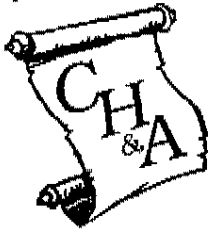


ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2009



Carlson, Haff & Associates
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August 7, 2009

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

We have compiled the accompanying statement of assets, liabilities and Equity - Cash Basis of Odd Fellows Sierra Recreation Association, Inc. as of May 31, 2009, and the related statements of income and members' equity - cash basis 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. We 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, we 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.

We are not independent with respect to Odd Fellows Sierra Recreation Association, Inc.

ODD FELLOWS SIERRA RECREATION ASSOC.
STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS
MAY 31, 2009

ASSETS

CURRENT ASSETS

Cash on hand	\$ 100
Cash in banks	<u>684,890</u>
Total Current Assets	684,990

PROPERTY, EQUIPMENT, AND VEHICLES, at cost,

less accumulated depreciation	<u>197,825</u>
Total Assets	<u>\$ 882,815</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll Taxes payable	\$ 344
Total Current Liabilities	344

MEMBERS' EQUITY

Members' Equity	<u>882,471</u>
Total Members' Equity	<u>882,471</u>
Total Liabilities and Members' Equity	<u>\$ 882,815</u>

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

ODD FELLOWS SIERRA RECREATION ASSOC.
 STATEMENT OF INCOME - CASH BASIS
 FOR THE PERIOD ENDED
 MAY 31, 2009

	YEAR TO DATE
INCOME	
Assessments	\$ 288,372
Special assessments	70,350
Property rental	5,492
Fish donations	2,130
Reserve income - play ground	7,280
Reserve income - water	16,380
Gate income	1,451
Transfer fees	305
Timber	60,682
Interest	9,498
Timber interest	19,179
Other revenue	3,096
Total Revenue	484,215
EXPENSES	
Advertising	185
Depreciation	123,873
Dues and subscriptions	339
Employee benefits	1,448
Fish derby	2,218
Fuel	5,034
Garbage	11,730
Gate expense	4,106
Health and safety	1,459
Insurance	4,607
Employee health insurance reimbursements	2,343
Interest/bank charges	53
Professional services	7,511
Accounting	16,277
Member communications	1,371
Needle expense	18,434
Office supplies	413
Outside service	3,643
Recreation	913
Maintain buildings	7,481
Maintain equipment	45,220
Maintain roads	63,490
Maintain water systems	3,733
repairs and maintenance-general	22,535
Supplies-shop	67
Taxes-payroll	4,056
Property taxes	2,416
Taxes and licenses	1,408
Timber expense	2,550
Telephone	692

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

ODD FELLOWS SIERRA RECREATION ASSOC.
STATEMENT OF INCOME - CASH BASIS
FOR THE PERIOD ENDED
MAY 31, 2009

EXPENSES (CONT.)

Utilities	9,516
Wages	47,395
Water testing and fees	3,263
Franchise tax	8,748
Income tax	20,492
Total Expenses	<u>449,018</u>

OTHER INCOME (EXPENSES)

Unrealized loss on investments	(82)
Gain on sale of equipment	885
Total Other Income (Expenses)	<u>803</u>

Excess Income over Expenses	<u>\$ 36,000</u>
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See accountants' accompanying compilation report.
The accompanying notes are an integral part of these statements.

ODD FELLOWS SIERRA RECREATION ASSOC.
STATEMENT OF MEMBERS' EQUITY - CASH BASIS

MAY 31, 2009

Members' Equity, beginning of period	\$ 847,071
Excess Income over Expenses	36,000
Prior Period Adjustment	<u>(600)</u>
Members' Equity, end of period	<u>\$ 882,471</u>

See accountants' 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, 2009

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, 2009

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. INVESTMENTS

The Association carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of assets, liabilities and equity - cash basis. Unrealized gains and losses are included in the change in net assets in the accompanying statement of income - cash basis. Realized gains and losses on the sale of securities are recognized on a specific identification basis. The board of directors approved an investment policy that governs the allocation of the Association's assets within specific percentage ranges for various types of approved investments.

The Association's investments are held by national brokerages and are managed in accordance with the terms of investment advisory agreements.

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, 2009:

Land and improvements	\$ 4,838
Water system	180,237
Roadways and related improvements	745,794
Maintenance equipment and vehicles	283,820
Office equipment and furniture	5,992
Leasehold improvements	3,263
Playground equipment	34,800
	<u>1,258,644</u>
Less accumulated depreciation	<u>(1,060,819)</u>
	<u>\$ 197,825</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, INC.
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2009

NOTE 4 - CONCENTRATION OF CREDIT RISK

Financial instruments of the Association that are potentially subject to concentrations of credit risk consist principally of cash deposits at banks and brokerage firms. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Accounts at each brokerage firm are insured up to \$500,000 with a limit of \$100,000 for cash by the Securities Investor Protection Corporation (SIPC).

The Association had approximately \$105,876 of securities in excess of SIPC and no cash in excess of FDIC insured limits at May 31, 2009.