

The Ranch at Prescott HOA
 Balance Sheet
 As of 12/31/09

| Account Description | Operating | Reserves | Other | Totals |
|---------------------|-----------|----------|-------|--------|
|---------------------|-----------|----------|-------|--------|

ASSETS

| | | | | |
|----------------------------------|-------------------|------------------|------------|-------------------|
| CAB - Operating | 71,087.50 | | | 71,087.50 |
| CAB - Reserve Money Market | | 28,813.74 | | 28,813.74 |
| CAB - Operating MM | 74,325.67 | | | 74,325.67 |
| CAB - Tennis Group MM | 148.26 | | | 148.26 |
| CAB - Construction Deposit MM | 16,000.00 | | | 16,000.00 |
| BNC CD-316 (6/2/10) 2.59% | 25,000.00 | | | 25,000.00 |
| BNC CD-317 (6/2/10) 2.59% | 50,000.00 | | | 50,000.00 |
| CAB OP CD (2/28/10) 1.98% | 26,329.40 | | | 26,329.40 |
| CAB Oper CD (7/12/10) 1.98% | 25,944.50 | | | 25,944.50 |
| Total Cash | 288,835.33 | 28,813.74 | .00 | 317,649.07 |
| A/R Assessments | 2,630.96 | | | 2,630.96 |
| A/R Compliance Fee | 75.00 | | | 75.00 |
| A/R Late Fees | 350.86 | | | 350.86 |
| A/R NSF/Collection Notice Fees | 856.00 | | | 856.00 |
| A/R Other | 3,133.12 | | | 3,133.12 |
| Allowance for Bad Debt | (3,464.72) | | | (3,464.72) |
| Total Accounts Receivable | 3,581.22 | .00 | .00 | 3,581.22 |
| Prepaid Insurance | 2,078.50 | | | 2,078.50 |
| Street Light Posts | 1,739.21 | | | 1,739.21 |
| Total Other Assets | 3,817.71 | .00 | .00 | 3,817.71 |
| TOTAL ASSETS | 296,234.26 | 28,813.74 | .00 | 325,048.00 |

LIABILITIES & EQUITY

CURRENT LIABILITIES:

| | | | | |
|-------------------------------|------------------|------------|------------|------------------|
| Prepaid Owner Assessments | 73,705.09 | | | 73,705.09 |
| NSF/Collection Notice Payable | 946.00 | | | 946.00 |
| Construction Deposits Payable | 16,000.00 | | | 16,000.00 |
| Total Liabilities | 90,651.09 | .00 | .00 | 90,651.09 |

EQUITY:

| | | | | |
|----------------|------------|--|--|------------|
| Operating Fund | 196,416.57 | | | 196,416.57 |
|----------------|------------|--|--|------------|

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Balance Sheet
As of 12/31/09

| Account Description | Operating | Reserves | Other | Totals |
|--------------------------------|-------------------|------------------|------------|-------------------|
| Reserve Fund | | 29,699.78 | | 29,699.78 |
| Current Year Net Income/(Loss) | 9,166.60 | (886.04) | .00 | 8,280.56 |
| Total Equity | <u>205,583.17</u> | <u>28,813.74</u> | <u>.00</u> | <u>234,396.91</u> |
| TOTAL LIABILITIES & EQUITY | <u>296,234.26</u> | <u>28,813.74</u> | <u>.00</u> | <u>325,048.00</u> |

The Ranch at Prescott HOA
 Income/Expense Statement - Operating Fund
 Period: 12/01/09 to 12/31/09

