

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**MARCH 6, 2000 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2006**

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STROEMER & COMPANY, PA

CERTIFIED PUBLIC ACCOUNTANTS / CONSULTANTS

Affiliations

Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants
Management Consulting Services Division
Private Companies Practice Section
Tax Division

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stoneybrook at Heritage
Harbour Community Association, Inc.
Bradenton, Florida

We have audited the accompanying balance sheet of Stoneybrook at Heritage Harbour Community Association, Inc. as of December 31, 2006 and the related statements of revenues and expenses, changes in fund balance and cash flows from March 6, 2000 (date of inception) to December 31, 2006. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stoneybrook at Heritage Harbour Community Association, Inc. as of December 31, 2006 and the results of its operations and its cash flows for the period from March 6, 2000 (date of inception) to December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

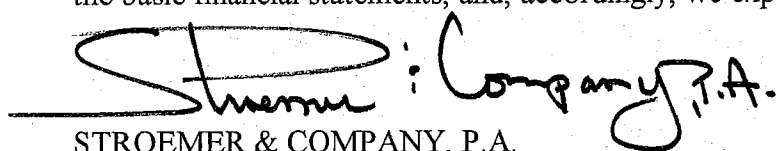
Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit.

The schedule of future major repairs and replacements is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures to the supplementary information, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

INTEGRITY KNOWLEDGE SERVICE COMMITMENT

Stoneybrook at Heritage
Harbour Community Association, Inc.
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The Supplementary Statements of Revenues and Expenses - Each Fiscal Year - Operating Fund and the Supplementary Statements of Revenues and Expenses - Each Fiscal Year - Replacement Fund are presented only for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

A handwritten signature in black ink that reads "Stroemer & Company, P.A." The signature is written in a cursive, flowing style.

STROEMER & COMPANY, P.A.
Fort Myers, Florida
September 30, 2007

**STONEBROOK AT HERITAGE
 HARBOUR COMMUNITY ASSOCIATION, INC.
 BALANCE SHEET
 December 31, 2006**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 1,777	\$ 101,901	\$ 103,678
Assessments receivable	13,893	-	13,893
Due from operating fund	-	4,320	4,320
Prepaid expenses	490	-	490
Prepaid insurance	3,249	-	3,249
Property and equipment - net	8,314	-	8,314
Deposits	17,856	-	17,856
TOTAL ASSETS	<u>\$ 45,579</u>	<u>\$ 106,221</u>	<u>\$ 151,800</u>
 LIABILITIES AND FUND BALANCE			
Accounts payable	\$ 22,754	\$ -	\$ 22,754
Payroll accrual	2,671	-	2,671
Due to Developer	11,279	-	11,279
Due to replacement fund	4,320	-	4,320
Prepaid maintenance fees	8,375	-	8,375
TOTAL CURRENT LIABILITIES	49,399	-	49,399
FUND BALANCE	<u>(3,820)</u>	<u>106,221</u>	<u>102,401</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 45,579</u>	<u>\$ 106,221</u>	<u>\$ 151,800</u>

The accompanying notes are an integral part of this statement.

STONEYBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES
For the period March 6, 2000 (date of inception)
to December 31, 2006

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUES			
Maintenance assessments	\$ 997,366	\$ 108,324	\$ 1,105,690
Developer guarantee	789,359	-	789,359
Rental income	5,302	-	5,302
Gate remote income	7,814	-	7,814
Transfer fee income	15,640	-	15,640
Other income	2,630	-	2,630
Late fees	1,050	-	1,050
Interest income	4,240	2,847	7,087
	<u>1,823,401</u>	<u>111,171</u>	<u>1,934,572</u>
TOTAL REVENUES			
EXPENSES (See supplementary schedule)			
Administrative	228,738	-	228,738
Utility	437,698	-	437,698
Ground maintenance	413,880	-	413,880
Recreation	413,767	-	413,767
Gate house	329,318	-	329,318
Replacement	-	4,950	4,950
	<u>1,823,401</u>	<u>4,950</u>	<u>1,828,351</u>
TOTAL EXPENSES			
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES			
	<u>-</u>	<u>106,221</u>	<u>106,221</u>
OTHER EXPENSES			
Depreciation expense	3,820	-	3,820
TOTAL OTHER EXPENSES	<u>3,820</u>	<u>-</u>	<u>3,820</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES			
	<u>\$ (3,820)</u>	<u>\$ 106,221</u>	<u>\$ 102,401</u>

