



THE CFO GROUP INC.
PROGRESSIVE ACCOUNTING SOLUTIONS

Financial Statements and Independent Auditors' Report
CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION
December 31, 2010 and 2009

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Independent Auditors' Report

To the Board of Directors Caughlin Ranch Homeowners' Association

We have audited the accompanying balance sheets of Caughlin Ranch Homeowners' Association as of December 31, 2010 and 2009, and the related statements of revenues and expenses, changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caughlin Ranch Homeowners' Association as of December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenues and expenses – actual compared to budgeted is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States of America require that future major repairs and replacements on page 14 be presented to supplement the basic financial

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statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The CFO Group Inc.

Reno, Nevada

June 20, 2011

Caughlin Ranch Homeowners' Association
BALANCE SHEETS
December 31,

	ASSETS			2009
	2010			
	Operating Fund	Replacement Fund	Total	Total (for comparative purposes only)
CURRENT ASSETS				
Cash and cash equivalents	\$ 748,538	\$ 1,501,973	\$ 2,250,511	\$ 1,847,194
Assessments receivable	401,555	-	401,555	382,158
Prepaid expenses	31,833	-	31,833	28,866
Prepaid income tax expense	1,557	-	1,557	1,557
Due from operating fund	-	29,299	29,299	29,299
Due from replacement fund	210	-	210	210
Total current assets	1,183,693	1,531,272	2,714,965	2,289,284
PROPERTY AND EQUIPMENT, NET	115,003	-	115,003	107,425
Total assets	\$ 1,298,696	\$ 1,531,272	\$ 2,829,968	\$ 2,396,709
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 20,577	\$ -	\$ 20,577	\$ 44,407
Accrued liabilities	31,219	-	31,219	19,637
Deferred maintenance revenue	23,833	-	23,833	26,000
Deferred revenue	623,039	-	623,039	579,027
Due to replacement fund	29,299	-	29,299	29,299
Due to operating account	-	210	210	210
Total current liabilities	727,967	210	728,177	698,580
Total liabilities	727,967	210	728,177	698,580
FUND BALANCES	570,729	1,531,062	2,101,791	1,698,129
Total liabilities and fund balances	\$ 1,298,696	\$ 1,531,272	\$ 2,829,968	\$ 2,396,709

The accompanying notes are an integral part of these statements.

Caughlin Ranch Homeowners' Association
STATEMENTS OF REVENUES AND EXPENSES
For the years ended December 31,

	2010			2009
	Operating Fund	Replacement Fund	Total	Total (for comparative purposes only)
Revenues				
Member assessments	\$ 1,886,882	\$ 250,884	\$ 2,137,766	\$ 2,143,960
Transfer fee income	19,300	-	19,300	13,400
Service reimbursements	125	-	125	210
Other income	125,059	-	125,059	69,434
Interest and dividend income	5,217	5,363	10,580	18,397
Total revenue	2,036,583	256,247	2,292,830	2,245,401
Expenses				
Casual labor	231,224	-	231,224	203,072
Chemicals and fertilizers	14,217	-	14,217	16,491
Depreciation	36,722	-	36,722	44,290
Employee benefits	34,795	-	34,795	38,809
Equipment and road maintenance	20,645	35,301	55,946	54,789
Fuel and oil	19,024	-	19,024	15,786
General election	21,976	-	21,976	19,731
Income taxes	-	-	-	181
Insurance	127,024	-	127,024	124,263
Irrigation and utilities	329,607	-	329,607	359,541
Legal and accounting	99,199	-	99,199	92,934
Materials and supplies	36,390	-	36,390	27,953
Office expense	57,810	9,169	66,979	59,048
Bad debt	17,405	-	17,405	25,760
Payroll taxes	61,777	-	61,777	56,556
Rent	24,557	-	24,557	25,996
Repairs and maintenance	109,175	-	109,175	60,898
Salaries and wages	516,762	-	516,762	482,825
Signs and trails	578	34,603	35,181	18,511
Taxes and licenses	14,868	-	14,868	13,530
Telephone	15,755	-	15,755	13,811
Trash	20,585	-	20,585	24,500
Total expenses	1,810,095	79,073	1,889,168	1,779,275
Excess of revenue over expenses	\$ 226,488	\$ 177,174	\$ 403,662	\$ 466,126

The accompanying notes are an integral part of these statements.

