



Lake Monticello Owners' Association

Financial Statements

Year Ended December 31, 2009

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND MEMBERS LAKE MONTICELLO OWNERS' ASSOCIATION

We have audited the accompanying balance sheet of Lake Monticello Owners' Association as of December 31, 2009, and the related statements of revenues and expenses, changes in Association equity, and cash flows for the year 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. The prior year comparative information has been derived from the Association's 2008 financial statements and, in our report dated April 27, 2009, we expressed an unqualified opinion on those financial statements.

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, based on our audit, the financial statements referred to above present fairly in all material respects, the financial position of Lake Monticello Owners' Association as of December 31, 2009, and the results of its operations and cash flows and changes in Association equity for the year 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 basic financial statements taken as a whole. The supplemental schedules and supporting data as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information, except as stated below, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

We have not audited the supporting data on future major repairs and replacements as reported on page 24 and, accordingly, express no opinion on it.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
May 4, 2010

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Financial Statements

LAKE MONTICELLO OWNERS' ASSOCIATION

Balance Sheet

At December 31, 2009
(With Comparative Totals for 2008)

Assets	2009	2008
Cash, including interest bearing deposits	\$ 842,791	\$ 783,852
Investments available for resale, at fair market value	8,057,344	7,616,851
Assessments receivable, less allowance for uncollectibles of \$115,516 (2009) and \$87,487 (2008)	290,073	222,840
Other receivables	39,987	44,571
Accrued interest receivable	41,936	59,824
Prepaid expenses	98,797	92,665
Inventories	38,148	33,707
Fixed assets, net of accumulated depreciation	5,534,032	5,560,640
Total assets	\$ 14,943,108	\$ 14,414,950
Liabilities		
Accounts payable and accrued expenses	\$ 313,672	\$ 314,800
Refundable owners' building deposits	6,992	9,010
Bar code deposits	2,130	2,010
Notes payable	269,338	332,693
Capital lease obligation	16,861	24,050
Deferred revenues: Assessments and fees received in advance	693,238	900,096
Total liabilities	\$ 1,302,231	\$ 1,582,659
Association Equity		
Reserved:		
Swimming pool construction	\$ 198,440	\$ 299,326
Major repairs and replacements	335,708	229,277
Lake preservation	149,484	188,238
Roads/new home construction	157,844	38,480
Capital projects - property transfer fees	205,866	197,839
Restricted:		
Proceeds from sale of Lake Monticello Service Company	6,630,063	6,630,063
Undesignated reserves	-	92,389
Investment in net property and equipment	5,247,833	5,203,897
Unreserved/undesignated	217,302	197,820
Accumulated other comprehensive income	498,337	(245,038)
Total association equity	\$ 13,640,877	\$ 12,832,291
Total liabilities and association equity	\$ 14,943,108	\$ 14,414,950

The accompanying notes to financial statements are an integral part of this statement.

LAKE MONTICELLO OWNERS' ASSOCIATION

Statement of Revenues and Expenses

Year Ended December 31, 2009
(With Comparative Totals for 2008)

	2009	2008
Revenues		
Owner dues, assessments and related charges	\$ 2,374,461	\$ 2,278,618
Improved property income	624,685	620,948
Property transfer fees	105,150	129,650
Environmental control committee fees	18,660	22,885
Recreation fees	238,175	250,656
Golf and related fees	594,357	674,189
Sales of merchandise and related items, less cost of sales of \$179,426 (2009) and \$248,635 (2008)	92,205	126,978
Barcode income	86,609	86,571
Cable income	129,820	125,521
Interest/investment income, net	280,870	358,942
New home construction fee	10,952	29,762
Other	65,218	70,397
 Total revenues	 \$ 4,621,162	 \$ 4,775,117
Expenses		
Administrative services	\$ 993,929	\$ 1,019,382
General maintenance	531,476	554,103
Recreation	247,541	224,888
Pool snack bar	27,069	20,501
Eagles Nest	125,456	143,523
Golf	748,715	841,354
Security	825,577	800,317
Improved property expense	694,568	688,779
Other	361,620	225,489
 Total expenses	 \$ 4,555,951	 \$ 4,518,336
 Excess of revenues over expenses	 \$ 65,211	 \$ 256,781
 Net unrealized gains (losses) on investments	 743,375	 (351,653)
 Net changes in equity	 \$ 808,586	 \$ (94,872)

The accompanying notes to financial statements are an integral part of this statement.

LAKE MONTICELLO OWNERS' ASSOCIATION

Statement of Changes in Association Equity

Year Ended December 31, 2009
(With Comparative Totals for 2008)