| Account | Description | Current Period | | | Year-To-Date | | | Yearly Budget |
|-------------------------------|-------------------------------------|-----------------|-----------------|-----------------|-------------------|-------------------|------------------|-------------------|
| | | Actual | Budget | Variance | Actual | Budget | Variance | |
| INCOME: | | | | | | | | |
| 41000-000 | Homeowner Assessments | .00 | .00 | .00 | 114,625.00 | 115,375.00 | (750.00) | 115,375.00 |
| 42100-000 | Collection Agency Fee | 250.00 | .00 | 250.00 | 350.00 | .00 | 350.00 | .00 |
| 42300-000 | Weed Abatement Income | .00 | .00 | .00 | 15,300.00 | .00 | 15,300.00 | .00 |
| 43000-000 | Late Fees | .00 | .00 | .00 | 887.00 | .00 | 887.00 | .00 |
| 44000-000 | Rental Admin Fee | 200.00 | .00 | 200.00 | 300.00 | .00 | 300.00 | .00 |
| 46000-000 | Interest Income | 165.18 | .00 | 165.18 | 2,908.75 | .00 | 2,908.75 | .00 |
| 48000-000 | Compliance Fee | .00 | .00 | .00 | 200.00 | .00 | 200.00 | .00 |
| 49000-000 | Other Income | .00 | .00 | .00 | 1.79 | .00 | 1.79 | .00 |
| | TOTAL INCOME | 615.18 | .00 | 615.18 | 134,572.54 | 115,375.00 | 19,197.54 | 115,375.00 |
| EXPENSES: | | | | | | | | |
| Administrative Expense | | | | | | | | |
| 51000-000 | Accounting/Tax Prep Fees | .00 | .00 | .00 | 4,150.00 | 6,500.00 | 2,350.00 | 6,500.00 |
| 52000-000 | Bad Debt | 1,964.72 | 3,462.00 | 1,497.28 | 2,526.17 | 3,462.00 | 935.83 | 3,462.00 |
| 54000-000 | Insurance | .00 | .00 | .00 | 4,393.75 | 4,850.00 | 456.25 | 4,850.00 |
| 54500-000 | Intent to Lien Fees | .00 | .00 | .00 | 35.00 | .00 | (35.00) | .00 |
| 55000-000 | Legal Fees | .00 | .00 | .00 | 438.75 | 9,000.00 | 8,561.25 | 9,000.00 |
| 55200-000 | Licenses/Permits | .00 | .00 | .00 | 63.00 | .00 | (63.00) | .00 |
| 55300-000 | Lien Fees | .00 | .00 | .00 | 452.00 | .00 | (452.00) | .00 |
| 55400-000 | Collection Agency Costs | 250.00 | .00 | (250.00) | 350.00 | .00 | (350.00) | .00 |
| 55500-000 | Long Distance/Fax | 3.00 | 45.00 | 42.00 | 51.00 | 595.00 | 544.00 | 595.00 |
| 56000-000 | Management Fees | 3,975.00 | 3,975.00 | .00 | 47,700.00 | 47,700.00 | .00 | 47,700.00 |
| 56500-000 | Meetings | .00 | 75.00 | 75.00 | 2,087.88 | 3,625.00 | 1,537.12 | 3,625.00 |
| 57000-000 | Newsletter | .00 | .00 | .00 | 2,786.73 | 3,400.00 | 613.27 | 3,400.00 |
| 58000-000 | Office Supplies | 227.64 | 75.00 | (152.64) | 730.13 | 900.00 | 169.87 | 900.00 |
| 58100-000 | Postage | 381.42 | 700.00 | 318.58 | 2,368.40 | 4,500.00 | 2,131.60 | 4,500.00 |
| 58200-000 | Printing | 1,757.60 | 250.00 | (1,507.60) | 7,046.21 | 7,750.00 | 703.79 | 7,750.00 |
| 58500-000 | Professional Services | .00 | 125.00 | 125.00 | 6,108.40 | 1,500.00 | (4,608.40) | 1,500.00 |
| 58600-000 | Website administration | 100.00 | 100.00 | .00 | 402.95 | 1,200.00 | 797.05 | 1,200.00 |
| | Total Administrative Expense | 8,659.38 | 8,807.00 | 147.62 | 81,690.37 | 94,982.00 | 13,291.63 | 94,982.00 |
| Common Area Expense | | | | | | | | |
| 61000-000 | Landscape Maintenance | .00 | .00 | .00 | 6,475.00 | 6,000.00 | (475.00) | 6,000.00 |
| 61100-000 | Landscape Supplies/Labor | .00 | .00 | .00 | 250.00 | .00 | (250.00) | .00 |
| 61200-000 | Landscape - Other | 695.00 | .00 | (695.00) | 2,600.00 | 3,183.00 | 583.00 | 3,183.00 |
| 61300-000 | Weed abatement | .00 | .00 | .00 | 13,575.00 | 15,200.00 | 1,625.00 | 15,200.00 |
| 64000-000 | Repairs & Maintenance | .00 | .00 | .00 | 675.00 | 3,200.00 | 2,525.00 | 3,200.00 |
| 64600-000 | Repairs/Maint - Drainage | .00 | .00 | .00 | 1,937.75 | .00 | (1,937.75) | .00 |
| | Total Common Area Expense | 695.00 | .00 | (695.00) | 25,512.75 | 27,583.00 | 2,070.25 | 27,583.00 |