Caughlin Ranch Homeowners' Association
STATEMENTS OF CHANGES IN FUND BALANCES
For the years ended December 31,

	Operating Fund	Replacement Fund	Total
Fund balances at January 1, 2009	\$ 272,602	\$ 959,401	\$ 1,232,003
Transfer to replacement fund (Caughlin Creek)	(91,812)	91,812	-
Transfer to replacement fund (Mountain Shyre)	(29,124)	29,124	-
Transfer to operating fund	30,101	(30,101)	-
Excess of revenues over expenses	239,108	227,018	466,126
Fund balances at December 31, 2009	<u>420,875</u>	<u>1,277,254</u>	<u>1,698,129</u>
Transfer to replacement fund (Caughlin Creek)	(91,812)	91,812	-
Transfer to replacement fund (Mountain Shyre)	(29,124)	29,124	-
Transfer to operating fund	44,302	(44,302)	-
Excess of revenues over expenses	226,488	177,174	403,662
Fund balances at December 31, 2010	<u>\$ 570,729</u>	<u>\$ 1,531,062</u>	<u>\$ 2,101,791</u>

The accompanying notes are an integral part of these statements.

Caughlin Ranch Homeowners' Association
STATEMENTS OF CASH FLOWS
For the years ended December 31,

	2010			2009
	Operating Fund	Replacement Fund	Total	Total (for comparative purposes only)
Cash flows from operating activities:				
Excess of revenues over expenses	\$ 226,488	\$ 177,174	\$ 403,662	\$ 466,126
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Transfers to replacement fund	(120,936)	120,936	-	-
Transfers to operating fund	44,302	(44,302)	-	-
Depreciation	36,722	-	36,722	44,290
Changes in:				
Assessments receivable	(19,397)	-	(19,397)	(31,985)
Prepaid expenses	(2,967)	-	(2,967)	(2,452)
Prepaid income tax expense	-	-	-	(1,557)
Due from operating fund	-	-	-	(7,539)
Accounts payable	(23,830)	-	(23,830)	51,002
Accrued liabilities	11,582	-	11,582	(13,565)
Income Taxes Payable	-	-	-	(2,385)
Deferred maintenance revenue	(2,167)	-	(2,167)	(2,167)
Due to replacement fund	-	-	-	7,539
Deferred revenue	44,012	-	44,012	(23,320)
Total adjustments	(32,679)	76,634	43,955	17,861
Net cash provided by operating activities	193,809	253,808	447,617	483,987
Cash flows from investing activities:				
Capital expenditures	(44,300)	-	(44,300)	(36,565)
Net cash provided by/(used) in investing activities	(44,300)	-	(44,300)	(36,565)
INCREASE IN CASH AND CASH EQUIVALENTS	149,509	253,808	403,317	447,422
Cash and cash equivalents at beginning of year	599,029	1,248,165	1,847,194	1,399,772
Cash and cash equivalents at end of year	<u>\$ 748,538</u>	<u>\$ 1,501,973</u>	<u>\$ 2,250,511</u>	<u>\$ 1,847,194</u>
Supplemental disclosures of cash flow information:				
Cash paid for income taxes			\$ -	\$ 4,123

The accompanying notes are an integral part of these statements.

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Caughlin Ranch Homeowners' Association (the Association) was incorporated on July 31, 1984 in the State of Nevada. The Association is a 2,300 acre planned unit development located in Reno, Nevada. The Association consists of approximately 2,200 residential members and 6 non-residential areas with 48 separate businesses. All property owners (association members) pay dues to the Association for the maintenance of all common areas.