	Reserved					
	Swimming Pool Construc- tion	Major Repairs and Replace- ments	Roads- Dues	Roads- New Home Fees	Capital Projects Property Transfer Fee	Lake Preserv- ation
Association equity, January 1, 2008	\$ 656,835	\$ 279,405	\$ -	\$ 1,265	\$ 310,314	\$ 91,577
Excess (deficiency) of revenues over expenses	10,702	6,511	1,458	752	4,734	4,973
Net unrealized gains (losses) on investments	-	-	-	-	-	-
Transfers						
Depreciation recovery	-	319,886	-	-	-	-
Road dues	-	-	115,900	-	-	-
Lake dues	-	-	-	-	-	222,528
New home fees	-	-	-	29,762	-	-
Property transfer fees	-	-	-	-	129,650	-
Property and equipment:						
Acquisitions	(328,989)	(358,301)	-	-	(232,301)	(39,879)
Outstanding balance of debt acquired to finance fixed assets	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Special projects	<u>(39,222)</u>	<u>(18,224)</u>	<u>(110,657)</u>	<u>-</u>	<u>(14,558)</u>	<u>(90,961)</u>
Association equity, December 31, 2008	\$ 299,326	\$ 229,277	\$ 6,701	\$ 31,779	\$ 197,839	\$ 188,238
Excess (deficiency) of revenues over expenses	-	-	1,586	-	2,337	-
Net unrealized gains (losses) on investments	-	-	-	-	-	-
Transfers						
Depreciation recovery	-	326,905	28,062	-	-	26,625
Operating contribution	-	31,008	7,000	-	-	-
Road dues	-	(56,148)	119,352	-	-	-
Lake dues	-	(26,625)	-	-	-	229,152
New home fees	-	-	-	10,952	-	-
Property transfer fees	-	-	-	-	105,150	-
Property and equipment:						
Acquisitions	(100,886)	(63,215)	-	-	(99,460)	(148,806)
Principal payments on debt acquired to finance fixed assets	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Special projects	<u>-</u>	<u>(105,494)</u>	<u>(47,588)</u>	<u>-</u>	<u>-</u>	<u>(145,725)</u>
Association equity, December 31, 2009	\$ <u>198,440</u>	\$ <u>335,708</u>	\$ <u>115,113</u>	\$ <u>42,731</u>	\$ <u>205,866</u>	\$ <u>149,484</u>

<u>Restricted</u> <u>Sale of</u> <u>Lake</u> <u>Monticello</u> <u>Service</u> <u>Company</u>	<u>Undesignated</u> <u>Reserves</u>	<u>Investment</u> <u>in Property</u> <u>and</u> <u>Equipment</u>	<u>Un-</u> <u>reserved/</u> <u>Un-</u> <u>designated</u>	<u>Accumulated</u> <u>Other</u> <u>Compre-</u> <u>hensive</u> <u>Income</u>	<u>Total</u>
\$ 6,630,063	\$ 88,960	\$ 4,369,788	\$ 392,341	\$ 106,615	\$ 12,927,163
-	3,429	(319,886)	544,108	-	256,781
-	-	-	-	(351,653)	(351,653)
-	-	-	(319,886)	-	-
-	-	-	(115,900)	-	-
-	-	-	(222,528)	-	-
-	-	-	(29,762)	-	-
-	-	-	(129,650)	-	-
-	-	1,512,526	(553,056)	-	-
-	-	(356,743)	356,743	-	-
-	-	(1,788)	1,788	-	-
-	-	-	-	-	-
-	-	-	273,622	-	-
\$ 6,630,063	\$ 92,389	\$ 5,203,897	\$ 197,820	\$ (245,038)	\$ 12,832,291
-	-	(350,311)	411,599	-	65,211
-	-	-	-	743,375	743,375
-	-	-	(381,592)	-	-
-	(92,389)	-	85,389	-	31,008
-	-	-	(63,204)	-	-
-	-	-	(202,527)	-	-
-	-	-	(10,952)	-	-
-	-	-	(105,150)	-	-
-	-	528,981	(116,614)	-	-
-	-	-	-	-	-
-	-	70,544	(70,544)	-	-
-	-	(205,278)	205,278	-	-
-	-	-	267,799	-	(31,008)
<u>\$ 6,630,063</u>	<u>\$ -</u>	<u>\$ 5,247,833</u>	<u>\$ 217,302</u>	<u>\$ 498,337</u>	<u>\$ 13,640,877</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2009
(With Comparative Totals for 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net change in equity	\$ 808,586	\$ (94,872)
Adjustments to reconcile net cash provided (used) by operating activities:		
Depreciation	350,311	319,886
Provision for uncollectibles	31,151	(7,745)
Unrealized (gains) losses on investments	(743,375)	351,653
Gain (loss) on disposal of assets	1,037	(2,512)
Changes in:		
Receivables, net of write-offs	(93,800)	(34,575)
Accrued interest receivable	17,888	28,122
Prepaid expenses	(6,132)	(12,817)
Inventories	(4,441)	13,553
Accounts payable and accrued expenses	(1,128)	(36,575)
Refundable owners' building deposits	(2,018)	(14,817)
Barcode deposits	120	330
Assessments and fees received in advance	(206,858)	413,165
Net cash provided (used) by operating activities	<u>\$ 151,341</u>	<u>\$ 922,796</u>
Cash flows from investing activities:		
Sale (purchase) of investments, net	\$ 302,882	\$ 109,030
Proceeds from sale of fixed assets	-	4,300
Purchase of fixed assets	(324,740)	(1,134,297)
Net cash provided (used) by investing activities	<u>\$ (21,858)</u>	<u>\$ (1,020,967)</u>
Cash flows from financing activities:		
Principal repayments on debt	\$ (70,544)	\$ (21,486)
Net cash provided (used) by financing activities	<u>\$ (70,544)</u>	<u>\$ (21,486)</u>
Net increase (decrease) in cash and cash equivalents	\$ 58,939	\$ (119,657)
Cash and cash equivalents, beginning of year	<u>783,852</u>	<u>903,509</u>
Cash and cash equivalents, end of year	<u><u>\$ 842,791</u></u>	<u><u>\$ 783,852</u></u>
Supplementary cash flow information:		
Cash paid for interest during year	<u>\$ 18,060</u>	<u>\$ 6,732</u>
Non-cash investing and financing activities:		
Notes payable proceeds	\$ -	\$ 348,457
Capital lease proceeds	-	29,772
Fixed assets purchased under capital lease	-	(378,229)
Total non-cash investing and financing activities	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009

NOTE 1—ORGANIZATION AND PURPOSE:

Lake Monticello Owners' Association (the "Association") is a non-stock corporation chartered on July 8, 1971 in the Commonwealth of Virginia. The purpose of the Association is to provide security to the Lake Monticello development, and operate and maintain the recreational facilities and common areas of the development. The development consists of approximately 4,600 residential lots covering approximately 3,500 acres in Fluvanna County, Virginia. Management of the Association is the responsibility of an elected Board of Directors and its contracted general manager.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting - The accompanying financial statements are prepared on the accrual basis of accounting.

