

CAUSEWAY ON GULL ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2011

ASSETS

Current assets

Cash - checking and savings	\$ 529,330
Cash - replacement reserve	153,119
Receivable - owner maintenance fees	1,899,164
Receivable - Causeway Development	83,428
Receivable - COG Partners/Frandsen	39,803
Inventory	416,471
Prepaid expense and other current assets	<u>110,769</u>
Total current assets	<u>3,232,084</u>

Property and Equipment

Land	305,000
Buildings and improvements	1,418,147
Furnishings and equipment	235,694
Vehicles	<u>71,168</u>
Total property and equipment	2,030,009
Less accumulated depreciation	<u>(818,979)</u>
Net property and equipment	<u>1,211,030</u>
	<u>\$ 4,443,114</u>

LIABILITIES AND ASSOCIATION EQUITY

Current liabilities

Notes payable - line of credit	\$ 70,000
Deferred revenues - owner fees	1,846,615
Other liabilities	<u>3,914</u>
Total current liabilities	<u>1,920,529</u>

Long-term debt:

Building loan	61,771
Outlot A	<u>505,333</u>
Total long-term debt	<u>567,104</u>

Association equity

	<u>1,955,481</u>
	<u>\$ 4,443,114</u>

CAUSEWAY ON GULL ASSOCIATION, INC.
STATEMENT OF OPERATIONS
DECEMBER 31, 2011

Revenue

Maintenance Fees	\$ 1,893,845
Building rental	36,000
Other rental	39,286
Activity fees and store	19,852
Housekeeping	12,710
Other revenue	<u>37,429</u>
Total revenue	<u>2,039,122</u>

Operating expenses

Administration contract	194,063
Adminstration	80,010
Bad debts	68,386
Depreciation	39,663
General & Finance	34,303
Housekeeping contract and supplies	368,066
Insurance	59,231
Maintenance contract	231,855
Management fees	126,179
Pool and hot tub	38,316
Real estate taxes	157,671
Refuse and snow removal	10,929
Repairs and maintenance	51,856
Replacement expenses	17,607
Sewer connection fees	40,632
Supplies	15,816
Utilities	<u>285,393</u>
Total operating expenses	<u>1,819,977</u>
Operating income less expenses	<u>219,145</u>

Other income (expense)

Interest income	2,399
Interest expense	<u>(38,548)</u>
Total other income and expense	<u>(36,149)</u>
Net income (loss)	182,996
Equity, beginning of year	<u>1,772,485</u>
Equity, end of year	<u><u>\$ 1,955,481</u></u>