

## Balance Sheet Report Sorrento at Porter Ranch

As of August 31, 2010

	Balance Aug 31, 2010	Balance Jul 31, 2010	Change
<b><u>Assets</u></b>			
<b>Cash Operating</b>			
11010 - C.N.B. #010-897580	107,539.79	176,164.97	(68,625.18)
<b>Total Cash Operating</b>	<b>107,539.79</b>	<b>176,164.97</b>	<b>(68,625.18)</b>
<b>Cash Reserves</b>			
12020 - C.N.B. #010-903106 MMA	49,801.96	259,805.24	(210,003.28)
12080 - UBOC a/c # 5740009739 (checking)	276.31	293.81	(17.50)
12090 - UBOC CD a/c # 5749005681 7/2/10	0.00	101,577.70	(101,577.70)
12210 - Chase CD #0094-0001379405-7 6/30/10	0.00	100,972.76	(100,972.76)
12230 - UBOC Savings a/c #5741053085	254.20	121,841.56	(121,587.36)
12240 - UBOC CD a/c #5749008701	247,000.00	247,000.00	0.00
12250 - Chase a/c # 2958199461 (savings)	136,020.01	0.00	136,020.01
12260 - Intervest National Bank	240,000.00	0.00	240,000.00
12270 - Woodlands Com. CD 3 mo #57623043	60,000.00	0.00	60,000.00
12280 - Woodlands Com. CD 6 mo	35,000.00	0.00	35,000.00
12290 - Woodlands Com. CD 9 mo #52231016	30,000.00	0.00	30,000.00
12400 - Woodlands Com. CD 12 mo	60,000.00	0.00	60,000.00
12410 - Woodlands Com. CD 15 mo	60,000.00	0.00	60,000.00
<b>Total Cash Reserves</b>	<b>918,352.48</b>	<b>831,491.07</b>	<b>86,861.41</b>
<b>Accts Receivable</b>			
14000 - Delinquent Assessments	126,866.08	129,273.08	(2,407.00)
14005 - Allowance for Doubtful Accounts	(114,179.47)	(116,345.77)	2,166.30
<b>Total Accts Receivable</b>	<b>12,686.61</b>	<b>12,927.31</b>	<b>(240.70)</b>
<b>Total Assets</b>	<b>1,038,578.88</b>	<b>1,020,583.35</b>	<b>17,995.53</b>

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As of August 31, 2010

	Balance Aug 31, 2010	Balance Jul 31, 2010	Change
<b><u>Liabilities</u></b>			
<b>Current Liabilities</b>			
21000 - Accounts Payable	970.00	17,197.32	(16,227.32)
21005 - Accrued Expenses	15,419.70	21,616.87	(6,197.17)
21010 - Architectural Deposits	3,400.00	3,400.00	0.00
21030 - Prepaid Assessments	33,504.90	35,968.96	(2,464.06)
<b>Total Current Liabilities</b>	<b>53,294.60</b>	<b>78,183.15</b>	<b>(24,888.55)</b>
<b>Total Liabilities</b>	<b>53,294.60</b>	<b>78,183.15</b>	<b>(24,888.55)</b>
<b><u>Owners' Equity</u></b>			
30010 - Prior Year Equity	759,046.57	759,046.57	0.00
<b>Total Equity</b>	<b>759,046.57</b>	<b>759,046.57</b>	<b>0.00</b>
<b>Reserves</b>			
31000 - Net Reserve Activity - Current Year	157,354.52	135,519.58	21,834.94
32160 - Reserve Interest - Current Year	4,474.21	4,142.24	331.97
<b>Total Reserves</b>	<b>161,828.73</b>	<b>139,661.82</b>	<b>22,166.91</b>
<b>Total Owners' Equity</b>	<b>920,875.30</b>	<b>898,708.39</b>	<b>22,166.91</b>
<b>Net Income / (Loss)</b>	<b>64,408.98</b>	<b>43,691.81</b>	<b>20,717.17</b>
<b>Total Liabilities and Equity</b>	<b>1,038,578.88</b>	<b>1,020,583.35</b>	<b>17,995.53</b>