The accompanying notes are an integral part of this statement.

**STONEBROOK AT HERITAGE
 HARBOUR COMMUNITY ASSOCIATION, INC.
 STATEMENT OF CHANGES IN FUND BALANCE
 For the period March 6, 2000 (date of inception)
 to December 31, 2006**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Balance, March 6, 2000	\$ -	\$ -	\$ -
Excess of revenues over (under) expenses	<u>(3,820)</u>	<u>106,221</u>	<u>102,401</u>
Balance, December 31, 2006	<u>\$ (3,820)</u>	<u>\$ 106,221</u>	<u>\$ 102,401</u>

The accompanying notes are an integral part of this statement.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the period March 6, 2000 (date of inception)
to December 31, 2006**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash collected from assessments	\$ 991,848	\$ 108,324	\$ 1,100,172
Cash collected from Developer	800,638	-	800,638
Cash paid to suppliers	(1,801,715)	(4,950)	(1,806,665)
Rental income	5,302	-	5,302
Gate remote income	7,814	-	7,814
Transfer fee income	15,640	-	15,640
Other income	2,630	-	2,630
Late fee	1,050	-	1,050
Interest income	4,240	2,847	7,087
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>27,447</u>	<u>106,221</u>	<u>133,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(12,134)	-	(12,134)
Utility deposits	(17,856)	-	(17,856)
NET CASH USED IN INVESTING ACTIVITIES	<u>(29,990)</u>	<u>-</u>	<u>(29,990)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interfund transfer	4,320	(4,320)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>4,320</u>	<u>(4,320)</u>	<u>-</u>
NET INCREASE IN CASH	1,777	101,901	103,678
Cash - March 6, 2000	-	-	-
CASH - DECEMBER 31, 2006	<u>\$ 1,777</u>	<u>\$ 101,901</u>	<u>\$ 103,678</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF EXCESS OF REVENUES OVER
(UNDER) EXPENSES TO NET CASH PROVIDED BY
OPERATING ACTIVITIES**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Excess of revenues over (under) expenses	\$ (3,820)	\$ 106,221	\$ 102,401
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities			
Depreciation expense	3,820	-	3,820
Increase in assessment receivable	(13,893)	-	(13,893)
Increase in prepaid expenses	(490)	-	(490)
Increase in prepaid insurance	(3,249)	-	(3,249)
Increase in accounts payable	22,754	-	22,754
Increase in payroll accrual	2,671	-	2,671
Decrease in due to Developer	11,279	-	11,279
Increase in prepaid maintenance fees	<u>8,375</u>	<u>-</u>	<u>8,375</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 27,447</u>	<u>\$ 106,221</u>	<u>\$ 133,668</u>

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization

Stoneybrook at Heritage Harbour, Inc. (the "Association"), which is located in Bradenton, Florida, was incorporated on March 6, 2000, under the laws of Florida as a not-for-profit organization. The Declaration of Covenants, Conditions and Restrictions was filed in the official records of Manatee County, Florida on January 22, 2002. The Association's operations began in March 2002. The Association is responsible for the operation and maintenance of the common property in accordance with the terms of Florida Statutes, Chapters 617 and 720, and the provisions of the Declaration of Covenants, Conditions and Restrictions. The Association consists of 1,680 units of which 947 were closed as of December 31, 2006.

