

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

FEBRUARY 29, 2000

## Eric A. Carlson Accountancy Corporation

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March 9, 2000

To the Board of Directors  
Odd Fellows Sierra Recreation Association, Inc.  
Long Barn, California

I have compiled the accompanying statement of assets and liabilities arising from cash transactions of Odd Fellows Sierra Recreation Association, Inc. as of February 29, 2000, and the related statements of revenue and expenses and members' equity for the nine months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash 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 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 on them. However, I did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

As described in Note 1, the policy is to prepare the financial statements on the basis of cash receipts and cash disbursements. Accordingly, the accompanying financial statements are not intended to present financial position or results of operation in conformity with generally accepted accounting principles.

I am not independent with respect to Odd Fellows Sierra Recreation Association, Inc.

A handwritten signature in cursive script, appearing to read "Eric A. Carlson", followed by the word "Accountant" and a flourish.

ODD FELLOWS SIERRA RECREATION  
STATEMENT OF ASSETS AND LIABILITIES

FEBRUARY 29, 2000

ASSETS

CURRENT ASSETS

Cash on hand	\$	200.00
Cash in banks		1,387.77
Cash in savings		232,972.40
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Total Current Assets		234,560.17

EQUIPMENT, FIXTURES AND BUILDING, at cost,  
less accumulated depreciation (Note 2)

320,593.71

Total Assets

\$ 555,153.88  
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LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll taxes payable	\$	960.57
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Total Current Liabilities		960.57

MEMBERS' EQUITY

Retained earnings		554,193.31
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Total equity		554,193.31
		-----
Total Liabilities and Equity	\$	555,153.88
		=====

See accountant's accompanying compilation report.  
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION  
STATEMENT OF REVENUE AND EXPENSES  
FOR THE PERIOD ENDED

FEBRUARY 29, 2000

REVENUE	CURRENT MONTH	YEAR TO DATE
Assessments	\$ 80.00	\$ 146,990.00
Property rental		350.00
Fish donations		717.00
Reserve income		7,160.00
Gate income	30.00	1,620.00
Timber		108,189.56
Interest	238.71	3,977.51
Timber interest		5,878.39
Other revenue		9,360.59
Gain (loss) on sale of equip.		1,000.00
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Total revenue	348.71	285,243.05
<b>EXPENSES</b>		
Auto mileage expense	73.50	1,660.00
Depreciation	3,499.00	31,491.00
Fish derby		998.07
Fuel expense	547.91	2,610.33
Health & safety	125.43	1,251.24
Insurance	59.00	4,979.68
Interest/bank charges		22.50
Garbage expense	1,093.80	8,551.76
Gate expense		1,944.50
Professional expense		1,219.25
Accounting expense	365.00	4,825.80
Member communications	58.74	2,311.03
Office supplies	12.27	367.68
Outside service		450.00
Permits & fees	52.00	161.00
Recreation expense		230.69
Maintenance building	30.76	2,340.41
Maintenance equipment	33.05	1,596.10
Maintenance roads		1,616.95
Maintenance water systems		6,401.11
Maint road - capital		55,474.00
Maint water - capital		20,639.63
Repairs and maintenance		438.17
Supplies - shop	23.63	1,094.40
Supplies - rec hall		193.85
Taxes - payroll	265.36	2,736.48
Taxes and licenses		2,137.80
Timber expense		10,485.13
Telephone expense	71.21	622.69

ODD FELLOWS SIERRA RECREATION  
STATEMENT OF REVENUE AND EXPENSES  
FOR THE PERIOD ENDED

FEBRUARY 29, 2000

	CURRENT MONTH	YEAR TO DATE
Utilities	506.16	5,765.06
Payroll	3,469.00	32,921.00
Water testing & fees	100.00	2,300.00
Income tax expense	5,400.00	16,200.00
Franchise tax expense	2,200.00	6,810.00
	-----	-----
Total expenses	17,985.82	232,847.31
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Excess revenue over expenses	\$ (17,637.11)	\$ 52,395.74
	=====	=====

See accountant's accompanying compilation report.  
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION  
STATEMENT OF MEMBERS' EQUITY  
FOR THE PERIOD ENDED

FEBRUARY 29, 2000

Members' Equity, beginning of period	\$	501,797.57
Net Income		52,395.74
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Members' Equity, end of period	\$	554,193.31
		=====

See accountant's accompanying compilation report.  
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2000

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

The Odd Fellows Sierra Recreation Association, Inc. (Association) was established in May 1949. The Association is incorporated under the state laws of California and amended its articles of incorporation on October 10, 1986.

The Association consists of approximately 400 acres of timberlands located in Long Barn, California. Within the boundaries of the Association exists a gated 365 lot subdivision and various park amenities. The purpose of the Association is to operate and maintain the common property of the Association, specifically the water system, garbage, and roads. The Association has established a timber plan to periodically log its timber. Proceeds from the timber harvest are used for capital acquisitions.

B. MEMBER ASSESSMENTS

Association members, the subdivision lot owners, are subject to annual assessments to provide funds for the Association's operating expenses. The assessments are based upon budgeted operating expenses. The Association's policy is to retain legal counsel and use the small claims court to collect delinquent assessments.

C. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS

FEBRUARY 29, 2000

NOTE 2 - PROPERTY, EQUIPMENT, AND VEHICLES

Property, equipment, and vehicles, to which the Association has title, are recorded at cost and are being depreciated using straight-line and accelerated methods for both financial reporting and income tax purposes. Property, equipment, and vehicles consisted of the following at February 29, 2000:

Land and improvements	\$138,144.19
Water system	147,779.79
Roadways and related improvements	251,960.75
Maintenance equipment and vehicles	216,911.98
Office equipment and furniture	4,249.00
	<u>759,045.71</u>
Less accumulated depreciation	<u>(438,452.00)</u>
	<u>\$320,593.71</u>

NOTE 3 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has not conducted a study to determine the remaining useful lives of the roads and water systems and current estimated costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to utilize available cash, increase the timber harvest, pass special assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.