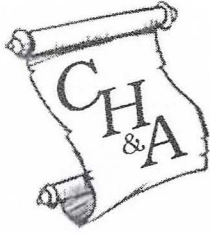


ODD FELLOWS SIERRA RECREATION ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

MAY 31, 2012



Carlson, Haff & Associates

An Accountancy Corporation

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May 10, 2012

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, 2012, 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, 2012

ASSETS

CURRENT ASSETS

Cash on hand	\$ 100
Cash in banks	191,805
Note receivable	<u>118</u>
Total Current Assets	<u>192,023</u>

PROPERTY, EQUIPMENT, AND VEHICLES, at cost,

less accumulated depreciation	<u>459,457</u>
Total Assets	<u><u>\$ 651,480</u></u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Payroll taxes payable	\$ 1,206
Rental deposit	<u>500</u>
Total Current Liabilities	1,706

MEMBERS' EQUITY

Members' Equity	<u>649,774</u>
Total Members' Equity	<u>649,774</u>
Total Liabilities and Members' Equity	<u><u>\$ 651,480</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, 2012

	YEAR TO DATE
INCOME	
Assessments	\$ 69,350
Recreation	123
Property rental	7,250
Fish donations	2,045
Gate income	135
Interest	333
Timber interest	2,238
Other revenue	15,468
Refunds	-250
Total Revenue	96,692
EXPENSES	
Auto mileage expense	18
Depreciation	39,728
Employee benefits	15,624
Equipment rental	138
Fish derby	2,675
Fuel	3,962
Garbage	12,344
Gate expense	2,138
Health and safety	5,493
Insurance - Cedarbrook	700
Insurance	30,377
Interest/bank charges	35
Professional services - Legal	44,013
Accounting	14,766
Member communications	2,741
Needle expense	7,310
Office supplies	416
Outside service	4
Permits and fees	301
Permits and fees - Cedarbrook	1,471
Maintain buildings	2,364
Maintain equipment	16,206
Maintain roads	5,357
Maintain water systems	7,415
Repairs and maintenance-general	14,322
Repairs and maintenance - Lake	18
Supplies-shop	1,820
Supplies-rec hall	45
Taxes-payroll	5,979
Settlement expenses	500
Property taxes	3,209
Property taxes - Cedarbrook	3,714
Taxes and licenses	1,136
Telephone	1,056

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, 2012

EXPENSES (CONT.)

Utilities	13,899
Utilities - Camp Cedarbrook	152
Wages	62,142
Water testing and fees	4,708
Total Expenses	<u>328,296</u>

OTHER INCOME (EXPENSES)

Unrealized loss on investments	<u>(2,151)</u>
Total Other Income (Expenses)	<u>(2,151)</u>
Excess Income over Expenses	<u>\$ -233,755</u>

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, 2012

Members' Equity, beginning of period	\$ 883,530
Excess Income over Expenses	<u>-233,755</u>
Members' Equity, end of period	<u><u>\$ 649,774</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, 2012

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, 2012

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, 2012:

Land and improvements	\$ 4,838
Water system	180,237
Roadways and related improvements	772,294
Maintenance equipment and vehicles	290,672
Office equipment and furniture	5,892
Leasehold improvements	45,907
Playground equipment	34,800
Camp Cedarbrook land	<u>368,311</u>
	1,702,951
Less accumulated depreciation	<u>(1,243,494)</u>
	<u>\$ 459,457</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, 2012

NOTE 4 - NOTE RECEIVABLE

Note receivable for the year ended May 31, 2012, consists of the following:

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