

ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2011



Carlson, Haff & Associates

An Accountancy Corporation

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May 23, 2013

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, 2011, 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, 2011

ASSETS

CURRENT ASSETS

Cash on hand	\$ 100
Cash in banks	780,332
Note receivable	<u>118</u>
Total Current Assets	780,550

PROPERTY, EQUIPMENT, AND VEHICLES, at cost,

less accumulated depreciation	<u>104,374</u>
Total Assets	<u><u>\$ 884,924</u></u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll taxes payable	\$ 894
Rental deposit	<u>500</u>
Total Current Liabilities	1,394

MEMBERS' EQUITY

Members' Equity	<u>883,530</u>
Total Members' Equity	<u>883,530</u>
Total Liabilities and Members' Equity	<u><u>\$ 884,924</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, 2011

	YEAR TO DATE
INCOME	
Assessments	\$ 287,336
Special assessments	90
Recreation	1,178
Property rental	6,804
Fish donations	1,815
Reserve income - water	16,380
Gate income	1,195
Transfer fees	500
Interest	1,410
Timber interest	553
Other revenue	875
Total Revenue	318,136
EXPENSES	
Auto mileage expense	210
Depreciation	59,603
Diver inspection related	6,262
Employee benefits	7,350
Fish derby	3,999
Fuel	7,793
Garbage	11,420
Gate expense	3,928
Health and safety	1,227
Insurance	19,969
Employee health insurance reimbursements	344
Interest/bank charges	52
Professional services - Legal	22,265
Accounting	17,048
Member communications	4,198
Needle expense	15,350
Office supplies	1,175
Outside service	2,213
Recreation	1,211
Maintain buildings	9,376
Maintain equipment	28,059
Maintain roads	15,908
Maintain water systems	3,912
Repairs and maintenance-general	16,936
Supplies-shop	266
Taxes-payroll	4,784
Property taxes	3,167
Taxes and licenses	1,359
Telephone	843

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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, 2011

EXPENSES (CONT.)

Utilities	11,872
Wages	49,719
Water testing and fees	9,056
Franchise tax	8,221
Income tax	<u>14,544</u>
Total Expenses	<u>363,637</u>

OTHER INCOME (EXPENSES)

Unrealized loss on investments	<u>1,947</u>
Total Other Income (Expenses)	<u>1,947</u>

Excess Expenses over Income \$ -43,554

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, 2011

Members' Equity, beginning of period	\$ 927,084
Excess Expenses over Income	<u>-43,554</u>
Members' Equity, end of period	<u><u>\$ 883,530</u></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, 2011

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, 2011

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, 2011:

Land and improvements	\$ 4,838
Water system	180,237
Roadways and related improvements	745,794
Maintenance equipment and vehicles	290,672
Office equipment and furniture	5,892
Leasehold improvements	45,907
Playground equipment	34,800
	<u>1,308,140</u>
Less accumulated depreciation	<u>(1,203,766)</u>
	<u>\$ 104,374</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, 2011

NOTE 4 - NOTE RECEIVABLE

Note receivable for the year ended May 31, 2011, consists of the following:

	Current	Long Term
Odd Fellows Sierra Homeowners' Association, payable on demand, unsecured	<u>\$118</u>	<u>\$-0-</u>