

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2000

Eric A. Carlson Accountancy Corporation

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June 13, 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 May 31, 2000, and the related statements of revenue and expenses and members' equity for the year 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.

Eric A. Carlson Accountancy Corp.

ODD FELLOWS SIERRA RECREATION
STATEMENT OF ASSETS AND LIABILITIES

MAY 31, 2000

ASSETS

CURRENT ASSETS

Cash on hand	\$	200.00
Cash in banks		8.70
Cash in savings		190,513.79

Total Current Assets		190,722.49

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

376,747.34

Total Assets

\$ 567,469.83

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LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll taxes payable	\$	1,046.24

Total Current Liabilities		1,046.24

MEMBERS' EQUITY

Retained earnings		566,423.59

Total equity		566,423.59

Total Liabilities and Equity	\$	567,469.83
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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

MAY 31, 2000

REVENUE	CURRENT MONTH	YEAR TO DATE
Assessments	\$ 80.00	\$ 147,230.00
Property rental		350.00
Fish donations		717.00
Reserve income		7,160.00
Gate income	270.00	2,070.00
Timber		108,189.56
Interest	75.34	4,699.22
Timber interest		7,714.12
Other revenue		9,360.59
Gain (loss) on sale of equip.	(1,000.00)	
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Total revenue	(574.66)	287,490.49
EXPENSES		
Auto mileage expense	235.00	2,167.50
Depreciation	11,962.00	50,451.00
Fish derby		998.07
Fuel expense	854.21	4,291.84
Health & safety	923.90	2,881.02
Insurance	11,681.16	17,327.99
Interest/bank charges	1.60	28.10
Garbage expense	764.20	10,541.32
Gate expense		2,108.50
Professional expense		1,219.25
Accounting expense	330.00	5,995.80
Member communications		2,776.11
Office supplies	83.84	451.52
Outside service		450.00
Permits & fees		161.00
Recreation expense		230.69
Maintenance building		2,476.61
Maintenance equipment		1,938.10
Maintenance roads		2,044.92
Maintenance water systems	309.91	6,711.02
Maint road - capital	(55,474.00)	
Maint water - capital	(20,639.63)	
Repairs and maintenance		682.87
Supplies - shop	10.78	1,251.43
Supplies - rec hall		193.85
Taxes - payroll	283.05	3,973.85
Taxes and licenses		3,977.60
Timber expense		12,577.63
Telephone expense	68.06	827.24

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

MAY 31, 2000

	CURRENT MONTH		YEAR TO DATE
Utilities	597.27		7,179.64
Payroll	3,700.00		43,790.00
Water testing & fees	75.00		2,550.00
Income tax expense	5,400.00		21,600.00
Franchise tax expense	2,200.00		9,010.00
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Total expenses	(36,633.65)		222,864.47
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Excess revenue over expenses	\$ 36,058.99	\$	64,626.02
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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

MAY 31, 2000

Members' Equity, beginning of period	\$	501,797.57
Net Income		64,626.02

Members' Equity, end of period	\$	566,423.59
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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

MAY 31, 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

MAY 31, 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 May 31, 2000:

Land and improvements	\$138,144.19
Water system	168,419.42
Roadways and related improvements	307,434.75
Maintenance equipment and vehicles	215,911.98
Office equipment and furniture	<u>4,249.00</u>
	834,159.34
Less accumulated depreciation	<u>(457,412.00)</u>
	<u>\$376,747.34</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.

Odd Fellows Sierra Recreation Association
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Long Barn, CA 95335

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