Fund accounting

The Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating fund

This fund is used to account for financial resources available for the general operations of the Association.

Replacement fund

This fund is used to accumulate financial resources designated for future major repairs and replacements.

The Association prepares its financial statements on the accrual basis of accounting and in accordance with the Common Interest Realty Association Industry Audit Guide promulgated by the American Institute of Certified Public Accountants.

Maintenance assessments

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The income and expenses of the Association are allocated to unit owners based on the number of units. Maintenance fees receivable at the balance sheet date represent fees due from unit owners and prepaid maintenance fees represent future fees paid in advance by unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are thirty days or more delinquent.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Maintenance assessments, continued

As of December 31, 2006, the Association had delinquent assessments of \$13,893. It is the opinion of the board of directors that the Association will ultimately prevail against unit owners with delinquent assessments and, accordingly, no allowance for uncollectible accounts is deemed necessary. As of December 31, 2006, there were no liens on outstanding maintenance fees receivable.

Concentration of credit risk

The Association maintains its cash accounts at one financial institution in bank deposits which, at times, may exceed federally-insured limits. The Association has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash.

Concentration of credit risk with respect to the receivables relate to billings to unit owners who make quarterly assessments and live within the complex. The Association does not anticipate credit losses in the near future.

Fair value of financial instruments

The carrying value of cash, receivables, prepaids, payables, accruals and prepaid maintenance fees approximate fair value due to the short maturity of these financial instruments.

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Association to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and equipment

Ownership of the commonly owned assets is vested directly or indirectly in the unit owners, and those assets are not deemed to be severable. As a result, commonly owned assets are not recorded on the Association's financial statements. Assets not recorded on the books of the Association include the clubhouse, pool, and roadways.

The Association capitalizes personal property at cost and depreciates it using the straight-line method.

**STONEYBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Initial capital contribution

Pursuant to Section 9.12 of the Declaration of Covenants, Conditions and Restrictions, The first purchaser of each Lot, Living Unit, Tract or Parcel, at the time of closing of the conveyance from the Declarant to the purchaser, shall pay to the Developer an initial capital contribution. The funds derived from initial capital contributions may be used at the discretion of the Developer for any purpose, including but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs. The Declarant may waive this requirement for some Lots and Living Units in the Declarant's sole and unbridled discretion.

Income taxes

The Association has selected a December 31 year end and has filed its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from association members solely as a function of their membership in the Association. The Association is taxed at the rate of 30% on its nonexempt function income, which includes interest income, less a portion of allocated Association expenses. The Association had no tax due for the years ended December 31, 2002, 2003, 2004, 2005 and 2006 using the 1120H method of tax filing.

Interest earned

Interest income earned in the operating fund or the replacement fund is recorded in its respective fund. The Association allocates interest earned in the replacement fund between the reserve components on a prorata basis based on the related balances of each reserve component.

Statement of cash flows

For purposes of reporting cash flows, the Association considers all short-term highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**STONEYBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

NOTE B - PROPERTY AND EQUIPMENT

As of December 31, 2006, property and equipment consisted of the following:

	<u>Amount</u>
Computer	\$ 2,254
Furniture and equipment	4,519
Pool equipment	<u>5,361</u>
	12,134
Less: accumulated depreciation	<u>(3,820)</u>
	<u>\$ 8,314</u>

Depreciation expense for the period March 6, 2000 to December 31, 2006 was \$3,820.

NOTE C - DUE TO DEVELOPER

In accordance with the provisions of the Declaration of Covenants, Conditions, and Restrictions for Stoneybrook at Heritage Harbour, Section 9.2:

During the period that Declarant membership exists, the Declarant covenants to subsidize the general operating expenses of the Community Association, by contributing the difference, if any, between net operating expenses and all income of the Community Association including but not limited to assessment income from members other than the Declarant. Declarant, however, shall not be obligated to contribute to or pay for funding any reserves for capital expenditures or deferred maintenance, capital improvement fund, or special assessment. Reserves, if collected, need not be segregated into separate deferred maintenance accounts, but rather, may be lumped together into one (1) reserve account. Declarant's rights and obligations hereunder may be assigned in whole or in part to any builder.