## Income Statement Report Sorrento at Porter Ranch

August 01, 2010 thru August 31, 2010

	Current Period		Year to Date (8 months)		Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual		
<b>Income</b>						
<b>Assessment Income</b>						
41010 - Association Dues	122,607.00	119,510.00	3,097.00	975,061.00	1,434,120.00	459,059.00
<b>Total Assessment Income</b>	<b>122,607.00</b>	<b>119,510.00</b>	<b>3,097.00</b>	<b>975,061.00</b>	<b>1,434,120.00</b>	<b>459,059.00</b>
<b>Other Income</b>						
43020 - Architectural Income	1,600.00	334.00	1,266.00	4,000.00	4,000.00	0.00
43045 - Developer Reimbursement	0.00	0.00	0.00	675.00	0.00	(675.00)
43050 - Fine Income	(250.00)	250.00	(500.00)	(1,164.00)	3,000.00	4,164.00
43070 - Insurance - Settlement	0.00	0.00	0.00	1,812.76	0.00	(1,812.76)
43090 - Key/Gate Card/Remote Control	150.00	84.00	66.00	1,825.00	1,000.00	(825.00)
43100 - Late Charges	385.00	760.00	(375.00)	5,604.00	9,120.00	3,516.00
43130 - Collection Costs Billed	295.00	1,000.00	(705.00)	6,495.00	12,000.00	5,505.00
43140 - Newsletter Income	450.00	500.00	(50.00)	2,045.00	6,000.00	3,955.00
43150 - Other Income	0.00	0.00	0.00	(151.70)	0.00	151.70
<b>Total Other Income</b>	<b>2,630.00</b>	<b>2,928.00</b>	<b>(298.00)</b>	<b>21,141.06</b>	<b>35,120.00</b>	<b>13,978.94</b>
<b>Total Income</b>	<b>125,237.00</b>	<b>122,438.00</b>	<b>2,799.00</b>	<b>996,202.06</b>	<b>1,469,240.00</b>	<b>473,037.94</b>
<b>Expense</b>						
<b>General &amp; Administrative</b>						
61010 - Accounting & Audit	0.00	166.00	(166.00)	1,990.00	2,000.00	10.00
61030 - Architect Fees	985.08	334.00	651.08	5,248.32	4,000.00	(1,248.32)
61045 - Bad Debt Expense	(2,166.30)	7,145.00	(9,311.30)	19,898.05	85,740.00	65,841.95
61063 - Collection Costs	0.00	1,000.00	(1,000.00)	7,460.00	12,000.00	4,540.00
61070 - Federal Income Tax	0.00	166.00	(166.00)	83.00	2,000.00	1,917.00
61080 - Franchise Tax	0.00	125.00	(125.00)	10.00	1,500.00	1,490.00
61105 - Hospitality Committee	787.00	250.00	537.00	1,013.12	3,000.00	1,986.88
61130 - Insurance - General	822.41	1,049.00	(226.59)	5,756.94	12,585.00	6,828.06
61150 - Legal Fees	1,514.10	834.00	680.10	12,754.30	10,000.00	(2,754.30)
61170 - Licenses & Taxes	297.00	29.00	268.00	985.40	350.00	(635.40)
61180 - Management Fees	6,300.00	6,300.00	0.00	50,400.00	75,600.00	25,200.00
61190 - Newsletter Expense	475.00	500.00	(25.00)	3,304.49	6,000.00	2,695.51

