



Professionally prepared by:
ROSS MORGAN & COMPANY, INC.
Property Management

Balance Sheet Report Sorrento at Porter Ranch

As of December 31, 2010

	<u>Balance Dec 31, 2010</u>	<u>Balance Nov 30, 2010</u>	<u>Change</u>
<u>Assets</u>			
Cash Operating			
11010 - C.N.B. #010-897580	98,687.76	69,562.32	29,125.44
Total Cash Operating	98,687.76	69,562.32	29,125.44
Cash Reserves			
12020 - C.N.B. #010-903106 MMA	197,723.18	115,609.20	82,113.98
12080 - UBOC a/c # 5740009739 (checking)	276.31	276.31	0.00
12230 - UBOC Savings a/c #5741053085	385.32	385.32	0.00
12240 - UBOC CD a/c #5749008701	247,000.00	247,000.00	0.00
12250 - Chase a/c # 2958199461 (savings)	136,147.33	136,114.18	33.15
12260 - Intervest National CD 2yr #3400033612	239,985.00	239,985.00	0.00
12270 - Woodlands Com. CD 3 mo #57623043	0.00	60,119.49	(60,119.49)
12280 - Woodlands Com. CD 6 mo #57623035	35,000.00	35,000.00	0.00
12290 - Woodlands Com. CD 9 mo #52231016	30,000.00	30,000.00	0.00
12400 - Woodlands Com. CD 12 mo#52220449	60,000.00	60,000.00	0.00
12410 - Woodlands Com. CD 15 mo#52220415	60,000.00	60,000.00	0.00
Total Cash Reserves	1,006,517.14	984,489.50	22,027.64
Accts Receivable			
14000 - Delinquent Assessments	158,518.21	154,491.37	4,026.84
14005 - Allowance for Doubtful Accounts	(142,666.38)	(139,042.23)	(3,624.15)
Total Accts Receivable	15,851.83	15,449.14	402.69
Total Assets	1,121,056.73	1,069,500.96	51,555.77
<u>Liabilities</u>			
Current Liabilities			
21000 - Accounts Payable	572.38	881.44	(309.06)
21005 - Accrued Expenses	21,648.67	23,645.81	(1,997.14)



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<u>Liabilities</u>			
<u>Current Liabilities</u>			
21010 - Architectural Deposits	3,400.00	3,400.00	0.00
21030 - Prepaid Assessments	44,623.89	26,585.90	18,037.99
Total Current Liabilities	70,244.94	54,513.15	15,731.79
Total Liabilities	70,244.94	54,513.15	15,731.79
<u>Owners' Equity</u>			
<u>Equity</u>			
30010 - Prior Year Equity	759,046.57	759,046.57	0.00
Total Equity	759,046.57	759,046.57	0.00
<u>Reserves</u>			
31000 - Net Reserve Activity - Current Year	244,694.28	222,859.34	21,834.94
32160 - Reserve Interest - Current Year	5,314.11	5,121.41	192.70
Total Reserves	250,008.39	227,980.75	22,027.64
Total Owners' Equity	1,009,054.96	987,027.32	22,027.64
Net Income / (Loss)	41,756.83	27,960.49	13,796.34
Total Liabilities and Equity	1,121,056.73	1,069,500.96	51,555.77



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Income Statement Report Sorrento at Porter Ranch

December 01, 2010 thru December 31, 2010

	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Income						
Assessment Income						
41010 - Association Dues	124,070.00	119,510.00	1,472,671.00	1,434,120.00	38,551.00	(38,551.00)
Total Assessment Income	124,070.00	119,510.00	1,472,671.00	1,434,120.00	38,551.00	(38,551.00)
Other Income						
43020 - Architectural Income	400.00	333.00	5,400.00	4,000.00	1,400.00	(1,400.00)
43045 - Developer Reimbursement	0.00	0.00	675.00	0.00	675.00	(675.00)
43050 - Fine Income	(100.00)	250.00	(464.00)	3,000.00	(3,464.00)	3,464.00
43070 - Insurance - Settlement	0.00	0.00	1,812.76	0.00	1,812.76	(1,812.76)
43090 - Key/Gate Card/Remote Control	0.00	83.00	2,350.00	1,000.00	1,350.00	(1,350.00)
43100 - Late Charges	816.00	760.00	9,498.00	9,120.00	378.00	(378.00)
43130 - Collection Costs Billed	540.34	1,000.00	26,823.09	12,000.00	14,823.09	(14,823.09)
43140 - Newsletter Income	40.00	500.00	3,755.00	6,000.00	(2,245.00)	2,245.00
43150 - Other Income	0.00	0.00	(136.70)	0.00	(136.70)	136.70
Total Other Income	1,696.34	2,926.00	49,713.15	35,120.00	14,593.15	(14,593.15)
Total Income	125,766.34	122,436.00	1,522,384.15	1,469,240.00	53,144.15	(53,144.15)
Expense						
General & Administrative						
61010 - Accounting & Audit	0.00	167.00	1,990.00	2,000.00	(10.00)	10.00
61030 - Architect Fees	809.48	333.00	7,075.38	4,000.00	3,075.38	(3,075.38)
61045 - Bad Debt Expense	3,624.15	7,145.00	56,586.66	85,740.00	(29,153.34)	29,153.34
61063 - Collection Costs	3,126.13	1,000.00	17,626.17	12,000.00	5,626.17	(5,626.17)
61070 - Federal Income Tax	0.00	167.00	83.00	2,000.00	(1,917.00)	1,917.00
61080 - Franchise Tax	0.00	125.00	10.00	1,500.00	(1,490.00)	1,490.00
61105 - Hospitality Committee	193.13	250.00	1,518.61	3,000.00	(1,481.39)	1,481.39
61130 - Insurance - General	828.24	1,049.00	9,062.41	12,585.00	(3,522.59)	3,522.59
61150 - Legal Fees	383.80	833.00	25,484.47	10,000.00	15,484.47	(15,484.47)
61170 - Licenses & Taxes	0.00	29.00	985.40	350.00	635.40	(635.40)
61180 - Management Fees	6,300.00	6,300.00	75,600.00	75,600.00	0.00	0.00
61190 - Newsletter Expense	0.00	500.00	4,729.49	6,000.00	(1,270.51)	1,270.51



