

CANYON LAKE PROPERTY OWNERS ASSOCIATION

**Auditor's Report
Financial Statements
and
Supplemental Information
*For the Year Ended April 30, 2008***

PORTER & COMPANY
Certified Public Accountant



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Board of Directors and Members

Canyon Lake Property Owners Association
Canyon Lake, CA

Independent Auditor's Report

I have audited the accompanying balance sheet of Canyon Lake Property Owners Association, a California Non-Profit Corporation, as of April 30, 2008, and the related statements of revenues and expenses and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Canyon Lake Property Owners Association as of April 30, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. I have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of my audit. The Supplemental Information on Replacement Fund Balances included in the accompanying schedule is not a required part of the basic financial statements but is supplemental information required by Accounting Principles Generally Accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it. The Supplemental Information on Operating Fund Facility User/Food Sales, and Other Fees and Expenses is presented for purposes of additional analysis and is not required as part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Porter & Company

August 14, 2008

Canyon Lake Property Owners Association

Balance Sheet

As of April 30, 2008

	Operating Fund	Community Facilities Fund	Replacement Fund	Total Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 52,591	\$ -	\$ 1,552,301	\$ 1,604,892
Investments	-	544,154	4,968,935	5,513,089
Assessments Receivable, Net of Allowance for Doubtful Accounts of \$80,568 and \$300,000, Respectively	778,903	451,890	-	1,230,793
Interest Receivable	-	93,782	-	93,782
Other Receivables	50,215	-	123,923	174,138
Inventory	72,829	-	-	72,829
Prepaid Expenses	141,436	-	-	141,436
Property and Equipment, Net of Accumulated Depreciation of \$6,034,665	7,376,467	-	-	7,376,467
Due To/From Between Funds	(493,630)	-	493,630	-
Other Assets	218,909	-	-	218,909
 Total Assets	 \$ 8,197,720	 \$ 1,089,826	 \$ 7,138,789	 \$ 16,426,335
 <u>LIABILITIES</u>				
Accounts Payable	\$ 410,687	\$ -	\$ -	\$ 410,687
Note Payable	813,037	-	-	813,037
Accrued Payroll and Related Items	167,131	-	-	167,131
Prepaid Assessments	903,701	-	-	903,701
Accrued Lake Lease Expense	295,019	-	-	295,019
Refundable Member Deposits	259,937	-	-	259,937
Income Taxes Payable	919	-	-	919
Sales Tax Payable	731	-	-	731
Other Deferred Revenues	438,152	-	-	438,152
 Total Liabilities	 3,289,314	 -	 -	 3,289,314
 <u>FUND BALANCES</u>				
Fund Balances-Unappropriated	4,908,406	1,089,826	7,138,789	13,137,021
 Total Fund Balances	 4,908,406	 1,089,826	 7,138,789	 13,137,021
 Total Liabilities and Fund Balances	 \$ 8,197,720	 \$ 1,089,826	 \$ 7,138,789	 \$ 16,426,335

See Auditor's Report

The Notes to Financial Statements are an Integral Part of This Statement

Canyon Lake Property Owners Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the Year Ended April 30, 2008

