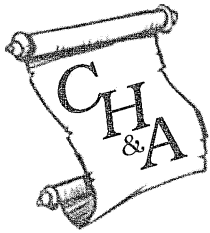


ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2010



Carlson, Haff & Associates
An Accountancy Corporation
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August 11, 2010

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, 2010, 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.

Carlson, Haff & Associates

ODD FELLOWS SIERRA RECREATION ASSOC.
STATEMENT OF ASSETS, LIABILITES AND EQUITY - CASH BASIS
MAY 31, 2010

ASSETS

CURRENT ASSETS

Cash on hand	\$ 100
Cash in banks	<u>765,448</u>
Total Current Assets	765,548

PROPERTY, EQUIPMENT, AND VEHICLES, at cost,

less accumulated depreciation	<u>161,946</u>
Total Assets	<u><u>\$ 927,495</u></u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll taxes payable	<u>\$ 411</u>
Total Current Liabilities	411

MEMBERS' EQUITY

Members' Equity	<u>927,084</u>
Total Members' Equity	<u>927,084</u>
Total Liabilities and Members' Equity	<u><u>\$ 927,495</u></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, 2010

	YEAR TO DATE
INCOME	
Assessments	\$ 295,742
Special assessments	1,860
Recreation	262
Property rental	5,142
Fish donations	1,818
Reserve income - play ground	728
Reserve income - water	16,380
Gate income	985
Transfer fees	810
Interest	2,520
Timber interest	10,596
Other revenue	6,202
Total Revenue	343,046
 EXPENSES	
Advertising	607
Depreciation	88,075
Dog park expense	100
Dues and subscriptions	339
Employee benefits	899
Fish derby	2,437
Fuel	5,977
Garbage	11,356
Gate expense	8,645
Health and safety	1,933
Insurance	21,628
Interest/bank charges	100
Professional services	208
Accounting	14,541
Member communications	1,655
Needle expense	13,507
Office supplies	329
Outside service	635
Recreation	715
Maintain buildings	2,678
Maintain equipment	16,164
Maintain roads	9,908
Maintain water systems	3,783
Repairs and maintenance-general	8,348
Taxes-payroll	4,349
Property taxes	2,480
Taxes and licenses	1,399
Timber expense	8,175
Telephone	638

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

ODD FELLOWS SIERRA RECREATION ASSOC.
STATEMENT OF INCOME - CASH BASIS
FOR THE PERIOD ENDED
MAY 31, 2010

EXPENSES (CONT.)

Utilities	11,489
Wages	41,738
Water testing and fees	7,199
Franchise tax	<u>2,526</u>
Total Expenses	<u>294,562</u>

OTHER INCOME (EXPENSES)

Unrealized loss on investments	<u>(3,870)</u>
Total Other Income (Expenses)	<u>(3,870)</u>

Excess Income over Expenses \$ 44,613

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

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

MAY 31, 2010

Members' Equity, beginning of period	\$ 882,471
Excess Income over Expenses	<u>44,613</u>
Members' Equity, end of period	<u>\$ 927,084</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, 2010

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, 2010

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	\$ 4,837
Water system	180,237
Roadways and related improvements	745,794
Maintenance equipment and vehicles	288,642
Office equipment and furniture	5,892
Leasehold improvements	45,907
Playground equipment	<u>34,800</u>
	1,306,109
Less accumulated depreciation	<u>(1,144,163)</u>
	<u>\$ 161,946</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, 2010

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 \$166,548 of securities in excess of SIPC and no cash in excess of FDIC insured limits at May 31, 2010.