

**RIVER BANK LOFTS
 CONDOMINIUM ASSOCIATION
 COMPARATIVE BALANCE SHEETS
 AS OF DECEMBER 31, 2001 AND DECEMBER 31, 2000**

	<u>As of December 31, 2001</u>			<u>As of Dec. 31, 2000</u>
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ -	\$ 40,048	\$ 40,048	\$ 65,088
Due from developer	2,850	-	2,850	2,850
Due from owner(s)	2,904	-	2,904	988
Refundable deposits	-	-	-	205
Total assets	<u>\$ 5,754</u>	<u>\$ 40,048</u>	<u>\$ 45,802</u>	<u>\$ 69,131</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Cash overdraft	\$ 1,297	\$ -	\$ 1,297	\$ -
Refundable deposits	-	-	-	225
Prepayments	3,844	-	3,844	1,990
Bonus fund	315	-	315	315
Fund balance	298	40,048	40,346	66,601
Total liabilities and fund balance	<u>\$ 5,754</u>	<u>\$ 40,048</u>	<u>\$ 45,802</u>	<u>\$ 69,131</u>

See accompanying notes and Management Company compilation report

**RIVER BANK LOFTS
 CONDOMINIUM ASSOCIATION
 COMPARATIVE STATEMENT OF OPERATIONS
 AND CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001			2000
	Operating Fund	Reserve Fund	Total	Total
REVENUES				
Monthly assessments	\$ 410,822	\$ -	\$ 410,822	\$ 370,862
Special assessments	-	302	302	28,565
Cable TV fees	23,650	-	23,650	22,528
Parking assessments and leases	29,124	-	29,124	24,350
Unit owner charges, fees, and fines	7,961	-	7,961	10,905
Scavenger reimbursement	-	-	-	7,980
Miscellaneous	-	-	-	205
Interest income	-	1,934	1,934	3,433
Total revenues	471,557	2,236	473,793	468,828
EXPENDITURES				
Utilities	75,120	-	75,120	53,691
Insurance	35,568	-	35,568	20,450
Contractual	189,879	-	189,879	192,624
Maintenance	108,015	-	108,015	94,232
Repairs	39,531	-	39,531	40,926
Administrative	44,520	-	44,520	38,777
Capital projects	-	7,415	7,415	70,949
Total expenditures	492,633	7,415	500,048	511,649
NET REVENUES	(21,076)	(5,179)	(26,255)	(42,821)
FUND BALANCE, BEGINNING OF YEAR	3,486	63,115	66,601	109,422
INTERFUND TRANSFERS	17,888	(17,888)	-	-
FUND BALANCE , END OF YEAR	\$ 298	\$ 40,048	\$ 40,346	\$ 66,601

See accompanying notes and Management Company compilation report

RIVER BANK LOFTS CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1 - NATURE OF ACTIVITIES

The River Bank Lofts Condominium Association is a not-for-profit corporation, organized under the laws of the state of Illinois subject to the terms and conditions of the Declaration of Covenants, Conditions, Easements, and Restrictions. The Association was incorporated in 1995 and serves its 132 condominium owner-members who own real estate and improvements located in Chicago, Illinois under the condominium form of use and ownership. The Association serves as a means through which the owners collectively administer, manage, operate, and control the condominium property.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements reflect the assets, liabilities, revenues, and expenses of the Association on the cash basis of accounting, whereby revenues and related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the related goods or services are received.

The operating fund is used to account for financial resources available for the general operation of the Association, and the reserve fund is used to accumulate financial resources designated for future major repairs and replacements.

Member assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess assessments at year end are retained for use in future years.

Income taxes

Condominium associations may elect to be taxed as regular corporations, or as a homeowners' associations whereby exempt function income (the excess of common area maintenance assessments over related expenses) is not subject to income tax, and non-exempt income net of related expenses is subject to federal income tax at the rate of 30%. Non-exempt income was less than related expenses so no income taxes were due for 2001 operations.

**RIVER BANK LOFTS
 CONDOMINIUM ASSOCIATION
 SCHEDULE I - REVENUES AND EXPENDITURES DETAIL - BUDGET VS. ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2001
 (With Comparative Actual Detail for 2000)**

