

RIVERWALK CONDOMINIUM ASSOCIATION

FINANCIAL STATEMENTS

(Prepared on the basis of cash receipts and disbursements)

YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITOR'S REPORT

June 20, 2012

Unit Owners and Board of Directors
Riverwalk Condominium Association
Des Plaines, Illinois

I have audited the accompanying statements of assets and unit owners reserves of the **Riverwalk Condominium Association** as of December 31, 2011, and the related statements of revenues and expenditures, and changes in unit owners reserves (prepared on the basis of cash receipts and disbursements) for the year then ended. These financial statements are the responsibility of the Association and its management. My responsibility is to express an opinion on these financial statements based on the audit.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 the management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method of accounting, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligations are incurred.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the **Riverwalk Condominium Association** as of December 31, 2011, and the revenue collected and expenses paid for the year then ended on the basis of accounting described in Note 1.

As discussed in Note 3, the Association has not conducted a current study to determine the adequacy of its reserves to meet future maintenance and replacements costs of the common elements. The effect of this on future assessments has not been determined.