	Operating Fund	Community Facilities Fund	Replacement Fund	Total Funds
<u>REVENUES</u>				
Assessments	\$ 7,543,000	\$ 275,000	\$ 2,550,000	\$ 10,368,000
Interest Income	27,486	248,472	-	275,958
Administrative Fees	695,904	-	-	695,904
Architectural and Building Fees	174,878	-	-	174,878
Sales and User Fees	2,946,651	-	-	2,946,651
Other Income	302,230	574,762	-	876,992
Total Revenues	<u>11,690,149</u>	<u>1,098,234</u>	<u>2,550,000</u>	<u>15,338,383</u>
<u>EXPENSES</u>				
<u>General and Administrative Expenses</u>				
Insurance	263,399	-	-	263,399
Income Taxes	37,655	-	-	37,655
Legal Fees	192,614	-	-	192,614
Events	151,294	-	-	151,294
Bad Debts	242,912	338,968	-	581,880
Other General and Administrative	406,359	-	-	406,359
Cost of Sales	654,429	-	-	654,429
Utilities	811,210	-	-	811,210
Salaries and Related Expenses	4,465,740	-	-	4,465,740
Outside Services	3,040,910	-	-	3,040,910
Lake Lease	974,765	-	-	974,765
Repairs and Maintenance	245,340	-	-	245,340
Supplies	552,104	-	-	552,104
Rental Equipment	138,034	-	-	138,034
Property Taxes	1,112	-	-	1,112
Interest Expense	56,519	-	-	56,519
Major Repairs and Replacements	-	258,896	1,197,558	1,456,454
Total Expenses	<u>12,234,396</u>	<u>597,864</u>	<u>1,197,558</u>	<u>14,029,818</u>
Excess (Deficiency) of Revenues Over Expenses				
Before Depreciation	<u>(544,247)</u>	<u>500,370</u>	<u>1,352,442</u>	<u>1,308,565</u>
Depreciation	<u>(352,286)</u>	<u>-</u>	<u>-</u>	<u>(352,286)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(896,533)</u>	<u>500,370</u>	<u>1,352,442</u>	<u>956,279</u>
Fund Balances, Beginning of Year	5,171,975	1,098,580	5,910,187	12,180,742
Interfund Transfers	632,964	(509,124)	(123,840)	-
Fund Balances, End of Year	<u>\$ 4,908,406</u>	<u>\$ 1,089,826</u>	<u>\$ 7,138,789</u>	<u>\$ 13,137,021</u>

See Auditor's Report

The Notes to Financial Statements are an Integral Part of This Statement

Canyon Lake Property Owners Association

Statement of Cash Flows

For the Year Ended April 30, 2008

	Operating Fund	Community Facilities Fund	Replacement Fund	Total Funds
<u>Cash Flows From Operating Activities:</u>				
Excess (Deficiency) of Revenues Over Expenses	\$ (896,533)	\$ 500,370	\$ 1,352,442	\$ 956,279
<u>Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:</u>				
Depreciation	352,286	-	-	352,286
Bad Debts	242,912	-	-	242,912
<u>Change in Assets and Liabilities:</u>				
Change in Assessments Receivable	(115,388)	(751,890)	-	(867,278)
Change in Allowance for Doubtful Accounts	31,218	300,000	-	331,218
Change in Interest Receivable	-	(54,945)	-	(54,945)
Change in Other Receivables	(46,864)	-	4,111	(42,753)
Change in Inventory	(15,191)	-	-	(15,191)
Change in Prepaid Expenses	74,896	-	-	74,896
Change in Other Assets	25,921	-	-	25,921
Change in Accounts Payable	(316,163)	-	-	(316,163)
Change in Note Payable	(44,361)	-	-	(44,361)
Change in Accrued Payroll and Related Items	(150,423)	-	-	(150,423)
Change in Refundable Member Deposits	(13,425)	-	-	(13,425)
Change in Accrued Lake Lease Expense	23,910	-	-	23,910
Change in Prepaid Assessments	(875,137)	-	-	(875,137)
Change in Income Taxes Payable	(11,074)	-	-	(11,074)
Change in Sales Taxes Payable	(205)	-	-	(205)
Change in Deferred Revenues	351,574	-	-	351,574
Total Adjustments	(485,514)	(506,835)	4,111	(988,238)
Net Cash Provided (Used) By Operations	(1,382,047)	(6,465)	1,356,553	(31,959)
<u>Cash Flows Provided (Used) by Investing Activities:</u>				
Change in Investments, Net	-	477,380	(702,878)	(225,498)
Change in Property and Equipment, Net	(123,840)	-	-	(123,840)
Net Cash Provided (Used) by Investing Activities	(123,840)	477,380	(702,878)	(349,338)
<u>Cash Flows Provided (Used) by Financing Activities:</u>				
Transfers Between Funds	632,964	(509,124)	(123,840)	-
Interfund Borrowings, Net	505,627	(11,997)	(493,630)	-
Net Cash Provided (Used) by Financing Activities	1,138,591	(521,121)	(617,470)	-
Net Increase (Decrease) in Cash	(367,296)	(50,206)	36,205	(381,297)
Cash and Cash Equivalents at Beginning of Year	419,887	50,206	1,516,096	1,986,189
Cash and Cash Equivalents at End of Year	\$ 52,591	\$ -	\$ 1,552,301	\$ 1,604,892
<u>Supplemental Information:</u>				
Cash Paid for Income Taxes	\$ 15,636	\$ -	\$ -	\$ 15,636