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Expense	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
General & Administrative						
61200 - Office Expense - Ross Morgan	93.75	600.00	7,696.45	7,200.00	496.45	(496.45)
61210 - Office Expense - Centurion Group	658.50	550.00	3,952.53	6,600.00	(2,647.47)	2,647.47
61250 - Postage	314.45	526.68	7,401.08	6,316.68	1,084.40	(1,084.40)
61260 - Recording Secretary (Centurion)	0.00	0.00	1,600.00	0.00	1,600.00	(1,600.00)
61270 - Reserve Study	0.00	83.00	1,980.00	1,000.00	980.00	(980.00)
61315 - Security Patrol	1,952.20	2,110.00	9,231.37	25,318.00	(16,086.63)	16,086.63
61320 - Security Service - Main Gate	11,764.80	12,726.00	163,710.53	152,715.00	10,995.53	(10,995.53)
61325 - Security Service - Meadows	11,764.80	12,726.00	163,287.12	152,715.00	10,572.12	(10,572.12)
61340 - Telephone / Intercom	469.71	450.00	5,563.22	5,400.00	163.22	(163.22)
61345 - Website	0.00	250.00	2,927.76	3,000.00	(72.24)	72.24
Total General & Administrative	42,283.14	47,919.68	568,101.65	575,039.68	(6,938.03)	6,938.03
Repairs & Maintenance						
62090 - Contingency	0.00	5,583.00	0.00	67,000.00	(67,000.00)	67,000.00
62190 - Gardening	19,700.00	16,250.00	206,345.00	195,000.00	11,345.00	(11,345.00)
62200 - Gardening Extras	100.00	3,225.00	37,291.00	38,700.00	(1,409.00)	1,409.00
62210 - General Repairs	102.50	1,350.00	13,684.42	16,206.00	(2,521.58)	2,521.58
62215 - Irrigation Leak Repairs	245.00	0.00	245.00	0.00	245.00	(245.00)
62270 - Janitorial Service (Sorrento GH)	575.00	1,083.00	12,320.00	13,000.00	(680.00)	680.00
62280 - Janitorial Supplies	42.00	167.00	1,229.10	2,000.00	(770.90)	770.90
62290 - Lighting Maintenance	178.35	417.00	9,647.24	5,000.00	4,647.24	(4,647.24)
62310 - Miscellaneous Expense	265.00	42.00	2,566.94	500.00	2,066.94	(2,066.94)
62320 - Miscellaneous Supplies	356.94	208.00	6,092.76	2,500.00	3,592.76	(3,592.76)
62340 - Pest Control	801.17	1,000.00	9,954.04	12,000.00	(2,045.96)	2,045.96
62350 - Plumbing Repairs	0.00	500.00	5,000.67	6,000.00	(999.33)	999.33
62360 - Pool / Spa Extras	260.00	292.00	4,163.00	3,500.00	663.00	(663.00)
62365 - Pool / Spa Extras - Meadows	570.00	292.00	2,085.00	3,500.00	(1,415.00)	1,415.00
62370 - Pool / Spa Furniture	0.00	100.00	0.00	1,200.00	(1,200.00)	1,200.00
62380 - Pool / Spa Service Fee	1,750.00	875.00	11,475.00	10,500.00	975.00	(975.00)
62400 - Security Gate Repairs / Locks	180.00	1,250.00	233.95	15,000.00	(14,766.05)	14,766.05
62405 - Security Maintenance	660.00	1,000.00	10,484.36	12,000.00	(1,515.64)	1,515.64

Income Statement Report Sorrento at Porter Ranch

December 01, 2010 thru December 31, 2010

Expense	Current Period		Year to Date (12 months)		Annual Budget	Budget Remaining
	Actual	Budget	Actual	Budget		
Repairs & Maintenance						
62420 - Storage	0.00	6.00	75.00	75.00	75.00	0.00
62430 - Street Cleaning	275.00	208.00	1,100.00	2,500.00	2,500.00	1,400.00
Total Repairs & Maintenance	26,060.96	33,848.00	333,992.48	406,181.00	406,181.00	72,188.52
Utilities						
63010 - Electricity	2,370.53	2,917.00	31,662.25	35,000.00	35,000.00	3,337.75
63020 - Gas	1,172.44	500.00	12,368.10	6,000.00	6,000.00	(6,368.10)
63040 - Water & Sewer	12,022.99	15,417.00	190,970.70	185,000.00	185,000.00	(5,970.70)
63041 - Water2Save	6,225.00	0.00	81,512.86	0.00	0.00	(81,512.86)
Total Utilities	21,790.96	18,834.00	316,513.91	226,000.00	226,000.00	(90,513.91)
Reserve Expenditures						
90010 - Allocated To Reserves	21,834.94	21,835.32	262,019.28	262,019.32	262,019.32	0.04
Total Reserve Expenditures	21,834.94	21,835.32	262,019.28	262,019.32	262,019.32	0.04
Total Expense	111,970.00	122,437.00	1,480,627.32	1,469,240.00	1,469,240.00	(11,387.32)
Net Income / (Loss)	13,796.34	(1.00)	41,756.83	0.00	0.00	(41,756.83)