Effective July 1, 2009, the Financial Accounting Standards Board Accounting Standards Codification (the "FASB Codification") became the single source of authoritative generally accepted accounting principles ("GAAP") in the United States of America. The FASB Codification reorganized the previous GAAP pronouncements into accounting topics, which are displayed using a single numerical structure. Any technical references contained in the accompanying financial statements have been updated to correspond to the new FASB Codification references.

1. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, which are readily convertible into cash and have maturities of three months or less.

2. Fund Accounting

The Association uses fund accounting, which requires that funds, such as operating funds, deferred maintenance funds, and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and management. Disbursements from the replacement fund generally may be made for designated purposes.

3. Valuation of Long-Lived Assets

Long-lived assets consist of property and equipment. The Association capitalizes all property and equipment to which it has title or other evidence of ownership with the exception of real property directly associated with the units. At December 31, 2010 and 2009, property not capitalized consists of approximately 120 improved acres of sidewalks, access to roads, and greenbelts and 800 unimproved acres. Property and equipment acquired by the Association are recorded at cost and are depreciated principally on a straight line basis over the estimated service lives as follows:

Building and improvements	5-32 years
Equipment	3-5 years

Impairment losses on long-lived assets are recorded when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets.

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

4. Income Taxes

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2010, the Association elected to be taxes as a homeowners' association. Under that election, the Association is taxed on its nonexempt function income, such as interest income. Exempt function income, which consists primarily of member assessments, is not taxable. As such, no deferred income tax provision has been recorded, even though there are differences between book and taxable income, due to the fact that these differences are permanent in nature and not timing differences. For the year ended December 31, 2009, the Association elected to be taxed as a corporation. For the years ending December 31, 2010 and 2009 the income tax expense was \$- and \$181 respectively.

On January 1, 2009, the Association adopted the new provisions of the Income Tax topic of the FASB ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the Statement of Revenue and Expenses. As of December 31, 2010, the Association had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

5. Concentrations of Credit Risk

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association believes it is not exposed to any significant credit risk on cash and cash equivalents.

6. Accounting Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Member Assessments

Quarterly assessments to homeowners range from \$183 to \$547 for the years ending December 31, 2010 and 2009. Non residential members are assessed a monthly square footage fee of \$0.034 and \$0.031 for the years ending December 31, 2010 and 2009, respectively. For the year ending December 31, 2010 the Association billed residential and commercial members \$2,005,782 and \$131,984, respectively. For the year ending December 31, 2009 the Association billed residential and commercial members \$2,011,976 and \$131,984, respectively. Of these amounts, \$250,884 was designated to the NRS 116 replacement fund for the years December 31, 2010 and 2009.

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

7. Member Assessments - continued

Homeowners are billed quarterly for assessments however revenue is recognized on a monthly basis and all unearned revenue is recorded as a liability. The annual budget and assessments of owners are determined by the board of directors and are approved by the owners. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

8. Fair Value of Financial Instruments

Effective January 1, 2009, the Association adopted ASC 820-10 Fair Value Measurements for non-recurring fair value measurements of its non-financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the association while unobservable inputs are generally developed internally, utilizing management's estimates, assumptions, and specific knowledge of the nature of the assets or liabilities and related markets. The three levels are defined as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date. An active market is defined as a market in which transactions for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data correlation or other means (market corroborated inputs).

Level 3 – Unobservable inputs only are used to the extent that observable inputs are not available and reflect the Association's assumptions about the pricing of an asset or liability.

In accordance with the fair value hierarchy described above, the following table shows the fair value of the Association's financial assets and liabilities that are required to be measured at fair value as of December 31, 2010 and 2009.

<u>Assets</u>	<u>Balance</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2010:				
Money market savings accounts	\$ 1,656,855	\$ 1,656,855		
Certificates of deposit	285,006	285,006		
Totals	<u>1,941,861</u>	<u>1,941,861</u>		
December 31, 2009:				
Money market savings accounts	\$ 1,347,651	\$ 1,347,651		
Certificates of deposit	247,898	247,898		
Totals	<u>1,595,549</u>	<u>1,595,549</u>		

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

9. Reclassifications

Certain reclassifications have been made to the December 31, 2009 balances to conform to current year presentations.