See Auditor's Report

The Notes to Financial Statements are an Integral Part of This Statement

Canyon Lake Property Owners Association

Notes to Financial Statements

For the Year Ended April 30, 2008

NOTE 1 - SIGNIFICANT ACCOUNTING

POLICIES:

Organizational Data

Canyon Lake Property Owners Association (the "Association") was incorporated May 3, 1968 as a California nonprofit corporation. The Association is responsible for the operation and maintenance of the common areas of a 4,800 lot planned development in Canyon Lake, California. Association activities are governed by the Association's governing documents. The Association is controlled by a member-elected Board of Directors, all of whom serve on a voluntary basis. The Association is managed by a general manager and supporting staff.

Accounting Method

The Association maintains its books of account on the accrual basis of accounting where revenue is recognized when assessments are earned or billed, and expenses are recognized when goods or services are received, whether paid for or not.

Fund Accounting

The Association has segregated its activities into three funds. The operating fund accounts for all current operating transactions of the Association. The community facilities fund accounts for the accumulations and expenditure of funds for new improvements to the community. The replacement fund accounts for member capital contributions and Association disbursements necessary to provide for the future repair, replacement and improvement of Association property, facilities, roadways, and common areas.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. The Association maintains bank accounts at financial institutions within the counties of Riverside and Los Angeles.

Investments

Investments consist of Certificates of Deposit and Municipal Bonds recorded at amortized cost. Based on the past investing history and the current intentions of Management these securities are classified as "Held to Maturity" for purposes of Statement of Financial Accounting Standards No. 115. These investments mature at dates ranging from December 2008 to April 2045. The amortized cost of these investments held at April 30, 2008, was \$5,513,089. Investments are classified as designated funds. The unrealized loss at April 30, 2008 was \$20,178.

Assessments Receivable

Assessments receivable as reflected in the financial statements are from members whose units are located within the City of Canyon Lake. A provision has been made for bad debts, using the allowance method. The Association has the right to levy liens on a member's property to insure payment of an assessment due the Association.

Inventories

Inventories consist primarily of food at the restaurant, gasoline at the campground and horse feed at the equestrian center. Inventory is stated at the lower of first-in, first-out cost or market, using a standard cost method.

Property, Equipment, and Depreciation

Common areas are restricted to use by Association members, their tenants, and guests. The Association is responsible for the preservation and maintenance of the common areas. Personal property acquired by the Association is capitalized at cost and depreciated over the estimated useful life of the item purchased, ranging from three to forty years, using the straight-line method of depreciation.

Real property capitalized on the balance sheet of the Association includes the golf course and related improvements, buildings, the equestrian center, campground improvements, and the marina and related improvements. These assets are related either to the production of income to the Association or are severable and saleable at the Board of Directors' discretion. Real property not capitalized on the balance sheet of the Association includes the roads, administrative and maintenance buildings, parks, and greenbelts. Replacements and improvements to this property and common areas are not capitalized, as they are either not directly related to the production of income to the Association, or are not severable and saleable at the Board of Directors' discretion. The following summarizes capital assets recorded as of April 30, 2008:

Description	Amount
Land and Improvements	\$ 6,496,006
Buildings	3,794,593
Machinery and Equipment	1,607,746
Pool	354,365
Furniture and Fixtures	643,450
Vehicles	514,972
Total Cost of Property and Equipment	13,411,132
Less Accumulated Depreciation	(6,034,665)
Net Property and Equipment at 4/30/2008	\$ 7,376,467

Canyon Lake Property Owners Association

Notes to Financial Statements

For the Year Ended April 30, 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Construction Deposits

The Association collects deposits from property owners or contractors (builders) when builders apply for a building permit. The purpose of the deposit is to ensure compliance with Association rules and regulations. The deposit is refunded when the builders apply for the refund and the Association verifies compliance.

Assessments

Each property owner is subject to paying an annual assessment as determined by the Board of Directors to provide for the Association's operating expenses and replacement fund needs. Assessments are determined annually during the budget process based on the Association's fiscal year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates included in the preparation of these financial statements include estimated bad debts, estimates of depreciation, and of replacement fund components relating to useful life, replacement cost, inflation rates, and tax rates. Actual results could differ from those estimates.