	2001			2000
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE	ACTUAL
REVENUES				
Monthly assessments	\$ 432,000	\$ 410,822	\$ (21,178)	\$ 370,862
Special assessments	-	302	302	28,565
Cable TV fees	23,580	23,650	70	22,528
Parking assessments and leases	28,800	29,124	324	24,350
Unit owner charges, fees, and fines	4,500	7,961	3,461	10,905
Scavenger reimbursement	7,300	-	(7,300)	7,980
Miscellaneous	-	-	-	205
Interest income	3,000	1,934	(1,066)	3,433
Total	<u>\$ 499,180</u>	<u>\$ 473,793</u>	<u>\$ (25,387)</u>	<u>\$ 468,828</u>
UTILITIES				
Electricity	\$ 48,911	\$ 52,043	\$ (3,132)	\$ 41,406
Water	8,284	11,705	(3,421)	6,702
Gas	5,970	10,020	(4,050)	3,395
Telephone	2,578	1,352	1,226	2,188
Total	<u>\$ 65,743</u>	<u>\$ 75,120</u>	<u>\$ (9,377)</u>	<u>\$ 53,691</u>
INSURANCE				
Casualty and flood	\$ 17,916	\$ 30,729	\$ (12,813)	\$ 16,280
Boiler	2,168	2,207	(39)	2,723
Umbrella	1,519	2,632	(1,113)	1,447
Total	<u>\$ 21,603</u>	<u>\$ 35,568</u>	<u>\$ (13,965)</u>	<u>\$ 20,450</u>
CONTRACTUAL				
Security	\$ 134,136	\$ 137,291	\$ (3,155)	\$ 141,529
Cable TV	23,500	23,723	(223)	23,663
Scavenger	10,271	10,899	(628)	10,525
Elevator	5,940	6,435	(495)	4,950
Pest control	5,003	4,568	435	4,784
Window washing	4,860	3,240	1,620	3,240
Fire protection and safety systems	1,825	2,437	(612)	1,995
Miscellaneous	230	466	(236)	346
Uniform cleaning	-	820	(820)	1,592
Total	<u>\$ 185,765</u>	<u>\$ 189,879</u>	<u>\$ (4,114)</u>	<u>\$ 192,624</u>
MAINTENANCE				
Payroll, payroll taxes, and employee benefits	\$ 73,264	\$ 93,927	\$ (20,663)	\$ 75,335
Supplies	12,250	12,534	(284)	16,673
Deck, awning, snow removal, and equipment	8,525	700	7,825	-
Landscaping and landscaping materials	1,500	854	646	2,224
Total	<u>\$ 95,539</u>	<u>\$ 108,015</u>	<u>\$ (12,476)</u>	<u>\$ 94,232</u>

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**RIVER BANK LOFTS
CONDOMINIUM ASSOCIATION
SCHEDULE I - REVENUES AND EXPENDITURES DETAIL - BUDGET VS. ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001
(With Comparative Actual Detail for 2000)**

	2001			2000
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE	ACTUAL
REPAIRS				
Carpet cleaning and floors	\$ 6,300	\$ 3,475	\$ 2,825	\$ 3,300
Plumbing and rodding	6,000	6,939	(939)	5,496
Garage and remote door openers	5,500	7,765	(2,265)	6,342
Building	5,000	2,436	2,564	6,384
Roof	3,500	2,561	939	2,460
Electrical, intercom, and security	3,500	7,176	(3,676)	7,073
Painting, decorating, plaster, and drywall	2,000	290	1,710	2,598
Keys and doors	1,500	1,419	81	4,096
HVAC	1,500	2,201	(701)	315
Wheel chair lift	400	1,246	(846)	920
Elevator	400	98	302	1,942
Miscellaneous	13,400	3,925	9,475	-
Total	<u>\$ 49,000</u>	<u>\$ 39,531</u>	<u>\$ 9,469</u>	<u>\$ 40,926</u>
ADMINISTRATIVE				
Management fee	\$ 29,380	\$ 29,376	\$ 4	\$ 28,428
Legal	3,500	2,871	629	1,837
Dues and subscriptions	2,447	-	2,447	2,751
Inspection	2,000	2,527	(527)	260
Accounting	550	550	-	600
Miscellaneous	6,100	8,645	(2,545)	4,901
Employee benefits	-	551	(551)	-
Total	<u>\$ 43,977</u>	<u>\$ 44,520</u>	<u>\$ (543)</u>	<u>\$ 38,777</u>
CAPITAL PROJECTS				
Masonry / tuckpointing	\$ 25,000	-	\$ 25,000	\$ 22,025
Engineering	-	5,635	(5,635)	-
Garage renovation	-	1,780	(1,780)	10,100
Hallway and entrance renovation	-	-	-	16,848
Exterior painting, cleaning, and renovation	-	-	-	10,553
Furniture	-	-	-	4,576
Carpeting and flooring	-	-	-	3,795
Elevator	-	-	-	2,157
Canopy and awning	-	-	-	895
Total	<u>\$ 25,000</u>	<u>\$ 7,415</u>	<u>\$ 17,585</u>	<u>\$ 70,949</u>
NET REVENUES	<u>\$ 12,553</u>	<u>\$ (26,255)</u>	<u>\$ (38,808)</u>	<u>\$ (42,821)</u>