

ANNUAL FINANCIAL REPORT

VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION Statement of Assets, Liabilities and Members' Equity For the Years Ended June 30, 2005 and June 30, 2004 Federal Income Tax Basis - Unaudited

	Year Ended June 30,		
	2005	2004	Difference
CURRENT ASSETS:			
Cash in Checking Account	\$ 46,596	50,791	\$ (4,195)
Cash in Savings Account (Reserve Fund)	24,516	24,329	187
Accounts Receivable	4,267	16,877	(12,611)
Total Current Assets	75,379	91,998	(16,619)
PLANT AND EQUIPMENT:			
Vehicles & Equipment	112,183	112,183	-
Fences & Other Structures	6,742	6,742	-
Salt Enclosure	1,082	1,082	-
New Mail Shed	9,794	9,794	-
Fire Station & House	119,580	119,580	-
Road Improvements	60,445	60,445	-
Other Equipment	1,326	1,326	-
Accumulated Depreciation	(271,098)	(265,009)	(6,089)
Total Plant & Equipment	40,055	46,144	(6,089)
OTHER ASSETS:			
Land - Fire Station	19,000	19,000	-
Deposits	-	-	-
TOTAL ASSETS	\$ 134,434	\$ 157,142	\$ (22,708)
LIABILITIES:			
Note Payable - 1998 GMC Truck	\$ -	\$ -	\$ -
Deposits & Advances Collected	600	600	-
Total Liabilities	600	600	-
MEMBERS' EQUITY	133,834	156,542	(22,708)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 134,434	\$ 157,142	\$ (22,708)

VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION
Statement Revenues and Expenses
For the Years Ended June 30, 2005 and June 30, 2004
Federal Income Tax Basis - Unaudited

	Year Ended June 30,		
	2005	2004	Difference
REVENUES:			
Association Dues (billed)	\$ 63,807	62,562	\$ 1,246
Special Assessment - Reserve Fund (Billed)	-	-	-
Special Assessment - NRS 116 (billed)	-	-	-
Fees	27,350	20,770	6,580
Rent Income	7,600	8,450	(850)
Other Income	2,288	3,327	(1,040)
Total Revenue	101,045	95,109	5,936
EXPENSES:			
Administrative Expenses:			
Architectural Committee Costs	115	241	(125)
Board of Directors Fees	-	-	-
Bookkeeping	6,183	3,858	2,325
Ombudsman Fee - NRS 116	10,821	6,714	4,107
Picnic Expenses	416	294	123
Newsletter Costs	1,274	1,342	(68)
US Postage	2,147	1,335	812
Office Expenses	1,782	941	841
Bank Fees	160	161	(1)
Legal Fees	2,023	1,379	643
Total Administrative Expenses	24,922	16,265	8,657
Road Expenses:			
Vehicle Maintenance	28,343	3,699	24,644
Materials for Roads	4,383	2,191	2,192
Road Manager Salary	4,500	5,400	(900)
Contract Labor	33,105	14,477	18,628
Other Road Expenses	(7,854)	278	(8,133)
Other Equipment Costs	7,609	5,556	2,053
Total Road Expenses	70,086	31,602	38,484
Other Expenses:			
Insurance	19,597	16,511	3,086
Interest Expense	-	11	(11)
Rental Property Expenses	300	2,199	(1,899)
Real Property Taxes	805	682	122
Depreciation	6,089	8,110	(2,021)
Income Tax Expense	154	-	154
Telephone & Utility Expenses	1,105	622	483
Bad Debt Expense	-	8,498	(8,498)
Miscellaneous Expenses	695	606	89
Total Other Expenses	28,745	37,240	(8,495)
Total Expenses	123,753	85,107	38,646
Net Income/(Loss)	\$ (22,708)	\$ 10,002	\$ (32,710)

VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION
Cash Flow Statement
For the Years Ended June 30, 2005 and June 30, 2004
Federal Income Tax Basis - Unaudited

	Year Ended June 30,		
	2005	2004	Difference
CASH RECEIPTS:			
Collection of Dues & Special Assessments	\$ 76,418	62,174	\$ 14,244
Fees	27,350	20,770	6,580
Rent Income	7,600	8,450	(850)
Deposits & Advances Collected	290	680	(390)
Other Income	2,288	3,327	(1,040)
Total Cash Receipts	113,946	95,401	18,545
OPERATING CASH EXPENDITURES:			
Administrative Expenses	24,922	16,265	8,657
Road Expenses	70,086	31,602	38,484
Deposits & Advances Paid	290	3,580	(3,290)
Other Operating Expenses	22,656	20,381	2,275
Total Operating Expenses	117,954	71,828	46,126
FINANCING CASH EXPENDITURES:			
Loan Repayment - 1998 GMC Truck	-	1,155	(1,155)
Total Financing Cash Expenditures	-	1,155	(1,155)
CAPITAL IMPROVEMENTS CASH EXPENDITURES:			
Cartwright Road Paving	-	-	-
New Mail Shed Improvements	-	-	-
Salt Enclosure	-	-	-
Office Equipment	-	-	-
Total Capital Improvements Cash Expenditures	-	-	-
Total Cash Expenditures	117,954	72,983	44,971
CASH FLOW FOR YEAR	\$ (4,008)	\$ 22,418	\$ (26,426)
SUMMARY OF CASH FLOWS:			
Cash In Bank At Beginning Of Year	75,120	52,702	22,418
Cash Flow For Year	(4,008)	22,418	(26,426)
Cash In Bank At End Of Year	<u>\$ 71,112</u>	<u>\$ 75,120</u>	<u>\$ (4,008)</u>