Property and Equipment - All fixed assets of the Association in excess of \$500 are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at fair market value as of the date received. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method as follows:

Equipment	2-8 years
Furniture & Fixtures	2-10 years
Vehicles	3-4 years
Buildings & Equipment	10-50 years

Inventories - Association inventories are stated at lower of cost or market using the first-in, first-out (FIFO) basis.

Assessments and Accounts Receivable - Association members are subject to annual dues to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent balances due from property owners. The Association's policy is to place liens and retain legal counsel as necessary, within the time allowed by law, on properties of owners whose accounts are delinquent. Receivables are considered delinquent when amounts have not been received within 30 days of their due dates.

Investments - Investments are recorded at fair market value.

Accumulated Compensated Absences - The Association records compensated absences for vacation when earned. This amounted to \$75,722 at December 31, 2009 and \$83,185 at December 31, 2008. These amounts are reported in accounts payable and accrued expenses on the balance sheet.

Income Taxes - Pursuant to letters from the Internal Revenue dated December 21, 1972 and March 31, 1982 the Association is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501 (c) (4).

Dues and Assessments - Membership dues and assessments are assessed on an annual basis as more fully described in Note 6.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Franchise Fees - The Association recognizes television cable franchise revenue as it is earned. The revenue is based upon a percentage of revenue generated from subscribers residing within the Association boundaries. These fees are reported as cable income in the financial statements.

New Home/Initial Home Construction Fees - Initial home construction fees represent amounts received by the Association for the review of applications associated with construction of new homes, and to partially offset the accelerated wear and tear on Association roads due to heavy construction vehicle traffic. The Association is required by Court Order to match these fees from any other source at a rate at least equal to \$30 for each \$70 received in New Home/Initial Home Construction Fees. Cash is collected for new home construction fees upon the commencement of lot clearing.

Major Home Renovation Fees - Major home renovation fees represent amounts received by the Association for the review of applications associated with construction of major additions to existing homes, and partially offset the accelerated wear and tear on Association roads due to heavy construction. These fees go directly to road funding.

Property Transfer Fees - Property transfer fees are assessed against each new owner of property in the Association except in instances where the transfer of property is by gift among certain family members, transfers to a trust where the owner is the beneficiary, and transfers to Lake Monticello Owners' Association. The fee is due and payable when the property is sold or transferred to a new owner, pursuant to exceptions described above, and also except for property purchased for resale as an improved lot. When property is purchased for resale as an improved lot, the fee is due when the property is sold as an improved lot or within twelve months after the property is purchased. If the property transfer fee is not paid within such twelve month period as a result of the subsequent resale of the improved lot, the property transfer fee shall become due and payable immediately. The property transfer fee is reserved for capital projects expenditures.

Property transfer fees were charged at a rate of \$500 per lot through August 31, 2008. Effective September 1, 2008 the rate was increased to \$650 per lot. The rate increase was approved by the Owners by proxy on June 28, 2008.

Cash and Cash Equivalents - For financial reporting purposes the Association considers all highly liquid temporary cash investments with maturities generally of three months or less to be cash equivalents.

Common Property - The Association holds title to common property consisting of the following:

1. A golf course, clubhouse and pool facilities, pro-shop, marina and related recreational facilities, restrooms, tennis courts, equipment storage and security and maintenance facilities. These properties and facilities are used to generate or, are related to the generation of, significant cash flows from members and non-members on the basis of usage.
2. Other common real property such as roads, greenbelts, a lake of approximately 350 acres, and other similar areas. This common property:
 - a. Is not used to generate significant cash flows from members and non-members on the basis of usage.
 - b. Cannot readily be sold.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Common Property: (Continued)

3. Other property consisting of equipment, furniture and fixtures.

The Association is responsible for preserving and maintaining all common property.

Concentration of Credit Risk: Financial instruments which potentially subject the Association to concentration of credit risk consist primarily of investments. At December 31, 2009, the Association's investments consist of low credit-risk investments such as U.S. Treasury and Agency issues and AAA rated or insured corporate debt securities which are subject to market-risk due to changes in the general level of interest rates and in market conditions. Money market funds are generally invested in short term government securities with minimal credit or market risk. The Association investment accounts are not covered by federal or other insurance, but are insulated against the potential financial failure of the Association's broker/dealer by protection offered by Securities Investor Protection Corporation and similarly-structured supplemental protection provided by independent insurers. Bank balances at December 31, 2009 and 2008 exceeded federally insured limits imposed on financial institutions in the amount of \$321,683 and \$399,861 respectively. Bank accounts are maintained only with high credit quality financial institutions.

The Association utilizes three financial institutions and has two accounts in each institution.

There are no significant concentrations of credit risk arising from receivables. See Note 6 for additional details.

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Accumulated Other Comprehensive Income: Accumulated other comprehensive income consists of unrealized gains or losses on securities held for sale.

Comparative Totals: Comparative prior year totals are presented for information purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

NOTE 3—CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of the following:

	<u>2009</u>	<u>2008</u>
Cash on hand	\$ 1,345	\$ 1,545
Cash in banks	841,446	782,307
Total	<u>\$ 842,791</u>	<u>\$ 783,852</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 3—CASH AND CASH EQUIVALENTS: (CONTINUED)

The Association utilized three financial institutions for its deposit and check writing activities during the year. Included in cash in banks are repurchase agreements totaling \$228,379 and \$298,840 at December 31, 2009 and 2008, respectively. The Association does not have a policy for requiring the collateralization of repurchase agreements.

