

**CRYSTAL LAKES
ROAD AND RECREATION ASSOCIATION**

**FINANCIAL STATEMENTS
Years Ended May 31, 2011 and 2010**

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	2
Statements of Revenues and Expenses	3
Statements of Changes in Members' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-12
SUPPLEMENTARY INFORMATION	
Supplementary Information on Future Repairs and Replacements (unaudited)	13-14
Supplementary Schedule of Activity in Members' Equity	15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crystal Lakes Road and Recreation Association
Red Feather Lakes, Colorado

We have audited the accompanying balance sheets of Crystal Lakes Road and Recreation Association as of May 31, 2011 and 2010, and the related statements of revenues and expenses, changes in members' equity and cash flows for the years 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 audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

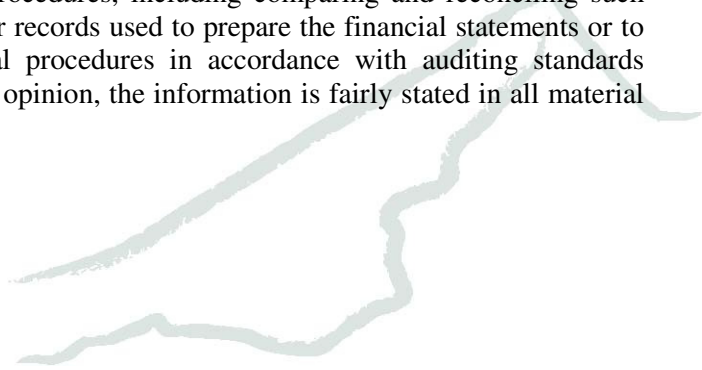
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crystal Lakes Road and Recreation Association as of May 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information on future repairs and replacements on pages 13 and 14 is not a required part of the basic financial statements of Crystal Lakes Road and Recreation Association but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of activity in members' equity on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Collins, Colorado
October 11, 2011



CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

BALANCE SHEETS
As of May 31, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 486,010	\$ 442,740
Prepaid expenses and deposits	6,954	6,083
Inventory	18,483	12,936
Total current assets	511,447	461,759
Non-Current Assets		
Cash and cash equivalents, designated	72,062	94,894
Dues and accounts receivable, net of allowance of \$15,000 and \$12,050 as of May 31, 2011 and 2010, respectively	27,372	16,681
Property and equipment, net	395,332	465,111
Total non-current assets	494,766	576,686
Total assets	\$ 1,006,213	\$ 1,038,445
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 11,837	\$ 9,590
Accrued expenses	19,728	15,111
Prepaid assessments	420	2,927
Due to affiliated entity	5,416	2,039
Deposits held	32,410	8,368
Notes payable, current portion	7,970	7,369
Total current liabilities	77,781	45,404
Long-Term Debt, net of current portion	16,213	24,143
Total liabilities	93,994	69,547
Members' Equity		
Undesignated		
Operations	444,825	408,893
Invested in property and equipment	395,332	465,111
Designated for future repairs and replacements	72,062	94,894
Total members' equity	912,219	968,898
Total liabilities and members' equity	\$ 1,006,213	\$ 1,038,445

See accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES

Years Ended May 31, 2011 and 2010

	2011	2010
REVENUES		
Membership dues and assessments	\$ 652,941	\$ 530,318
Basecamp restaurant	97,570	85,526
Fishing fees	43,845	36,298
Finance charges	13,058	7,724
Fines	7,801	1,509
Rental of trailer storage, shop and other	12,080	6,330
Transfer fees	8,375	6,500
Sales of culverts, fuel and other	7,335	9,537
Office rental	6,096	6,096
Newsletter advertising	8,854	7,234
Security	4,704	1,471
Snow plowing	735	3,070
Greenbelt revenue	2,109	7,520
Interest income	2,180	1,450
Gain on sale of assets	4,000	6,149
Other	6,768	8,211
Total revenues	878,451	724,943
EXPENSES		
Salaries	155,968	142,255
Employee benefits	32,007	29,450
Payroll taxes	22,040	17,912
Office expense	51,874	45,326
Depreciation	69,779	79,002
Road construction and maintenance	240,534	75,926
Recreational services	69,259	80,880
Basecamp operations	182,420	140,460
Insurance	36,377	32,354
Building and grounds maintenance	33,176	33,583
Professional services	13,121	7,553
Utilities	15,088	16,172
Repairs and maintenance	4,144	4,924
Bad debt	7,094	138
Income tax expense	-	3,011
Interest expense	2,249	1,232
Total expenses	935,130	710,178
Excess (shortage) of revenues over expenses	\$ (56,679)	\$ 14,765

See accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years Ended May 31, 2011 and 2010

	Total	Undesignated	Designated for Repairs & Replacement
MEMBERS' EQUITY - May 31, 2009	\$ 954,133	\$ 842,617	\$ 111,516
Excess of revenues over expenses	14,765	14,765	-
Allocated to future repairs and replacements			
Revenues	-	(173,193)	173,193
Transfers authorized by Board (net)	-	(74,997)	74,997
Expenditures	-	264,812	(264,812)
MEMBERS' EQUITY - May 31, 2010	968,898	874,004	94,894
Excess (shortage) of revenues over expenses	(56,679)	(56,679)	-
Allocated to future repairs and replacements			
Revenues	-	(349,988)	349,988
Transfers authorized by Board (net)	-	(72,422)	72,422
Expenditures	-	445,242	(445,242)
MEMBERS' EQUITY - May 31, 2011	\$ 912,219	\$ 840,157	\$ 72,062

See accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended May 31, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities		
Excess (shortage) of revenues over expenses	\$ (56,679)	\$ 14,765
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation expense	69,779	79,002
(Gain) on sale of assets	(4,000)	(6,149)
Provision for bad debts	7,094	138
(Increase) decrease in operating assets:		
Dues and accounts receivable	(17,785)	6,756
Prepaid expenses	(871)	(3,719)
Inventory	(5,547)	(3,268)
Increase (decrease) in operating liabilities		
Accounts payable	2,247	(1,332)
Accrued expenses and deposits held	28,659	(9,330)
Prepaid assessments	(2,507)	2,507
Due to affiliated entity	3,377	(3,674)
Net cash provided by operating activities	23,767	75,696
Cash Flows From Investing Activities		
Proceeds from sale of investments	-	175,000
Acquisitions of property and equipment	-	(43,011)
Proceeds from sale of assets	4,000	-
Net cash provided by investing activities	4,000	131,989
Cash Flows From Financing Activities		
Proceeds from note payable	-	32,640
Payments of principal on notes payable	(7,329)	(29,384)
Net cash provided (used) by investing activities	(7,329)	3,256
Net Increase in Cash and Cash Equivalents	20,438	210,941
Cash and cash equivalents, Beginning of Year	537,634	326,693
Cash and cash equivalents, End of Year	\$ 558,072	\$ 537,634
Supplemental Information		
Cash payments for interest	\$ 2,249	\$ 1,232
Cash payments for income taxes	\$ -	\$ 3,011
Supplemental Disclosure of Non-Cash Investing Activities		
Trade-in of equipment on equipment acquisition	\$ -	\$ 8,500

See accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Crystal Lakes Road and Recreation Association (the Association) is organized as a not-for-profit corporation in the State of Colorado for the purpose of promoting the general well being of property owners in the Crystal Lakes Development. The Association's membership consists of property owners with diverse backgrounds from various regions across the United States. The Association controls approximately 5,000 acres containing approximately 1,630 lots. The significant activities of the Association include the maintenance of roads and grounds and the promotion of recreational facilities for property owners and guests of property owners in the development. Financing for the Association's activities is derived from membership assessments and fees from member services.

Accounting Standards

In June 2009, the Financial Accounting Standards Board issued FASB Statement No. 168, *The FASB Accounting Standards Codification* and the Hierarchy of Generally Accepted Accounting Principles. This Statement establishes the *FASB Accounting Standards Codification* (ASC) as the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied by all nongovernmental entities. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Association adopted ASC for the annual period ended May 31, 2010.

Common Property

The Association owns various common properties, including roadways, greenbelts, the office and Basecamp buildings. The properties originally contributed by the developer are not reported on the accompanying financial statements. The assets contributed by the developer are primarily roads and greenbelts.

Any properties subsequently acquired are carried at the Association's cost less depreciation. The Association subsequently purchased, and has reflected in its financial statements, the Basecamp, a maintenance shop, office buildings, the greenbelts, and one-half of Catawba Lake.

The Association is responsible for the repair and maintenance of roadways, the office, Basecamp, the maintenance shop and the greenbelts. The maintenance of these properties is funded by member assessments.