Lines of Business

The Association conducts only one line of business, which is providing management and recreation services to its members. This consists primarily of maintenance of the common areas and related administrative functions.

NOTE 2 - REPLACEMENT FUND AND RESTRICTED CASH:

The Canyon Lake Property Owners Association governing documents require funds to be accumulated for the replacement and improvements of its common areas and for general operations. Such funds are intended to provide for the cost of future replacement, repairs and maintenance when it is estimated that such items are needed.

It is the Association's policy to fund its reserves on a monthly basis. The Association annually reviews its reserve funding program. The last review was performed as part of the budget process for the current year. California Civil Code Section 1365 et.seq. mandates certain requirements for disclosure of the reserve funding program by the Association to its members. The Association believes that it has complied in all material respects with these requirements.

Actual expenditures may vary from estimated amounts and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. The Association updates cost data annually.

Cash balances in amounts equal to the designated capital reserves represent cash designated for this purpose only.

NOTE 3 - INCOME TAXES:

The Association is classified as a non-exempt membership organization for both federal and state income tax purposes. Under this method of taxation, the Association is required to classify its taxable income and deductions between member activities, non-member activities, and capital transactions (for capital replacement fund components). The Association is subject to specific rulings and regulations applicable to non-exempt membership organizations.

For federal tax purposes, the Association is taxed on all net income from non-member activities reduced only by losses from non-member activities for which a profit motive exists. Non-member income may not be offset by member losses, and any net member losses may only be carried forward to offset member income of future tax periods. Any net member income not applied to the subsequent tax year is subject to taxation. The Association files Form 1120, with tax rates applicable to Association net taxable income based on a graduated rate table of 15% to 39%.

For California income tax purposes, the Association is taxed on all net income from non-member activities reduced only by losses from non-member activities for which a profit motive exists. Non-member income may not be offset by member losses. Any net member income is not subject to taxation. The tax rate for Association net taxable income is 8.84%.

Canyon Lake Property Owners Association

Notes to Financial Statements

For the Year Ended April 30, 2008

NOTE 4 - SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK:

The Association maintains bank accounts at various financial institutions. Some accounts are not federally insured or have balances, which exceed the federally insured amount of \$100,000. This is considered necessary due to the high volume of operating transactions.

The majority of the Association's investments are in long term local government bonds of governmental entities within the state of California. The brokerage account is insured by the Securities Investors Protection Corporation (SIPC).

NOTE 5 - EMPLOYEE BENEFIT PLAN:

The Association has a 401(k) defined contribution plan (the "Plan") which covers all employees who have completed at least 1,000 hours of service within a 12 consecutive month period. Employees qualify for benefits upon reaching the age of 65. For the employer portion, employees become 25% vested after two years of service, 75% vested after three years, and 100% after four years. The Association may make a discretionary matching contribution not to exceed 4% of an employee's gross pay per pay period. The Association made matching contributions of \$71,326 during the year ended April 30, 2008. The Association may also make a discretionary contribution based on the amount of excess assessments and other revenues over expenses for each plan year which, when combined with the matching contribution, may not exceed 15% of an employee's annual compensation. The Association made no such contribution to the Plan for the year ended April 30, 2008.

NOTE 6 - OPERATING LEASE:

The Association leases the Canyon Lake Reservoir (the "Reservoir") for water recreation purposes. The lease term extends through December 31, 2022, with an option to renew for an additional 44 years. The annual rent consists of a base rate of \$61,000 plus a "cost increase sum". The "cost increase sum" portion of the lake lease amounted to \$922,480 in 2008 and is determined each year by multiplying \$52,000 by the percentage increase of the estimated current costs of an acre foot of available water over \$22.00.

Future minimum lease expenses for the operating lease, if options are exercised (assuming the option through December 21, 2066 is exercised at the base rate of \$65,800 and excluding the "cost increase sum," which is not determinable for future years at this time), are as follows:

Year Ending April 30,	Amount
2009	\$ 65,800
2010	65,800
2011	65,800
2012	65,800
2013	65,800
Thereafter	3,487,400
Total	<u>\$ 3,816,400</u>

The "cost increase sum" amount is anticipated to continue in future years, and the amount charged for calendar year 2007 was \$885,056, and, as previously mentioned, is \$922,480 for calendar year 2008.

