

CAUSEWAY ON GULL ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2008

ASSETS

Current assets

Cash - checking and savings	\$ 689,919
Cash - replacement reserve	79,235
Receivable - owner maintenance fees	1,362,379
Receivable - Causeway Development	205,591
Inventory	8,619
Prepaid expense and other current assets	<u>18,188</u>
Total current assets	<u>2,363,932</u>

Property and Equipment

Land	305,000
Buildings and improvements	1,386,026
Furnishings and equipment	232,469
Vehicles	<u>64,568</u>
Total property and equipment	1,988,063
Less accumulated depreciation	<u>(693,559)</u>
Net property and equipment	<u>1,294,504</u>
	\$ <u><u>3,658,436</u></u>

LIABILITIES AND ASSOCIATION EQUITY

Current liabilities

Notes payable - line of credit	\$ 0
Deferred revenues - owner fees	1,869,515
Other liabilities	<u>(397)</u>
Total current liabilities	<u>1,869,118</u>

Long-term debt:

Building loan	96,047
Outlot A	<u>675,177</u>
Total long-term debt	<u>771,225</u>

Association equity

	<u>1,018,093</u>
	\$ <u><u>3,658,436</u></u>

CAUSEWAY ON GULL ASSOCIATION, INC.
STATEMENT OF OPERATIONS
DECEMBER 31, 2008

Revenue

Owner maintenance fees	\$ 1,831,558
Building rental	40,200
Other rental	27,507
Activity fees and store	10,523
Housekeeping	37,758
Other revenue	<u>56,887</u>
Total revenue	<u>2,004,432</u>

Operating expenses

Administration contract	178,435
Adminstration	66,309
Bad debts	35,150
Depreciation	36,856
General & Finance	33,672
Housekeeping contract and supplies	348,216
Insurance	71,573
Maintenance contract	212,780
Management fees	98,567
Pool and hot tub	49,490
Real estate taxes	145,614
Refuse and snow removal	9,706
Repairs and maintenance	50,302
Replacement expenses	59,604
Sewer connection fees	40,632
Supplies	10,044
Utilities	<u>282,158</u>
Total operating expenses	<u>1,729,108</u>
Operating income less expenses	<u>275,324</u>

Other income (expense)

Interest income	9,866
Interest expense	<u>(51,121)</u>
Total other income and expense	<u>(41,255)</u>
Net income (loss)	234,069
Equity, beginning of year	<u>784,024</u>
Equity, end of year	<u><u>\$ 1,018,093</u></u>