Allowance for Doubtful Dues and Accounts Receivable and Revenue Recognition

The Association has adopted the reserve method of accounting for uncollectible receivables. When membership dues become delinquent for a substantial period of time, it is the Association's policy to file liens on the property owner's real estate located in the development. Effective January 1, 1994, Colorado statutes made homeowner's association dues an automatic lien against the property with no formal filing required by the Association. Even so, collection efforts may be hindered by bankruptcy laws, security interests subordinated to those of other creditors, and the relative expense of collection procedures. As billings for services are done annually, any amounts due at year-end have been outstanding for one year.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Dues and Accounts Receivable and Revenue Recognition (continued)

Due to the time the receivables have been outstanding and uncertain nature of when the balance will be collected, management has elected to exclude dues and accounts receivable from current assets. Allowances for doubtful accounts are based on a review of the status of existing accounts coupled with past collection experience. Billings for annual assessments cover the period from June 1 through May 31. Such billings are recorded as dues and accounts receivable and revenue on June 1 of each operating year. Amounts collected prior to assessment date are recorded as a liability in the account titled "prepaid assessments" on the balance sheet of the Association.

Property and Equipment

Depreciation is computed on a straight-line basis over the estimated useful lives of the individual assets. In general, class lives are as follows:

<u>Class</u>	<u>Life in Years</u>
Land improvements	7-20
Tract E land improvements	30-40
Buildings and improvements	7-30
Machinery and equipment	5-15
Autos and trucks	5-10
Office furniture and equipment	3-10
Tract E equipment	5-40

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all investments with an initial maturity of three month or less to be cash equivalents.

The Association maintains its cash in bank accounts which occasionally exceed federally insured limits of \$250,000 for interest-bearing accounts, as guaranteed by the Federal Deposit Insurance Corporation. The Association has not experienced any losses in such accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to the Association's interest-bearing deposit accounts.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Lots Held for Sale

On occasion the Association will acquire lots from sheriff's sales and hold them until they can be resold. Lots are recorded at the cost of unpaid assessments, legal fees and property taxes at date of acquisition. Since the total of these costs are generally less than the fair market value, the Association has not incurred any material impairment losses related to lots held for sale.

Advertising

Advertising is expensed as incurred. The Association did not have advertising expenses in either of the years ended May 31, 2011 or 2010.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Association may elect to be taxed as a Homeowners Association under the provisions of the Internal Revenue Code. Under current regulations, the Association is taxed as a regular corporation unless this annual election is made.

Differences in income reported for financial statement purposes and income for income tax purposes may result from the following:

The Association uses the straight-line method of depreciation for financial statements while depreciation is calculated using a combination of straight-line and accelerated methods for income tax reporting. The depreciation lives of assets may be different for book and tax purposes.

The Association uses the reserve method of accounting for bad debts for financial statements while the direct write-off method is utilized for income tax purposes.

Accrued compensated absences are not deductible for income tax purposes until paid.

In any year that the election is made to be taxed as a Homeowners Association, membership dues and general operating expenses are not taxable or deductible. Only income for special services received from members and nonmembers, gains on the sale of assets, the expenses related to providing these services, and cost of assets sold are considered in computing taxable income.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

On June 1, 2009, The Association adopted the recognition requirements for uncertain income tax positions as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements, uncertain tax positions the organization has taken or expects to take on a tax return. The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit tax return periods are 2007 through 2009. In evaluating the Association's tax provisions and accruals, interpretations and tax planning strategies are considered. The Association believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at May 31, 2011.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 11, 2011, the date that the financial statements were available to be issued.

Note 2. Special Assessments

The Association collected a special assessment of \$97,740 during the year ended May 31, 2011 for major road improvements. The Association also collected a special assessment of \$24,435 during the year ended May 31, 2011 for road equipment, repairs and replacement.

Note 3. Transactions with Crystal Lakes Water and Sewer Association

Crystal Lakes Road and Recreation Association and Crystal Lakes Water and Sewer Association are organizations that consist primarily for the benefit, but not exclusively, of the Crystal Lakes property owners. The Associations share certain administrative expenses.