NOTE 7 - NOTE PAYABLE:

The Association purchased the building which houses the Association's accounting and administrative offices in 2004 for \$1,310,332, subject to a \$950,000 note payable, with interest at a rate of 6.75% per annum. The terms of the note call for monthly payments of \$8,407 for 8 years, beginning January 2005, and ending in December 2012. The outstanding balance as of April 30, 2008 is \$813,037. Future payments are as follows:

Year Ending April 30,	Principal	Interest	Total
2009	\$ 38,774	\$ 62,106	\$ 100,880
2010	41,473	59,406	100,880
2011	44,361	56,519	100,880
2012	47,450	53,430	100,880
2013	50,754	50,126	100,880
Beyond	590,225	118,875	709,101
Total	<u>\$ 813,037</u>	<u>\$ 400,462</u>	<u>\$ 1,213,499</u>

NOTE 8 - CONTINGENCIES:

The Association has been named a defendant in several lawsuits. In addition, there are various claims for which no lawsuit has been filed. The Association is being defended by insurance counsel on some of the matters, and Association legal counsel on other matters. These claims are all in the discovery stage, and it is premature to predict an outcome, although the Association believes it has adequate defenses and insurance coverage.

Canyon Lake Property Owners Association
Supplemental Information on Replacement Fund Balances
For the Year Ended April 30, 2008
(unaudited)

The Association conducted a reserve study with a site inspection for the year ending April 30, 2005, to estimate the remaining useful lives and the replacement costs of the components of common property. As part of this study, the Association has assessed the present condition of all common area components; estimated replacement costs relying upon published data, contractor's or engineer's estimates, and previously paid amounts, and estimated remaining lives, relying upon consultants or published data. Funding has been provided using a cash flow methodology with provisions for interest earnings, and no provisions for inflation or taxes, and the funding is updated annually by management.

<u>Components</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Future Replacement Costs</u>	<u>Components of Fund Balance at 4/30/2007</u>	<u>FYE 2008 Funding Requirement</u>
Docks/Ramps/Lake	0 - 30 yrs.	\$ 1,620,000	\$ 423,603	\$ 555,000
Equipment	0 - 15 yrs.	1,071,000	581,211	185,000
Exterior Doors	9 - 30 yrs.	31,000	20,425	5,000
Exterior Fences, Walls, Gates	0 - 30 yrs.	291,000	249,200	2,000
Facilities	0 - 30 yrs.	196,000	69,334	80,000
Fixtures	2 - 6 yrs.	170,000	118,600	32,000
Furniture	2 - 6 yrs.	374,000	251,448	40,000
Grounds	0 - 30 yrs.	418,000	250,716	75,000
Interior Doors	14 - 20 yrs.	6,000	4,000	1,000
Interior Finishes	5 - 10 yrs.	156,000	134,193	1,000
Landscape Equipment	2 - 15 yrs.	26,000	20,000	2,000
Lighting	0 - 3 yrs.	143,000	47,438	65,000
Office Equipment	2 - 10 yrs.	417,000	282,361	45,000
Partitions, Dividers	2 - 6 yrs.	16,000	8,000	5,000
Roofs	12 - 30 yrs.	737,000	300,000	280,000
Signage	0 - 15 yrs.	88,000	77,000	1,000
Vehicles	4 - 12 yrs.	692,000	588,000	25,000
Window Treatment	6 - 10 yrs.	47,000	40,973	1,000
Subtotal		<u>6,499,000</u>	<u>3,466,502</u>	<u>1,400,000</u>
Roads	0 - 40 yrs.	<u>16,700,000</u>	<u>3,672,287</u>	<u>1,700,000</u>
	Totals	<u>\$ 23,199,000</u>	<u>\$ 7,138,789</u>	<u>\$ 3,100,000</u>

Canyon Lake Property Owners Association
 Supplemental Information on Operating Fund
 Facility User/Food Sales, and Other Fees and Expenses
 For the Year Ended April 30, 2008