The Developer's total liability to the Association from March 6, 2000 (date of inception) through December 31, 2006 is \$789,359. As of December 31, 2006, the Developer had made total payments of \$800,638 to the Association, leaving a due to Developer of \$11,279.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

NOTE C - DUE TO DEVELOPER, Continued

This is comprised of the following items:

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Common expenses (other than reserves)	\$ 1,823,401	\$ -	\$ 1,823,401
Budgeted reserves	-	108,324	108,324
Association revenue from all sources other than the Developer	<u>(1,034,042)</u>	<u>(108,324)</u>	<u>(1,142,366)</u>
Developer's subsidy obligation	789,359	-	789,359
Payments made by the Developer	<u>(800,638)</u>	<u>-</u>	<u>(800,638)</u>
Due to Developer	<u>\$ (11,279)</u>	<u>\$ -</u>	<u>\$ (11,279)</u>

NOTE D - REPLACEMENT FUND

The Association's governing documents require the Association to accumulate funds for future major repairs and replacements, unless funding is waived or modified by the unit owners at a unit owner meeting. These funds are generally not available for expenditures for normal operations.

The Board of Directors periodically reviews the major components of common property and establishes estimated remaining useful lives and replacements costs for Association assets. No outside independent analysis of remaining useful lives or future replacements costs has been conducted by the Association.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

NOTE D - REPLACEMENT FUND, Continued

The Association is currently fully funding for such major repairs and replacements over the estimated useful lives of the components based on current replacement costs, using the straight-line method. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, levy special assessments, or delay repairs and replacements until funds are available.

The following presents the changes in the replacement fund:

Component	Beginning Fund Balance	Additions	Deletions	Ending Fund Balance
Roof - gatehouses	\$ -	\$ 2,223	\$ -	\$ 2,223
Roof - recreation	-	4,447	-	4,447
Painting - gatehouses	-	3,335	-	3,335
Painting - recreation	-	10,005	(4,950)	5,055
Paving	-	42,245	-	42,245
Pavers brick	-	2,223	-	2,223
Pool heaters	-	5,559	-	5,559
Pool marcite	-	8,894	-	8,894
Playground equipment	-	7,782	-	7,782
Activity courts	-	14,452	-	14,452
Storm damage	-	7,782	-	7,782
Contingency	-	2,224	-	2,224
	<u>\$ -</u>	<u>\$ 111,171</u>	<u>\$ (4,950)</u>	<u>\$ 106,221</u>

NOTE E - TRANSACTIONS WITH AFFILIATE

The Developer provides irrigation services to the Association through an affiliate. Expenses related to these services were approximately \$211,000 in 2006. As of December 31, 2006, the Association owed approximately \$8,000 to the affiliate. This amount is included in the accounts payable amount on the balance sheet.

SUPPLEMENTARY INFORMATION

**STONEYBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND
REPLACEMENTS (UNAUDITED)
For the period March 6, 2000 (date of inception)
to December 31, 2006**

There has not been a formal study to estimate the remaining useful lives or to calculate the replacement costs of future major repairs and replacements. The estimated current replacement costs do not include the possible effect of inflation between the date of the estimate and the date that the components will require repair or replacement. These estimates were made at the inception of the Association and were established by the Developer based on its knowledge of what it would cost to replace the common property. The Developer used its contractors to assist in estimating the current replacement costs of the future major repairs and replacements.