NOTE 4—RESTRICTED AND RESERVED CASH AND INVESTMENTS:

Cash and investments are restricted for the following purposes:

Proceeds from sale of Lake Monticello Service Company-only dividend and interest earnings may be used for Association operations	\$ <u>6,630,063</u>
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Cash and investments are reserved for the following purposes:

	<u>2009</u>	<u>2008</u>
Major repairs and replacements (future years)	\$ 335,708	\$ 229,277
Swimming pool construction *	46,840	49,326
Roads - new home fees and dues	168,062	38,480
Lake preservation	149,484	188,238
Capital projects - property transfer fees	205,866	188,720
Total reserved cash and investments	\$ <u>905,960</u>	\$ <u>694,041</u>

* \$250,000 of swimming pool funds were used for roads in 2004. Reimbursements of \$46,845 have been made to the pool funds as of December 31, 2009.

NOTE 5—INVESTMENTS:

Investments are available for resale but are anticipated to be held to maturity, and are recorded at fair market value as of December 31, 2009. The Association contracts with investment management companies to invest its cash on a temporary basis. The Association Board of Directors also appoints an investment committee to oversee the investment of Association funds and assure compliance with Association investment policies. A summary of these investments at December 31, 2009 is as follows:

	Debt obligations -		Fair Market Value	
	Maturities at December 31, 2009	Amortized Cost	2009	2008
Investments with Smith Barney, Inc.				
Cash and money market funds	-	\$ 806,494	\$ 806,494	\$ 1,682,490
Corporate debt	2010 - 2023	1,866,625	1,936,086	495,561
U.S. Government Securities	2011 - 2045	707,974	743,978	581,542
Exchange traded and closed funds	-	1,648,655	1,905,336	2,207,466
Mutual funds	-	1,496,260	1,599,798	856,550
Certificates of deposit	2010-2013	1,033,000	1,065,652	1,793,242
Total		\$ <u>7,559,008</u>	\$ <u>8,057,344</u>	\$ <u>7,616,851</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 5—INVESTMENTS: (Continued)

Premiums purchased and discounts received on the purchase of securities, when material in amount, are amortized over the period between the purchase date and maturity date of the security.

The following is a summary of investment activity for the respective years.

	<u>2009</u>	<u>2008</u>
Sales and redemptions of securities	\$ 756,578	\$ 2,571,952
Gross realized gains	\$ 11,316	\$ 7,170
Gross realized losses	(25,228)	(1,499)
Net realized gains (losses)	\$ (13,912)	\$ 5,671
Net cumulative unrealized gains (losses) at December 31:		
Gains	\$ 575,515	\$ 99,161
Losses	(77,178)	(344,199)
Net cumulative unrealized gains (losses)	\$ 498,337	\$ (245,038)

The specific identification method was used in determining the cost of securities for the calculation of realized gains and losses. These net realized gains and losses are included in investment income in the Statement of Revenues and Expenses.

See Note 16 for additional details of investment income.

NOTE 6—ACCOUNTS RECEIVABLE/DUES AND ASSESSMENTS:

Association dues are assessed on numbered residential lots and Marina Point Units as of January 1, and may be attached as enforceable liens on property as of January 31. Dues, assessments and fees are due in January of each year.

It is the practice of the Association to bill property owners for the entire annual billings in December of the year preceding the year for which they are assessed. The owners have the option of paying annual assessments in lump sum by January 31st of each year or in semi-annual or monthly installments. Dues, assessments and fees collected for the subsequent years are recorded as deferred revenue. Dues, assessments and accounts receivable are deemed delinquent when payment has not been received by contractual dates. Finance charges are assessed on delinquent amounts after they are past due at the rate of 1.5% per month on the unpaid dues balance.

The Association computes its allowance for uncollectible accounts receivable based on trend analysis and other considerations. The allowance for uncollectibles has been estimated at \$115,516 and \$87,487 at December 31, 2009 and 2008, respectively. Uncollectible accounts are charged off when management has exhausted all available legal collection procedures.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 6—ACCOUNTS RECEIVABLE/DUES AND ASSESSMENTS: (Continued)

Summary of accounts and dues receivable at December 31:

	<u>2009</u>	<u>2008</u>
Dues and finance charges	\$ 405,589	\$ 310,327
Allowance for uncollectible dues	<u>(115,516)</u>	<u>(87,487)</u>
Net dues receivable	<u>\$ 290,073</u>	<u>\$ 222,840</u>
Other receivables:		
Property transfer fees	\$ 650	\$ 3,900
Cable franchise fee	32,464	31,933
Virginia Department of Environmental Quality	6,654	6,654
Others	<u>219</u>	<u>2,084</u>
Total other receivables	<u>\$ 39,987</u>	<u>\$ 44,571</u>

NOTE 7—INVENTORIES:

Association inventories at December 31, consisted of the following:

	<u>2009</u>	<u>2008</u>
Food and beverages	\$ 6,935	\$ 7,371
Paper supplies	1,468	1,744
Gasoline for resale	10,249	6,596
Maintenance gasoline	7,174	5,974
Merchandise and supplies for resale	<u>12,322</u>	<u>12,022</u>
Total	<u>\$ 38,148</u>	<u>\$ 33,707</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 8—FIXED ASSETS:

Changes in fixed assets during the year are as follows:

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
Land	\$ 580,827	\$ 64,800	\$ -	\$ 645,627
Golf course	865,000	-	-	865,000
Construction in progress	204,241	-	204,241	-
Buildings and facilities	1,547,520	295,574	-	1,843,094
Automobiles and trucks	457,413	-	-	457,413
Equipment	2,016,293	50,731	18,024	2,049,000
Furniture and fixtures	159,077	2,142	-	161,219
Improvements to buildings and recreational areas	<u>3,426,504</u>	<u>115,734</u>	<u>20,454</u>	<u>3,521,784</u>
Total	\$ 9,256,875	\$ 528,981	\$ 242,719	\$ 9,543,137
Accumulated depreciation	<u>\$ (3,696,235)</u>	<u>\$ (350,311)</u>	<u>\$ (37,441)</u>	<u>\$ (4,009,105)</u>
Net fixed assets	<u>\$ 5,560,640</u>	<u>\$ 178,670</u>	<u>\$ 205,278</u>	<u>\$ 5,534,032</u>

Fixed assets were derived from the following sources:

	<u>2009</u>	<u>2008</u>
Association revenues	\$ 7,619,882	\$ 7,333,620
Notes payable and capital lease proceeds	378,229	378,229
Original developer contributions *	<u>1,545,026</u>	<u>1,545,026</u>
Total	<u>\$ 9,543,137</u>	<u>\$ 9,256,875</u>

* This represents the value of fixed assets (primarily golf course, club and other recreational facilities and common areas) turned over to the Association by the developer. The values were determined by obtaining the approximate cost of the facilities from the developer.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 9—DEFERRED REVENUES:

Deferred revenues and deposits represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Association deferred revenues at December 31, 2009 and 2008 totaled \$693,238 and \$900,096, respectively, and are comprised of dues, assessments, fees and other receipts collected in the current year. These deferred revenues are applicable to the subsequent year.

NOTE 10—NOTES PAYABLE:

The following is a summary of transactions related to notes payable for the year ended December 31, 2009.

	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2009</u>
Note payable for grapple truck	\$ 122,294	\$ -	\$ 23,166	\$ 99,128
Note payable for amphibious excavator and barge	156,776	-	28,970	127,806
Note payable for track loader	<u>53,623</u>	<u>-</u>	<u>11,219</u>	<u>42,404</u>
	<u>\$ 332,693</u>	<u>\$ -</u>	<u>\$ 63,355</u>	<u>\$ 269,338</u>

Annual requirements to amortize the notes payable and related interest are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 66,893	\$ 13,073
2011	70,629	9,337
2012	74,574	5,418
2013	<u>57,242</u>	<u>1,360</u>
Total	<u>\$ 269,338</u>	<u>\$ 29,188</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 10—NOTES PAYABLE: (Continued)

Details of notes payable are as follows:

	<u>Amount Outstanding</u>	<u>Amount Due in One Year</u>
\$127,521 note payable issued August 28, 2008, secured by grapple truck and by minimum account balance required to be maintained (see Note 15). Due in monthly installments of principal and interest of \$2,443 through September 1, 2013, with an interest rate of 5.5% per annum.	\$ 99,128	\$ 24,473
\$161,000 note payable issued September 30, 2008, secured by amphibious excavator and barge and by minimum account balance required to be maintained (see Note 15). Due in monthly installments of principal and interest of \$3,102 through October 4, 2013, with an interest rate of 5.75% per annum.	127,806	30,681
\$59,936 note payable issued May 7, 2008, secured by track loader. Due in monthly installments of principal and interest of \$1,118 through May 7, 2013, with an interest rate of 4.54% per annum.	<u>42,404</u>	<u>11,739</u>
	<u>\$ 269,338</u>	<u>\$ 66,893</u>

NOTE 11—CAPITAL LEASE OBLIGATION:

The Association entered into a noncancellable lease agreement for a sidewinder mower in March 2008. The present value of the minimum lease payments exceeded 90% of the fair value of the property at the inception of the lease. The asset recorded in connection with the capital lease and the associated depreciation is as follows at December 31, 2009:

Equipment	\$ 29,772
Less: accumulated depreciation	<u>(6,793)</u>
Net asset under capital lease	<u>\$ 22,979</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 11—CAPITAL LEASE OBLIGATION: (Continued)

The capital lease obligation has an imputed interest rate of 5% and is payable in monthly installments of \$686 through February 2012. Future minimum payments on the capital lease obligation are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2010	\$ 8,232
2011	8,232
2012	<u>1,372</u>
	\$ 17,836
Less amounts representing interest	<u>(975)</u>
Present value of future minimum capital lease payments	<u>\$ 16,861</u>

NOTE 12—RETIREMENT PLANS:

The Association has a 401(k) retirement plan which is available to all full-time employees. The Association contributes 2% of the employee's salary to the plan. Each employee may also elect to contribute up to the maximum allowed by law, which is \$16,500 for employees under age 50, and \$22,000 for those age 50 or older for 2009. The Association pays all trustee fees for the plan. The employer contributions to the plan totaled \$30,312 and \$31,366 for 2009 and 2008, respectively. Administrative fees were \$4,901 and \$4,767 for 2009 and 2008, respectively.

NOTE 13—OPERATING LEASES:

The Association has entered into lease agreements for the leasing of 60 electric golf carts, one beverage cart and 2 greens mowers. The original golf cart lease term began April 1, 2003 and originally expired March 31, 2008 with monthly payments of \$3,660. However, in January, 2007, the lease agreement was renegotiated and extended through March 31, 2012 with monthly lease payments of \$4,242 to begin on April 1, 2007. The Association is also leasing two greens mowers beginning September 15, 2007 and ending September 15, 2010, with monthly payments of \$1,201. Total rental expense was \$65,318 for 2009 and \$66,217 for 2008. Future minimum lease payments under these noncancellable operating leases are as follows:

2010	\$ 60,514
2011	50,904
2012	<u>4,242</u>
Total	<u>\$ 115,660</u>

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 14—FUTURE MAJOR REPAIRS AND REPLACEMENT RESERVES:

The Association is required by law to have a reserve study performed at least once every five years, and to review reserve requirements annually.