	Corporate	Lake Operations	Operations	Member Services	ACC	Community Patrol	Activities	Equestrian Center	Campground	Golf Course	Lighthouse	Country Club	Dredging	Total
Revenues														
Assessments	\$ 1,574,499	\$ 842,800	\$ 2,277,880	\$ 25,093	\$ 38,694	\$ 1,197,470	\$ 308,676	\$ 61,337	\$ (2,813)	\$ 407,840	\$ 128,051	\$ 132,601	\$ 550,872	\$ 7,543,000
Interest Income	27,486	-	-	-	-	-	-	-	-	-	-	-	-	27,486
Administrative Fees	571,739	-	-	106,405	17,760	-	-	-	-	-	-	-	-	695,904
Architectural and Building Fees	-	-	-	-	174,878	-	-	-	-	-	-	-	-	174,878
Facility User Fees/Food Sales	2,880	444,223	7,610	197,346	-	-	31,945	135,370	198,886	596,051	773,845	558,495	-	2,946,651
Other Income	107,969	6,476	26,471	5,853	80,813	72,000	2,648	-	-	-	-	-	-	302,230
Total Revenues	2,284,573	1,293,499	2,311,961	334,697	312,145	1,269,470	343,269	196,707	196,073	1,003,891	901,896	691,096	550,872	11,690,149
Expenses														
Salaries and Related Expenses	940,592	141,924	1,371,873	307,130	231,443	-	184,343	113,851	66,409	-	315,964	374,231	417,980	4,465,740
Outside Services	250,162	132,508	462,039	10,050	33,296	1,204,840	27,040	29,734	21,347	740,582	64,472	42,613	22,227	3,040,910
Lake Lease	-	974,765	-	-	-	-	-	-	-	-	-	-	-	974,765
Utilities	102,323	-	279,067	1,056	1,888	19,386	79,566	12,596	35,488	214,318	29,720	33,911	1,891	811,210
Repairs and Maintenance	12,527	30,045	127,614	295	1,037	4,957	4,762	9,987	15,003	21,793	2,258	5,984	9,078	245,340
Supplies	64,812	31,500	120,450	28,532	9,387	47,226	35,498	15,591	12,330	44,068	33,105	33,479	76,126	552,104
Rental Equipment	83,664	3,621	10,614	-	-	-	-	663	1,799	6,476	3,945	2,824	24,428	138,034
Property Taxes	1,112	-	-	-	-	-	-	-	-	-	-	-	-	1,112
Cost of Sales	-	-	-	-	-	-	-	49,109	64,870	-	321,322	219,128	-	654,429
General and Administrative	269,348	476	29,651	3,065	3,719	-	1,022	-	3,829	22,578	43,523	24,948	4,200	406,359
Insurance	211,230	-	-	-	-	-	-	-	-	-	-	-	52,169	263,399
Legal Fees	170,234	-	-	-	22,380	-	-	-	-	-	-	-	-	192,614
Bad Debt	242,912	-	-	-	-	-	-	-	-	-	-	-	-	242,912
Events	46,615	3,463	6,632	540	-	-	26,299	-	-	-	47,762	19,983	-	151,294
Taxes on Income	37,655	-	-	-	-	-	-	-	-	-	-	-	-	37,655
Building Lease	56,519	-	-	-	-	-	-	-	-	-	-	-	-	56,519
Total Expenses Before Depreciation	2,489,705	1,318,302	2,407,940	350,668	303,150	1,276,409	358,530	231,531	221,075	1,049,815	862,071	757,101	608,099	12,234,396
Excess (Deficiency) of Revenues Over Expenses Before Depreciation	(205,132)	(24,803)	(95,979)	(15,971)	8,995	(6,939)	(15,261)	(34,824)	(25,002)	(45,924)	39,825	(66,005)	(57,227)	(544,247)
Depreciation	(352,286)	-	-	-	-	-	-	-	-	-	-	-	-	(352,286)
Excess (Deficiency) of Revenues Over Expenses	\$ (557,418)	\$ (24,803)	\$ (95,979)	\$ (15,971)	\$ 8,995	\$ (6,939)	\$ (15,261)	\$ (34,824)	\$ (25,002)	\$ (45,924)	\$ 39,825	\$ (66,005)	\$ (57,227)	\$ (896,533)