10. Recently Issued Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update "ASU" No. 2010-06, Improving Disclosures about Fair Value Measurements. This update provides amendments to Subtopic 820-10 and requires new disclosures for 1) significant transfers in and out of Level 1 and Level 2 and the reasons for such transfers and 2) activity in Level 3 fair value measurements to show separate information about purchases, sales, issuances and settlements. In addition, this update amends Subtopic 820-10 to clarify existing disclosures around the desegregation level of fair value measurements and disclosures for the valuation techniques and inputs utilized (for Level 2 and Level 3 fair value measurements). The provisions in ASU 2010-06 are applicable to interim and annual reporting periods beginning subsequent to December 15, 2009, with the exception of Level 3 disclosures of purchases, sales, issuances and settlements, which will be required in reporting periods beginning after December 15, 2010. The adoption of ASU 2010-06 did not impact the Association's operating results, financial position or cash flows and related disclosures.

NOTE B - ASSESSMENTS RECEIVABLE

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days in arrears and therefore considered delinquent. As of December 31, 2010 and 2009, the Association had assessments receivable of \$432,088 and \$402,909, respectively. For the years ending December 31, 2010 and 2009, \$92,539 and \$77,760, respectively were considered delinquent. It is the opinion of the board of directors that the Association will ultimately prevail against a majority of the remaining homeowners whose assessments are delinquent. The Association writes off assessments receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. An allowance for uncollectible accounts of \$30,533 and \$20,751 has been recorded as of December 31, 2010 and 2009, respectively.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31,

	2010	2009
Land	\$ 2,724	\$ 2,724
Building and Improvements	71,428	71,428
Equipment	460,431	416,130
	534,583	490,282
Less accumulated depreciation and amortization	(419,580)	(382,857)
	\$ 115,003	\$ 107,425

For the years ended December 31, 2010 and 2009 depreciation expense was \$36,722 and \$44,290, respectively.

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE D – DEFERRED REVENUE

The Association invoices homeowners in the preceding quarter for dues and special assessments. At December 31, 2010 and 2009 the following amounts were recorded as deferred revenue.

	2010	2009
Membership dues	\$607,702	\$568,019
Ombudsmen fee	6,573	2,204
PCE tax	8,764	8,804
	\$ 623,039	\$ 579,027

NOTE E – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association’s governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and generally not available for expenditures for normal operations.

The board of directors conducted a study in August 2010 to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were obtained from licensed contractors who inspected the property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

The board is funding for major repairs and replacements over the remaining useful lives of the components based on the study’s estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirement of \$150,884, based on a full funding plan, has been included in the 2011 budget. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, the amounts accumulated in the replacement fund may not be adequate to meet all future needs for all major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE F – EMPLOYEE BENEFIT PLAN

The Association contributes to a SEP IRA for all full-time employees who have at least five years of continuous service. Currently, the Association has contributed amounts equal to 10% of each eligible employee’s annual compensation. The Association’s contributions to the plan amounted to \$34,795 and \$38,809 for the years ending December 31, 2010 and 2009, respectively.

NOTE G – INTERFUND ACTIVITY

The Association maintains an operating fund and a replacement fund. The replacement fund allocations are collected by the operating fund and transferred monthly to the replacement fund. At various times during the year there is a receivable/payable (due to/from) between the funds. At December 31, 2010 and 2009 the replacement fund owed the operating fund \$210. At December 31, 2010 and 2009 the operating fund owed \$29,299 to the replacement fund.

Caughlin Ranch Homeowners' Association
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE H – COMMITMENTS

The Association leases its facility under a non-cancelable operating lease. The following is a schedule of the future minimum operating lease payments as of December 31, 2010:

Years ending December 31,	
2011	\$ 22,105
2012	22,262
	<u>\$ 44,367</u>

As of December 31, 2010 and 2009 total rent expense under this lease agreement was \$22,105.