In October 1992, the Association Board of Directors authorized a study of Association assets to estimate the remaining useful lives and the replacement costs of the components of common property and current estimates of major repairs and replacements that may be required in the future. This study was updated in 1997, in 2002, and again in 2005.

The Association Board of Directors reviews reserve requirements in conjunction with the annual budget process, during which it authorizes expenditures for reserve-related replacements for the subsequent year and considers funding requirements.

With respect to the reserve for major repairs and replacements, the 2005 reserve study recommended a beginning fund balance of \$26,653, annual funding consisting of \$740,000 in contributions and \$525 in interest income, and \$758,325 in expenditures for calendar 2009, resulting in a recommended ending balance of \$8,853 as of December 31, 2009. The actual beginning balance of the reserve was \$229,277, and the reserve was funded with \$31,008 of operating contributions and with a \$326,905 depreciation allocation. Actual expenditures of \$168,709 and transfers to the lake and road reserves in the amount of \$82,773 were made in 2009, resulting in an ending balance of \$335,708 as of December 31, 2009. Actual 2009 expenditures were less than those authorized by the Board for the year, which were \$217,250.

With respect to the road reserve, the 2005 reserve study recommended a beginning fund balance of \$16,940, annual funding consisting of \$60,000 in contributions and \$394 of interest income, and \$67,592 in expenditures for calendar 2009, resulting in a recommended ending balance of \$9,742 as of December 31, 2009. The actual beginning balance of the reserve was \$38,480, and the reserve was funded with \$1,586 from interest income, \$119,352 from dues, \$10,952 from new home fees, \$28,062 from depreciation, and 7,000 from majors renovation fees. Expenditures charged to the reserve for 2009 were \$47,588 for repairs and maintenance and resulted in an ending balance of \$157,844 as of December 31, 2009. A minimum of \$25.00 of the annual dues per lot is set aside for the road program.

With respect to the lake reserve, the 2005 reserve study recommended a beginning fund balance of \$15,399, annual funding consisting of \$292,700 in contributions and \$362 in interest income, and \$299,385 in expenditures for calendar 2009, resulting in a recommended ending balance of \$9,076 as of December 31, 2009. The actual beginning balance of the reserve was \$188,238, and the reserve was funded with \$229,152 from dues and \$26,625 from depreciation. Actual expenditures of \$294,531 were made in 2009, resulting in an ending balance of \$149,484 as of December 31, 2009. A minimum of \$48.00 of the annual dues per lot is set aside for the lake program.

NOTE 15—COMMITMENTS AND CONTINGENCIES:

In 2008, the Association obtained two loans from a local credit union. Under the terms of the loans the Association is required to maintain a minimum balance of \$33,000 in a deposit account with the credit union. The Association has granted the lender a security interest in the deposit account to the extent of the minimum balance required.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 16—INVESTMENT INCOME:

Investment income consists of the following:

	<u>2009</u>	<u>2008</u>
Interest	\$ 215,937	\$ 280,612
Dividends from mutual funds	78,845	72,659
Net realized gains (losses) on sales of securities	(13,912)	5,671
Total net investment income	<u>\$ 280,870</u>	<u>\$ 358,942</u>
Unrealized gains (losses) on securities consist of:		
Unrealized holding gains (losses) arising during period	\$ 679,294	\$ (351,820)
Reclassification adjustment for (gains)/losses included in prior year net income	64,081	167
Total net unrealized gains (losses) on securities	<u>\$ 743,375</u>	<u>\$ (351,653)</u>
Investment activity has been allocated as follows:		
Reserved activity:		
Swimming pool construction	\$ -	\$ 10,702
Major repairs and replacement	-	6,511
Lake preservation	-	4,973
Road dues	1,586	1,458
Roads - new home construction fee	-	752
Property transfer fees	2,337	4,734
Unreserved activities:		
Undesignated reserves	738,814	3,429
Operations	281,508	273,678
Board Discretionary Fund	-	(298,948)
Total investment income	<u>\$ 1,024,245</u>	<u>\$ 7,289</u>
At December 31, cumulative net gains/(losses) on investments are allocated as follows:		
Operations	<u>\$ 498,337</u>	<u>\$ (245,038)</u>
Total	<u>\$ 498,337</u>	<u>\$ (245,038)</u>

The cost of securities sold when computing realized gains and losses was determined on the specific identification basis.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 17—FAIR VALUE MEASUREMENTS:

A three-level fair value hierarchy is used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

At December 31, 2009 and 2008, the Association's financial assets measured at fair value on a recurring basis consisted of investments held for resale in the amount of \$8,057,344 and \$7,616,851, respectively. The fair value of investments held for resale was established based on Level 1 inputs, as defined by FASB ASC 820-10.

The Association did not have any financial liabilities subject to fair value measurement at December 31, 2009 or 2008.

NOTE 18—SALE OF LAKE MONTICELLO SERVICE COMPANY:

During 1999, the Association sold its ownership interest in the Lake Monticello Service Company. The sale was approved by a vote of the Association members in September 1998 and by the State Corporation Commission in 1999. The total proceeds from the sale of the company, or \$6,630,063, has been restricted by the Association membership.