The following table is based on estimates provided by the Developer and presents significant information about the components of common property:

Component	Estimated Useful Life	Estimated Remaining Useful Life	Estimated Current Replacement Costs
Roof - gatehouses	15 years	10 years	\$ 20,000
Roof - recreation	15 years	11 years	45,000
Painting - gatehouses	5 years	1 year	13,000
Painting - recreation	5 years	1 year	25,000
Paving	8 years	3 years	233,000
Paver brick	10 years	5 years	15,000
Pool heaters	5 years	1 year	20,000
Pool marcite	5 years	1 year	40,000
Playground equipment	10 years	6 years	50,000
Activity courts	4 years	1 year	26,000
Strom damage	1 year	1 year	5,000
Contingency	10 years	5 years	10,000
			\$ 502,000

The accompanying footnotes are an integral part of this statement.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENTS OF REVENUES AND
EXPENSES - EACH FISCAL YEAR
OPERATING FUND (UNAUDITED)**

**For the period March 6, 2000 (date of inception)
to December 31, 2006**

The following represents revenues and expenses for the operating fund from March 6, 2000 (date of inception) to December 31, 2006.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
REVENUES						
Maintenance assessments	\$ -	\$ 25,354	\$ 158,906	\$ 320,548	\$ 492,558	\$ 997,366
Developer guarantee	28,839	88,341	188,963	255,569	227,647	789,359
Rental income	-	-	606	1,055	3,641	5,302
Gate remote income	-	-	-	-	7,814	7,814
Transfer fee income	-	-	1,700	1,800	12,140	15,640
Other income	-	20	35	103	2,472	2,630
Late fees	-	-	-	-	1,050	1,050
Interest income	2	159	465	1,291	2,323	4,240
Total Revenues	<u>28,841</u>	<u>113,874</u>	<u>350,675</u>	<u>580,366</u>	<u>749,645</u>	<u>1,823,401</u>
EXPENSES						
Administrative						
Copier lease	-	420	-	2,280	2,555	5,255
Annual filing fee	-	61	61	61	61	244
Bank charges	-	22	-	-	123	145
Advertising	-	-	-	-	263	263
Insurance	-	-	26,646	35,159	38,315	100,120
Legal	-	75	413	724	1,580	2,792
Office expense	33	107	4,065	4,002	5,791	13,998
Postage	6	383	1,274	2,691	3,066	7,420
Management fees	-	3,000	17,006	29,192	42,790	91,988
Contingency	-	-	418	5,345	-	5,763
Tax preparation	-	-	-	350	400	750
Total Administrative	<u>39</u>	<u>4,068</u>	<u>49,883</u>	<u>79,804</u>	<u>94,944</u>	<u>228,738</u>
Utility						
Electric	5,402	12,652	42,054	60,208	75,347	195,663
Irrigation water	-	-	-	113,110	97,458	210,568
LP gas	-	-	2,196	6,444	6,302	14,942
Trash removal	-	-	947	1,026	1,065	3,038
Water/sewer	-	-	6,067	3,196	4,224	13,487
Total Utility	<u>5,402</u>	<u>12,652</u>	<u>51,264</u>	<u>183,984</u>	<u>184,396</u>	<u>437,698</u>

The accompanying footnotes are an integral part of this statement.

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENTS OF REVENUES AND
EXPENSES - EACH FISCAL YEAR
OPERATING FUND (UNAUDITED)**

