

ANNUAL FINANCIAL REPORT

**VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION
Statement of Assets, Liabilities and Members' Equity
For the Years Ended June 30, 2008 and June 30, 2007
Federal Income Tax Basis - Unaudited & Preliminary**

	Year Ended June 30,		
	2008	2007	Difference
CURRENT ASSETS:			
Cash in Checking Account	14,471	15,645	(1,174)
Cash in Savings Account	68,800	91,950	(23,151)
Reserve Fund Savings Account	81,226	-	81,226
Accounts Receivable	12,190	1,478	10,713
Total Current Assets	176,686	109,072	67,614
PLANT AND EQUIPMENT:			
Vehicles & Equipment	177,941	177,941	-
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	125,127	66,705	58,422
Other Equipment	1,326	1,326	-
Accumulated Depreciation	(325,353)	(301,755)	(23,598)
Total Plant & Equipment	116,239	81,416	34,824
OTHER ASSETS:			
Land - Fire Station	19,000	19,000	-
Deposits	-	-	-
TOTAL ASSETS	311,925	209,488	102,437
LIABILITIES:			
Payroll Tax Liability	2,574	-	2,574
Deposits & Advances Collected	-	750	(750)
Total Liabilities	2,574	750	1,824
MEMBERS' EQUITY:			
Paid In Capital	204,475	89,425	115,050
Retained Earnings	104,876	119,313	(14,437)
Total Members' Equity	309,351	208,738	100,613
TOTAL LIABILITIES AND MEMBERS' EQUITY	311,925	209,488	102,437

VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION
Statement Revenues and Expenses
For the Years Ended June 30, 2008 and June 30, 2007
Federal Income Tax Basis - Unaudited & Preliminary

	Year Ended June 30,		Difference
	2008	2007	
REVENUES:			
Association Dues (billed)	62,825	60,189	2,636
Special Assessment (billed)	-	121,050	(121,050)
Architectural & Transfer Fees	8,305	13,109	(4,804)
Rent Income	2,618	11,663	(9,046)
Other Income	5,697	4,743	954
Total Revenue	79,445	210,754	(131,310)
EXPENSES:			
Administrative Expenses:			
Architectural Committee Costs	-	246	(246)
Bookkeeping	8,085	8,103	(18)
Ombudsman Fee	3,507	3,507	-
Picnic Expenses	-	614	(614)
US Postage	1,661	2,269	(608)
Office Expenses	1,365	1,358	7
Bank Fees	379	271	108
Legal Fees	2,139	768	1,371
Total Administrative Expenses	17,135	17,135	-
Road Expenses:			
Vehicle Maintenance	1,838	15,238	(13,400)
Materials for Roads	40,781	31,510	9,271
Salaries, Payroll Taxes and Workers Compensation	33,094	20,107	12,987
Other Road Expenses	9,716	5,955	3,761
Other Equipment Costs	5,003	47,139	(42,136)
Capitalized Road Improvements	(58,422)	-	(58,422)
Total Road Expenses	32,010	119,948	(87,938)
Other Expenses:			
Insurance	16,939	16,949	(10)
Interest Expense	-	-	-
Rental Property Expenses	-	4,197	(4,197)
Real Property Taxes	529	1,217	(688)
Depreciation	23,598	32,886	(9,288)
Income Tax Expense	316	464	(148)
Telephone & Utility Expenses	2,127	2,012	115
Bad Debt Expense	-	-	-
Miscellaneous Expenses	1,227	446	781
Total Other Expenses	44,736	58,171	(13,435)
Total Expenses	93,881	195,254	(101,372)
Net Income/(Loss)	(14,437)	15,501	(29,937)

VIRGINIA CITY HIGHLANDS PROPERTY OWNERS' ASSOCIATION
Cash Flow Statement
For the Years Ended June 30, 2008 and June 30, 2007
Federal Income Tax Basis - Unaudited & Preliminary

	Year Ended June 30,		
	2008	2007	Difference
CASH RECEIPTS FROM OPERATIONS:			
Collection of Dues	59,041	182,517	(123,475)
Fees	8,305	11,509	(3,204)
Rent Income	2,618	11,663	(9,046)
Deposits & Advances Collected	4,953	(555)	5,508
Other Income	5,697	4,868	829
Total Cash Receipts From Operations	80,614	210,002	(129,388)
CASH FROM FINANCING ACTIVITIES:			
Issue/(Retirement) of Debt	-	-	-
Capital Contributed By Members (Special Assessment)	108,121	-	108,121
Total Cash From Financing Activities	108,121	-	108,121
Total Cash Receipts	188,735	210,002	(21,267)
OPERATING CASH EXPENDITURES:			
Administrative Expenses	17,135	17,135	-
Road Expenses	32,010	119,948	(87,938)
Deposits & Advances Paid	3,129	-	3,129
Other Operating Expenses	21,138	25,285	(4,147)
Total Operating Expenses	73,412	162,368	(88,956)
CAPITAL IMPROVEMENTS CASH EXPENDITURES:			
Equipment Purchases	-	-	-
Capitalized Road Improvements	58,422	-	58,422
Total Capital Improvements Cash Expenditures	58,422	-	58,422
Total Cash Expenditures	131,834	162,368	(30,534)
CASH FLOW FOR YEAR	56,901	47,634	9,267
SUMMARY OF CASH FLOWS:			
Cash In Bank At Beginning Of Year	107,595	59,961	47,634
Cash Flow For Year	56,901	47,634	9,267
Cash In Bank At End Of Year	164,496	107,595	56,901