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 19—RESTRICTED FUNDS:

At the Special Meeting of Members held September 12, 1998, the membership approved of the sale of the Lake Monticello Service Company to Aqua Source, Inc. with the provisions: "To approve the principal from this sale be invested and under the care of the Members requiring a vote of the Members for the principal to be used. The interest from this principal shall be available to the Board of Directors for use in maintenance, upkeep, general care of the amenities and assets of the corporation and capital needs." The beginning balance of the principal was \$6,620,274 as per the deposits to the investment account. Subsequent to the sale of the company, additional proceeds of \$9,789 were received as a result of the receipt of income tax refunds less accounting fees for filing the refund claims. The total of the net proceeds from the sale and subsequent income tax refunds resulted in total restricted funds of \$6,630,063 from the sale of the company. The invasion of this principal requires agreement of a majority of the members of the Association in person or by proxy present at a meeting at which a quorum exists [Buck & Tereskerz (legal counsel) Opinion September 28, 2000]. Any income earned by LMOA (including all interest income and dividends), which is derived from, but which is not a part of, (a) the principal, or (b) the payment received by LMOA with respect to net working capital of LMSC as of the closing date of the Sale, is available to the Board of Directors of LMOA for use in maintenance, upkeep, general care of amenities and assets of the corporation and capital needs [Mays & Valentine (legal counsel) Opinion July 16, 1999]. The investment of these funds is governed by LMOA Policy 4.02Q approved February 25, 1999, and as subsequently amended and revised.

NOTE 20—RESERVED EQUITY:

Equity has been reserved for the following:

	<u>2009</u>	<u>2008</u>
Swimming Pool Construction	\$ 198,440	\$ 299,326
Major repairs and replacement (future years)	335,708	229,277
Lake preservation	149,484	188,238
Roads/new home construction	157,844	38,480
Capital projects - property transfer fees	205,866	197,839

At the Annual Meeting of Members held November 17, 1979, the property owners approved the acceptance of the Developer's offer to pay the Association \$128,000 of cash in lieu of the construction of a second swimming pool, and to allow the Association to invest the funds as it sees fit with all income earned on the investment of these funds also reserved for pool construction. This vote taken by the members was an advisory referendum. A resolution by the members to prohibit the use of the funds for any other purpose has not been made [Buck and Tereskerz (legal counsel) Opinion April 9, 1998].

These funds were accepted by the Association from the Developer as part of an indemnification agreement between the Association and the Developer to remove from the Developer liability for any claims made against it for not building a second swimming pool. The principal of these funds and earnings thereon have been held in escrow by the Association, although it is not legally required to do so. The Developer wanted the funds to be placed in escrow because of its concerns about the Association's financial ability to build a second pool when the need arose. Regardless of whether the funds are maintained in an escrow account, the Association does have a continuing obligation to indemnify and hold the Developer harmless even if it uses the funds for other purposes. [Buck and Tereskerz (legal counsel) Opinion April 9, 1998].

LAKE MONTICELLO OWNERS' ASSOCIATION

Notes to Financial Statements
As of December 31, 2009 (Continued)

NOTE 20—RESERVED EQUITY: (Continued)

In June, 2007 the Association membership authorized the Association to utilize funds in the "Swimming Pool Fund" for approved projects which add to LMOA amenities and/or enhance existing facilities.

The balance of this reserved equity is \$198,440 and \$299,326 at December 31, 2009 and 2008, respectively.

NOTE 21—SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 4, 2010, the date the financial statements were available to be issued. There were no significant subsequent events to be disclosed.

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Supplemental Information

LAKE MONTICELLO OWNERS' ASSOCIATION

Schedule of Departmental Revenues and Expenses

Year Ended December 31, 2009

(With Comparative Totals for 2008)

	<u>Administration</u>	<u>General Maintenance</u>	<u>Recreation</u>
Revenues			
Dues, assessments and related charges	\$ -	\$ -	\$ -
Improved property income	-	-	-
Property transfer fees	-	-	-
Environmental Control Committee fees	-	-	-
Recreation fees	-	-	238,175
Golf and related fees	-	-	-
Sales of merchandise and related items	-	-	100,443
Cost of sales	-	-	(91,089)
Barcode income	-	-	-
Cable income	129,820	-	-
Interest/investment income, net	281,508	-	-
New home construction fee	-	-	-
Other	28,503	6,824	-
Total revenues	<u>\$ 439,831</u>	<u>\$ 6,824</u>	<u>\$ 247,529</u>
Operating expenses			
Compensation/benefits	\$ 599,201	\$ 331,782	\$ 119,008
Administrative	84,650	7,741	4,442
Transportation	1,383	23,776	-
Utilities	39,633	5,174	28,947
Buildings/grounds repairs and maintenance	8,706	72,032	7,699
Equipment repairs and maintenance	59,386	27,080	17,786
Irrigation	-	-	-
Non-capital purchases	2,811	5,622	1,386
Professional services/insurance	151,319	-	-
Equipment leases	-	-	-
Road maintenance	-	-	-
Other	12,131	1,356	5,500
Total operating expenses	<u>\$ 959,220</u>	<u>\$ 474,563</u>	<u>\$ 184,768</u>
Operating profit (loss)	<u>\$ (519,389)</u>	<u>\$ (467,739)</u>	<u>\$ 62,761</u>
Other expenses (income)			
Depreciation	\$ 34,709	\$ 56,913	\$ 62,773
Provision for uncollectible dues	-	-	-
Projects from MR & R	-	-	-
Lake expenses	-	-	-
Interest expense	-	-	-
(Gain) loss on disposition of assets	-	-	-
Total other (income) expenses	<u>\$ 34,709</u>	<u>\$ 56,913</u>	<u>\$ 62,773</u>
Net departmental income (loss)	<u>\$ (554,098)</u>	<u>\$ (524,652)</u>	<u>\$ (12)</u>
Unrealized gains (losses) on investments	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in equity	<u><u>\$ (554,098)</u></u>	<u><u>\$ (524,652)</u></u>	<u><u>\$ (12)</u></u>