**For the period March 6, 2000 (date of inception)
to December 31, 2006**

The following represents revenues and expenses for the operating fund from March 6, 2000 (date of inception) to December 31, 2006.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
EXPENSES, CONTINUED						
Ground maintenance						
Irrigation parts and labor	-	1,140	7,713	2,553	1,878	13,284
Maintenance repair and labor	200	1,421	9,802	4,583	3,752	19,758
Lawn service	23,200	34,260	53,626	74,422	113,691	299,199
Mulch	-	8,568	9,796	-	22,540	40,904
Trees and shrubs	-	6,486	1,729	4,646	2,442	15,303
Annuals planted	-	14,091	4,550	5,181	-	23,822
Storm damage	-	-	1,555	-	55	1,610
Total Ground Maintenance	<u>23,400</u>	<u>65,966</u>	<u>88,771</u>	<u>91,385</u>	<u>144,358</u>	<u>413,880</u>
Recreation						
Payroll expenses	-	-	60,955	82,247	92,269	235,471
Cable and internet	-	-	422	433	2,004	2,859
Telephone	-	-	1,756	3,453	3,906	9,115
Supplies	-	-	5,723	5,226	1,551	12,500
Exercise equipment	-	-	357	1,521	1,933	3,811
Alarm	-	-	423	269	701	1,393
Janitorial	-	-	9,289	11,203	16,826	37,318
Fitness classes	-	-	-	20,710	15,990	36,700
General repairs	-	-	5,183	8,234	12,042	25,459
Pool expenses	-	-	8,147	14,004	21,557	43,708
Pest control	-	-	447	767	926	2,140
Member function	-	-	-	-	3,293	3,293
Total Recreation	<u>-</u>	<u>-</u>	<u>92,702</u>	<u>148,067</u>	<u>172,998</u>	<u>413,767</u>

**STONEYBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENTS OF REVENUES AND
EXPENSES - EACH FISCAL YEAR
OPERATING FUND (UNAUDITED)**

**For the period March 6, 2000 (date of inception)
to December 31, 2006**

The following represents revenues and expenses for the operating fund from March 6, 2000 (date of inception) to December 31, 2006.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
EXPENSES, CONTINUED						
Gate house						
Attendant	-	30,885	60,656	64,572	125,258	281,371
Repairs and maintenance	-	-	6,463	12,924	11,807	31,194
Telephone	-	-	1,286	1,290	1,665	4,241
Remote and cards	-	303	(350)	(1,660)	14,219	12,512
Total Gate House	-	31,188	68,055	77,126	152,949	329,318
TOTAL EXPENSES	<u>28,841</u>	<u>113,874</u>	<u>350,675</u>	<u>580,366</u>	<u>749,645</u>	<u>1,823,401</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	-	-	-	-	-	-
OTHER EXPENSES						
Depreciation expense	-	138	401	1,389	1,892	3,820
TOTAL OTHER EXPENSES	-	138	401	1,389	1,892	3,820
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ (138)</u>	<u>\$ (401)</u>	<u>\$ (1,389)</u>	<u>\$ (1,892)</u>	<u>\$ (3,820)</u>

**STONEBROOK AT HERITAGE
HARBOUR COMMUNITY ASSOCIATION, INC.
STATEMENTS OF REVENUES AND
EXPENSES - EACH FISCAL YEAR
REPLACEMENT FUND (UNAUDITED)**

**For the period March 6, 2000 (date of inception)
to December 31, 2006**

The following represents revenues and expenses for the replacement fund from March 6, 2000 (date of inception) to December 31, 2006.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
REVENUES						
Maintenance assessments	\$ -	\$ 4,551	\$ 23,713	\$ 42,625	\$ 37,435	\$ 108,324
Interest income	-	-	89	748	2,010	2,847
TOTAL REVENUES	<u>-</u>	<u>4,551</u>	<u>23,802</u>	<u>43,373</u>	<u>39,445</u>	<u>111,171</u>
EXPENSES						
Roof - gatehouses	-	-	-	-	-	-
Roof - recreation	-	-	-	-	-	-
Painting - gatehouses	-	-	-	-	-	-
Painting - recreation	-	-	-	-	4,950	4,950
Paving	-	-	-	-	-	-
Paver brick	-	-	-	-	-	-
Pool heaters	-	-	-	-	-	-
Pool marcite	-	-	-	-	-	-
Playground equipment	-	-	-	-	-	-
Activity courts	-	-	-	-	-	-
Storm damage	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,950</u>	<u>4,950</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 4,551</u>	<u>\$ 23,802</u>	<u>\$ 43,373</u>	<u>\$ 34,495</u>	<u>\$ 106,221</u>