The Ranch at Prescott HOA
 Income/Expense Statement - Operating Fund
 Period: 12/01/09 to 12/31/09

| Account | Description | Current Period | | | Year-To-Date | | | Yearly Budget |
|-------------------------|--------------------------------------|-------------------|-------------------|---------------|-------------------|--------------------|------------------|--------------------|
| | | Actual | Budget | Variance | Actual | Budget | Variance | |
| Utilities Expense | | | | | | | | |
| | Total Utilities Expense | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| Tax Expense | | | | | | | | |
| 71000-000 | Corporation Commission | .00 | .00 | .00 | 10.00 | 10.00 | .00 | 10.00 |
| 72000-000 | Federal Taxes | .00 | .00 | .00 | .00 | 1,375.00 | 1,375.00 | 1,375.00 |
| 72500-000 | State Taxes | .00 | .00 | .00 | .00 | 375.00 | 375.00 | 375.00 |
| 73000-000 | Property Taxes | .00 | .00 | .00 | 19.80 | 25.00 | 5.20 | 25.00 |
| | Total Tax Expense | .00 | .00 | .00 | 29.80 | 1,785.00 | 1,755.20 | 1,785.00 |
| Other Expense | | | | | | | | |
| 82000-000 | Contingency | .00 | 700.00 | 700.00 | .00 | 8,500.00 | 8,500.00 | 8,500.00 |
| 88500-000 | Signs/Flags/Banners | .00 | .00 | .00 | 508.02 | .00 | (508.02) | .00 |
| | Total Other Expense | .00 | 700.00 | 700.00 | 508.02 | 8,500.00 | 7,991.98 | 8,500.00 |
| | TOTAL EXPENSES | 9,354.38 | 9,507.00 | 152.62 | 107,740.94 | 132,850.00 | 25,109.06 | 132,850.00 |
| | CURRENT NET INCOME/(LOSS) | (8,739.20) | (9,507.00) | 767.80 | 26,831.60 | (17,475.00) | 44,306.60 | (17,475.00) |
| TRANSFER BETWEEN FUNDS: | | | | | | | | |
| 98000-000 | Transfer to Reserves | .00 | .00 | .00 | (17,665.00) | .00 | (17,665.00) | .00 |
| | INCOME/(LOSS) AFTER TRANSFERS | (8,739.20) | (9,507.00) | 767.80 | 9,166.60 | (17,475.00) | 26,641.60 | (17,475.00) |

The Ranch at Prescott HOA
 Income/Expense Statement - Reserve Fund
 Period: 12/01/09 to 12/31/09

| Account | Description | Current Period | | | Year-To-Date | | | Yearly Budget |
|--------------------------------|--------------------------------------|----------------|------------|--------------|--------------------|-----------------|--------------------|-----------------|
| | | Actual | Budget | Variance | Actual | Budget | Variance | |
| INCOME: | | | | | | | | |
| 46000-002 | Interest Income-Reserve | 24.46 | .00 | 24.46 | 268.96 | 2,475.00 | (2,206.04) | 2,475.00 |
| | TOTAL INCOME | 24.46 | .00 | 24.46 | 268.96 | 2,475.00 | (2,206.04) | 2,475.00 |
| EXPENSES: | | | | | | | | |
| 94200-002 | Landscaping - Reserves | .00 | .00 | .00 | 1,155.00 | .00 | (1,155.00) | .00 |
| 94300-002 | Drainage - Reserves | .00 | .00 | .00 | 17,665.00 | .00 | (17,665.00) | .00 |
| | TOTAL EXPENSES | .00 | .00 | .00 | 18,820.00 | .00 | (18,820.00) | .00 |
| | CURRENT NET INCOME/(LOSS) | 24.46 | .00 | 24.46 | (18,551.04) | 2,475.00 | (21,026.04) | 2,475.00 |
| TRANSFER BETWEEN FUNDS: | | | | | | | | |
| 98000-002 | Transfer from Operating | .00 | .00 | .00 | 17,665.00 | .00 | 17,665.00 | .00 |
| | INCOME/(LOSS) AFTER TRANSFERS | 24.46 | .00 | 24.46 | (886.04) | 2,475.00 | (3,361.04) | 2,475.00 |