<u>Pool Snack Bar</u>	<u>Eagles Nest</u>	<u>Golf</u>	<u>Security</u>	<u>Not Allocated</u>	<u>Total</u>	<u>Prior Year Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,374,461	\$ 2,374,461	\$ 2,278,618
-	-	-	-	624,685	624,685	620,948
-	-	-	-	105,150	105,150	129,650
-	-	-	18,660	-	18,660	22,885
-	-	-	-	-	238,175	250,656
-	-	594,357	-	-	594,357	674,189
32,787	95,969	42,432	-	-	271,631	375,613
(17,366)	(42,840)	(28,131)	-	-	(179,426)	(248,635)
-	-	-	86,609	-	86,609	86,571
-	-	-	-	-	129,820	125,521
-	-	-	-	(638)	280,870	358,942
-	-	-	-	10,952	10,952	29,762
-	-	-	29,892	(1)	65,218	70,397
<u>\$ 15,421</u>	<u>\$ 53,129</u>	<u>\$ 608,658</u>	<u>\$ 135,161</u>	<u>\$ 3,114,609</u>	<u>\$ 4,621,162</u>	<u>\$ 4,775,117</u>
\$ 22,977	\$ 89,717	\$ 415,074	\$ 675,411	\$ -	\$ 2,253,170	\$ 2,261,469
141	2,078	30,597	35,763	-	165,412	187,279
-	-	7,811	29,977	-	62,947	84,635
420	10,962	17,151	8,403	-	110,690	102,825
375	5,062	54,599	603	727,068	876,144	890,732
-	2,101	58,048	-	-	164,401	172,368
-	-	20,933	18,591	-	39,524	19,627
219	427	2,342	283	105,494	118,584	16,020
-	400	-	-	-	151,719	166,045
-	-	50,070	-	-	50,070	66,217
-	-	-	-	47,587	47,587	82,595
1,716	6,001	10,847	1,795	-	39,346	43,694
<u>\$ 25,848</u>	<u>\$ 116,748</u>	<u>\$ 667,472</u>	<u>\$ 770,826</u>	<u>\$ 880,149</u>	<u>\$ 4,079,594</u>	<u>\$ 4,093,506</u>
<u>\$ (10,427)</u>	<u>\$ (63,619)</u>	<u>\$ (58,814)</u>	<u>\$ (635,665)</u>	<u>\$ 2,234,460</u>	<u>\$ 541,568</u>	<u>\$ 681,611</u>
\$ 1,221	\$ 8,708	\$ 81,243	\$ 54,751	\$ 49,993	\$ 350,311	\$ 319,886
-	-	-	-	31,151	31,151	(7,745)
-	-	-	-	-	-	46,223
-	-	-	-	93,858	93,858	62,246
-	-	-	-	-	-	6,732
-	-	-	-	1,037	1,037	(2,512)
<u>\$ 1,221</u>	<u>\$ 8,708</u>	<u>\$ 81,243</u>	<u>\$ 54,751</u>	<u>\$ 176,039</u>	<u>\$ 476,357</u>	<u>\$ 424,830</u>
\$ (11,648)	\$ (72,327)	\$ (140,057)	\$ (690,416)	\$ 2,058,421	\$ 65,211	\$ 256,781
-	-	-	-	743,375	743,375	(351,653)
<u>\$ (11,648)</u>	<u>\$ (72,327)</u>	<u>\$ (140,057)</u>	<u>\$ (690,416)</u>	<u>\$ 2,801,796</u>	<u>\$ 808,586</u>	<u>\$ (94,872)</u>

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Supporting Data

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LAKE MONTICELLO OWNERS' ASSOCIATION

Supplemental Data on Future Major Repairs and Replacements
December 31, 2009

A comprehensive reserve study update was completed in 2005.

The Board of Directors employed Reserve Advisors, Inc. to conduct a reserve study in 2005 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs which are based on construction range estimates and insurance replacement costs. Funding recommendations consider an annual inflation rate of 3.0% and interest of 3.0% on amounts funded for future major repairs and replacements.

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

Components	Per 2005 Reserve Study		
	Remaining Estimated Useful Lives (Years)	Estimated Future Replacement Costs	Reserve Study Replacement Recommendations For 2010
Major repairs and replacements:			
Main Clubhouse:			
Exterior	2 to 7	\$ 429,406	\$ 15,000
Interior	1 to 17	422,584	30,050
Furnishings	1 to 17	276,277	-
Building systems/equipment	1 to 12	1,302,251	25,415
Miscellaneous	N/A	-	15,000
Site elements	4 to 20	501,674	5,000
Recreation			
Beaches	2 to 19	836,990	-
Marina	1 to 20	614,870	63,026
Playgrounds	1 to 15	461,761	-
Swimming Pool/SB	1 to 21	2,295,878	55,000
Tennis/Basketball Courts	2 to 8	779,750	28,500
Maintenance			
Equipment	1 to 20	2,324,737	6,700
Buildings	8 to 17	197,932	-
Security			
Equipment	1 to 15	2,553,285	27,000
Golf			
Golf Course	1 to 19	4,436,741	75,000
Pro Shop, Barn, and Maintenance Buildings	1 to 15	1,367,539	6,724
Equipment	1 to 15	3,561,988	34,455
Total major repairs and replacements		\$ 22,363,663	\$ 386,870
Roads	1 to 14	\$ 12,220,491	\$ 50,000
Lake	1 to 29	\$ 7,813,367	\$ 229,105
Total		\$ 42,397,521	\$ 665,975

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