed in the public records of Escambia County, Florida.

Association Assessments

The Board of Directors establishes the quarterly assessments, subject to the guidelines and limitations in the governing documents. The assessments are used to offset the costs associated with preserving and maintaining the common property of the Association. In addition to quarterly assessments, new townhome purchasers are required to provide a deposit equal to 2 quarters dues. These deposits are used to defray losses if the purchased townhome becomes subject to foreclosure or bankruptcy. Deposits are returned upon the sale of a townhome.

Note Payable

In December 2007, the Association executed a \$300,000 loan with Coastal Bank and Trust (formerly Bank of Pensacola). The proceeds of the loan were used to offset the costs associated with the vinyl siding of all townhomes in the Association. The note calls for principal and interest payments of \$3,759.80 for the initial term of 60 months. At which time, the Association intends to extend the term in 60 month increments until such time the note is paid in full. At the current payment and interest rate, it is estimated the loan will be paid in full in March 2017.

Future debt service payments are as follows:

For the Year Ended December 31,	Principal	Interest	Balance
2010	\$ 27,912.38	\$ 17,205.22	\$ 227,165.41
2011	29,959.11	15,158.49	197,206.30
2012	32,116.53	13,001.07	165,089.76
2013	34,510.92	10,606.68	130,578.84
2014	37,041.49	8,076.11	93,537.35
2015	39,757.62	5,359.98	53,779.73
2016	42,663.33	2,454.27	11,116.40
2017	11,116.40	111.76	0.00

**Brookside Townhomes Homeowners Association, Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

Future Major Repairs and Replacements

Pursuant to Florida Statutes, the Association establishes reserves for capital expenditures and deferred maintenance. In determining the required reserve, the Association Board has estimated the remaining useful life and estimated replacement cost or deferred maintenance expense of major projects. These estimates are based on prior repairs indexed for inflation and/or current estimates. Actual expenditures may vary from estimates and those variations may be material.

The reserve is funded through excess revenues over expenses each fiscal year. The Association determines the appropriate level of quarterly assessment necessary to fund operating expenses and provide for the necessary reserve.

The schedule of major projects and estimated costs is as follows:

Project	Frequency	Last Done	Next Due	Estimated Cost
Pool Deck Repair	15 Years	1983	2010	\$ 10,000
Pool Coping Repair/Replacement	15 Years	1983	2010	7,500
Parking Space Striping	10 Years	1983	2010	5,000
Sidewalks/Curbs Repair - Common Areas	15 Years	1983	2010	10,000
Road Sealcoating	15 Years	1983	2012	30,000
Sprinkler Pump Replacement	15 Years	1987	2013	3,000
Tennis Court Painting	5 Years	2008	2013	3,000
Poolhouse Repair	10 Years	2005	2015	2,500
Mailbox Building Repair	10 Years	2005	2015	5,000
Perimeter Fence Replacement	10 Years	2005	2015	15,000
Pool Pump Replacement/Major Repair	15 Years	2001	2016	15,000
Tennis Court Resurfacing	10 Years	2008	2018	10,000
Pool Interior Resurfacing	10 Years	2009	2019	10,000