	<u>2011</u>	<u>2010</u>
Balance due (to) affiliate at May 31	<u>\$ (5,416)</u>	<u>\$ (2,039)</u>

Note 4. Income Taxes

As stated in Note 1, the Association may elect in any year to be taxed as a Homeowners' Association. This election was made for the fiscal years ending May 31, 2011 and 2010. The Association makes the homeowners election only in those years in which it would create tax savings. The Association has incurred income tax expense of \$3,011 for the year ended May 31, 2010, and no income tax expense for the year ended May 31, 2011.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 4. Income Taxes (continued)

The Association has temporary timing differences between its books and tax methods of accounting. These items may create deferred tax liabilities or deferred tax assets. There may be no tax benefit received from the reversal of a timing difference if the timing difference is eliminated in whole or in part in any year that the Association elects to be taxed as a Homeowners Association or is operating at a loss. It is the intent of the Association to make the Homeowners election in those years where it would minimize taxes. Furthermore, the Association has historically operated at a level where it pays little or no income tax. Considering the relevant factors, it is highly unlikely that the Association will derive any significant future loss or benefit related to deferred taxes. Accordingly, any net deferred tax asset has been fully offset with a valuation allowance.

Note 5. Employee Benefit Plans

The Crystal Lakes Road and Recreation Association employs certain personnel jointly with the Crystal Lakes Water and Sewer Association. The following is a summary of employee benefit plans currently in effect:

Compensated Absences

Vacation leave - The Association presently has a policy that allows full-time employees ten working days annual vacation after one full year of service. After five years of service, employees earn fifteen working vacation days annually. After ten years of service, employees earn twenty working vacation days annually. Vacation pay is a vested benefit.

Sick leave - Full-time employees may accumulate one day of compensated sick leave for each month of service to the Association. Employees may accumulate a maximum of thirty days of unused sick leave. Sick leave is not a vested benefit.

Paid holidays - Full-time employees, other than exempt employees, who are required to work on holidays may elect to take one day off or to be paid for the holiday at one and one-half times their hourly rate, in addition to being paid for the holiday worked.

Medical Benefits

The Association provides health, life and dental coverage for all full-time employees; dependent coverage for full-time employees is available at the employee's expense. The cost of providing benefits is shared equally with the Crystal Lakes Water and Sewer Association.

Pension Plan

The Association has a defined contribution pension plan (the plan) covering all full-time employees who have completed three full years of service to the Association. The Association makes a contribution to the plan each year equal to 6% of all eligible employees' annual compensation. Employer contributions are fully vested for employees that earn more than \$500 per year and have reached three years of service. The Association contributed \$5,065 and \$4,698 to the plan for the years ending May 31, 2011 and 2010, respectively.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 6. Property and Equipment

Property and equipment are summarized as follows:

	2011	2010
Land and improvements	\$ 115,158	\$ 115,158
Tract E land and improvements	241,488	241,488
Buildings and improvements	122,861	122,861
Machinery and equipment	413,494	486,716
Autos and trucks	176,778	176,778
Office furniture and equipment	46,202	46,202
Tract E equipment	24,638	24,638
Subtotal	1,140,619	1,213,841
Accumulated depreciation and amortization	(745,287)	(748,730)
Property and equipment, net	<u>\$ 395,332</u>	<u>\$ 465,111</u>

Note 7. Designated Member's Equity and Future Major Repairs and Replacements

The Association's governing documents do not require the accumulation of funds to finance future major repairs and replacements. The Board of Directors, however, established the major repairs and replacement fund (the replacement fund) to accumulate funds for the estimated costs of future major repairs and replacements, required projects and for the expansion of existing common property.

The Association has added assessments of \$10 per year to help pay for current and future major repairs and replacements, \$12 per year to help pay for fishing and \$10 per year to subsidize the Basecamp restaurant operations. These funds are not considered special assessments, but are reflected as designated in the financial statements.

The Association's management conducts an ongoing study to estimate the remaining useful lives and the replacement costs of the components of common property. The Association will fund for such major repairs and replacements over the estimated useful lives of the components based on the study's estimate of future replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2011 and 2010

Note 8. Note Payable

The Association's notes payable consists of the following:

	<u>2011</u>	<u>2010</u>
Note payable to Ford Credit with a 7.9% interest rate, due in monthly installments of \$796 through March 2014, secured by a truck with an original cost of \$41,113 and a net book value at May 31, 2011 of \$24,668.	<u>\$ 24,183</u>	<u>\$ 31,512</u>

Maturities of long-term notes payable:

2012	\$ 7,970
2013	8,580
2014	<u>7,633</u>
	<u>\$ 24,183</u>

SUPPLEMENTARY INFORMATION

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE REPAIRS
AND REPLACEMENTS (UNAUDITED)**

Years Ended May 31, 2011 and 2010

Association Reserves, Inc. conducted a full reserve study in October 2010 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property during the period June 1, 2010 through May 31, 2011. Estimated current replacement costs do not take into account the effects of inflation between the time of the study and the date the components will require repair or replacement.