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Expense	Current Period		Year to Date (8 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
<b>General &amp; Administrative</b>						
61200 - Office Expense - Ross Morgan	802.35	600.00	4,214.25	4,800.00	(585.75)	2,985.75
61210 - Office Expense - Centurion Group	435.67	550.00	2,669.25	4,400.00	(1,730.75)	3,930.75
61250 - Postage	604.26	526.00	4,840.48	4,211.00	629.48	1,476.20
61260 - Recording Secretary (Centurion)	218.75	0.00	1,381.25	0.00	1,381.25	(1,381.25)
61270 - Reserve Study	0.00	84.00	990.00	667.00	323.00	10.00
61315 - Security Patrol	962.24	2,110.00	962.24	16,879.00	(15,916.76)	24,355.76
61320 - Security Service - Main Gate	12,046.46	12,726.00	113,364.41	101,810.00	11,554.41	39,350.59
61325 - Security Service - Meadows	12,046.44	12,726.00	113,364.12	101,810.00	11,554.12	39,350.88
61340 - Telephone / Intercom	461.62	450.00	3,720.40	3,600.00	120.40	1,679.60
61345 - Website	0.00	250.00	893.20	2,000.00	(1,106.80)	2,106.80
<b>Total General &amp; Administrative</b>	<b>36,592.08</b>	<b>47,920.00</b>	<b>355,303.22</b>	<b>383,360.00</b>	<b>(28,056.78)</b>	<b>219,736.46</b>
<b>Repairs &amp; Maintenance</b>						
62090 - Contingency	0.00	5,584.00	0.00	44,667.00	(44,667.00)	67,000.00
62190 - Gardening	16,200.00	16,250.00	131,295.00	130,000.00	1,295.00	63,705.00
62200 - Gardening Extras	6,008.00	3,225.00	20,708.00	25,800.00	(5,092.00)	17,982.00
62210 - General Repairs	523.13	1,350.00	5,688.45	10,804.00	(5,115.55)	10,517.55
62270 - Janitorial Service (Sorrento GH)	1,350.00	1,084.00	9,240.00	8,667.00	573.00	3,760.00
62280 - Janitorial Supplies	0.00	166.00	789.07	1,333.00	(543.93)	1,210.93
62290 - Lighting Maintenance	2,445.06	416.00	4,369.50	3,333.00	1,036.50	630.50
62310 - Miscellaneous Expense	23.50	41.00	2,295.94	333.00	1,962.94	(1,795.94)
62320 - Miscellaneous Supplies	852.99	209.00	3,990.43	1,667.00	2,323.43	(1,490.43)
62340 - Pest Control	801.17	1,000.00	6,749.36	8,000.00	(1,250.64)	5,250.64
62350 - Plumbing Repairs	830.00	500.00	4,075.67	4,000.00	75.67	1,924.33
62360 - Pool / Spa Extras	1,251.00	291.00	2,976.00	2,333.00	643.00	524.00
62365 - Pool / Spa Extras - Meadows	0.00	291.00	355.00	2,333.00	(1,978.00)	3,145.00
62370 - Pool / Spa Furniture	0.00	100.00	0.00	800.00	(800.00)	1,200.00
62380 - Pool / Spa Service Fee	875.00	875.00	7,000.00	7,000.00	0.00	3,500.00
62400 - Security Gate Repairs / Locks	0.00	1,250.00	53.95	10,000.00	(9,946.05)	14,946.05
62405 - Security Maintenance	90.00	1,000.00	5,821.50	8,000.00	(2,178.50)	6,178.50
62420 - Storage	0.00	6.00	75.00	50.00	25.00	0.00

## Income Statement Report Sorrento at Porter Ranch

August 01, 2010 thru August 31, 2010

Expense	Current Period		Year to Date (8 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
<b>Repairs &amp; Maintenance</b>						
62430 - Street Cleaning	0.00	209.00	550.00	1,667.00	(1,117.00)	1,950.00
<b>Total Repairs &amp; Maintenance</b>	<b>31,249.85</b>	<b>33,847.00</b>	<b>206,032.87</b>	<b>270,787.00</b>	<b>(64,754.13)</b>	<b>200,148.13</b>
<b>Utilities</b>						
63010 - Electricity	2,225.19	2,916.00	21,672.06	23,333.00	(1,660.94)	13,327.94
63020 - Gas	894.81	500.00	9,057.59	4,000.00	5,057.59	(3,057.59)
63040 - Water & Sewer	11,722.96	15,416.00	95,984.96	123,333.00	(27,348.04)	89,015.04
63041 - Water2Save	0.00	0.00	69,062.86	0.00	69,062.86	(69,062.86)
<b>Total Utilities</b>	<b>14,842.96</b>	<b>18,832.00</b>	<b>195,777.47</b>	<b>150,666.00</b>	<b>45,111.47</b>	<b>30,222.53</b>
<b>Reserve Expenditures</b>						
90010 - Allocated To Reserves	21,834.94	21,835.00	174,679.52	174,680.00	(0.48)	87,339.80
<b>Total Reserve Expenditures</b>	<b>21,834.94</b>	<b>21,835.00</b>	<b>174,679.52</b>	<b>174,680.00</b>	<b>(0.48)</b>	<b>87,339.80</b>
<b>Total Expense</b>	<b>104,519.83</b>	<b>122,434.00</b>	<b>931,793.08</b>	<b>979,493.00</b>	<b>(47,699.92)</b>	<b>537,446.92</b>
<b>Net Income / (Loss)</b>	<b>20,717.17</b>	<b>4.00</b>	<b>64,408.98</b>	<b>1.00</b>	<b>64,407.98</b>	<b>(64,408.98)</b>