On November 13, 2006 the Association signed a maintenance agreement with Nextel of California, Inc (“Nextel”) to have the Association take on responsibility of irrigation and maintenance of the trees located at the Pine Bluff Trail cellular tower. In 2006, Nextel paid the Association a one-time lump sum payment of \$32,500. The revenue of \$32,500 will be recognized over 15 years as an offset to maintenance expense, commencing in 2007. As of December 31, 2010 and 2009 the Association had deferred maintenance revenue of \$23,833 and \$26,000, respectively.

NOTE I – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through June 20, 2011 the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Caughlin Ranch Homeowners' Association
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND
REPLACEMENTS
December 31, 2010
(Unaudited)

In August 2010, the Association conducted a study to estimate the remaining useful lives and the replacement costs of the common property components and equipment, in conformance with Chapter 116 of the NRS. The study was adopted by the Association during 2010 and was based on estimated future costs assuming an inflation factor of 2.76% and an interest rate of 1%.

The following information is based on the study and presents significant information about the components of common property.

Components	Estimated Remaining Useful Life (Years)	Estimated Future Replacement Cost
Maintenance Equipment	0 to 8	\$ 433,453
Office Equipment	0 to 6	26,051
Park Equipment	0 to 12	128,241
Buildings	1 to 18	19,532
Common Area Improvements	0 to 8	64,802
Caughlin Ranch Trails	0 to 20	137,048
Caughlin Creek Common Area Improvements	0 to 24	138,326
Caughlin Creek Perimeter Fencing	14	49,436
Caughlin Creek Path Network	0 to 4	15,424
Caughlin Creek Private Streets	0 to 4	168,719
Caughlin Creek Gates	4 to 14	32,915
Mountainshyre Common Area Improvements	9 to 29	25,847
Mountainshyre Private Streets	1	98,866
Mountainshyre Gates	1 to 9	21,465
Total		\$ 1,360,125

Caughlin Ranch Homeowners' Association
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES AND EXPENSES- ACTUAL COMPARED TO BUDGETED
For the year ended December 31, 2010
(Unaudited)

	<u>2010</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>
Revenues			
Member assessments	\$ 2,137,766	\$ 2,136,776	\$ 990
Transfer fee income	19,300	12,000	7,300
Service reimbursements	125	2,400	(2,275)
Other income	125,059	50,302	74,757
Interest income	10,580	15,000	(4,420)
Total revenue	<u>2,292,830</u>	<u>2,216,478</u>	<u>76,352</u>
Expenses			
Casual labor	231,224	250,667	(19,443)
Chemicals and fertilizers	14,217	22,250	(8,033)
Depreciation	36,722	-	36,722
Employee benefits	34,795	40,623	(5,828)
Equipment and road maintenance	55,946	76,186	(20,240)
Fuel and oil	19,024	21,662	(2,638)
General election	21,976	13,940	8,036
Insurance	127,024	132,076	(5,052)
Irrigation and utilities	329,607	403,493	(73,886)
Legal and accounting	99,199	84,596	14,603
Materials and supplies	36,390	38,000	(1,610)
Office expense	66,979	57,275	9,704
Payroll taxes	61,777	73,963	(12,186)
Rent	24,557	26,675	(2,118)
Repairs and maintenance	109,175	222,639	(113,464)
Bad debt	17,405	10,000	7,405
Salaries and wages	516,762	519,033	(2,271)
Signs and trails	35,181	44,261	(9,080)
Taxes and licenses	14,868	11,498	3,370
Telephone	15,755	13,933	1,822
Trash	20,585	27,000	(6,415)
Total expenses	<u>1,889,168</u>	<u>2,089,770</u>	<u>(200,602)</u>
Excess of revenue over expenses	<u>\$ 403,662</u>	<u>\$ 126,708</u>	<u>\$ 276,954</u>