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

FY 2010-2011	Estimated Remaining Useful Life (Years)	Estimated Current Repair or Replacement Cost
Carpet 1 - replace	0	\$ 8,600
Carpet 2 - replace	0	11,750
Conc. deck/walk - replace (part)	0	5,500
Fire mitigation - maintain	0	20,000
Furniture restaurant - replace	0	18,350
Kitchen - refurbish	0	13,500
Large monument signs - refurbish	0	8,000
Linoleum floor - replace	0	9,450
Office - refurbish	0	7,000
Primary dirt roads - improve	0	112,500
Restaurant/bar/shop - refurbish	0	35,000
Road drainage - improve/replace	0	7,000
Wapiti/history/corridor - refurbish	0	12,000
Bathroom restaurant - refurbish	1	10,000
Breakables - replace (part)	1	5,500
Flat bed truck - replace	1	45,000
Bathroom public/office - refurbish	2	5,500
Miscellaneous equipment SM - replace	2	7,000
Office /rest/audio equip - replace	2	7,500
Ponds - repair/dredge - 50%	2	7,000
Wood deck - replace/repair (part)	2	8,000
Wood siding/trim - replace (part)	2	6,500
Appliances small - replace (part)	3	9,000
Boilers - replace	3	13,000
Furniture Wapiti/office - replace	3	5,500
Truck - replace 50%	3	15,250
Vehicle - replace 50%	3	17,500
Water heater/tank - replace (part)	3	5,500
Wood surfaces - repaint/reseal	3	14,000
Subtotal carried to page 14		<u>\$ 450,400</u>

See independent auditor's report and accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION

**SUPPLEMENTARY INFORMATION ON FUTURE REPAIRS
AND REPLACEMENTS (UNAUDITED)**

(continued)

FY 2010-2011	Estimated Remaining Useful Life (Years)	Estimated Current Repair or Replacement Cost
Subtotal carried from page 13		\$ 450,400
Bridges - replace	4	5,000
Appliances large - replace (part)	5	17,500
Miscellaneous equipment LG - replace	5	12,500
Solar Panel - replace	5	35,000
Wheel loader - replace	5	150,000
Mailbox Sheds - refurbish	6	5,500
Asphalt shingle roof 2 - replace	8	7,650
Radio/siren fire - upgrade	8	12,500
Pickup trucks - replace	10	80,000
Dump truck - replace	12	70,000
Water truck - replace	12	80,000
Asphalt shingle roof 1 - replace	15	63,000
Motor graders - replace	17	290,000
Roller/compactor - replace	17	75,000
Total		\$ 1,354,050

See independent auditor's report and accompanying notes to financial statements.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION
SUPPLEMENTARY SCHEDULE OF ACTIVITY IN MEMBERS' EQUITY
For the Year Ended May 31, 2011

	Designated					Undesignated		Total Equity
	Major Repairs and Replacements	Fishing	Road Improvement	Basecamp Restaurant	Total Designated	Invested in Property and Equipment	Operations	
Beginning balance	\$ -	\$ 21,586	\$ 73,308	\$ -	\$ 94,894	\$ 465,111	\$ 408,893	\$ 968,898
Net (loss)	-	-	-	-	-	-	(56,679)	(56,679)
Revenues	54,009	80,477	95,580	119,922	349,988	-	(349,988)	-
Transfers	14,145	-	-	58,277	72,422	-	(72,422)	-
Expenditures	(68,154)	(62,194)	(136,695)	(178,199)	(445,242)	-	445,242	-
Depreciation	-	-	-	-	-	(69,779)	69,779	-
Ending balance	<u>\$ -</u>	<u>\$ 39,869</u>	<u>\$ 32,193</u>	<u>\$ -</u>	<u>\$ 72,062</u>	<u>\$ 395,332</u>	<u>\$ 444,825</u>	<u>\$ 912,219</u>

See independent auditor's report and accompanying notes to financial statements.