

ARROWHEAD LAKE ASSOCIATION

Auditors' Report Financial Statements and Supplementary Information

March 31, 2012 and 2011



SBH & Associates, LLP

Board of Directors
Arrowhead Lake Association
Lake Arrowhead, CA

Independent Auditors' Report

We have audited the accompanying statements of financial position of Arrowhead Lake Association (a California nonprofit corporation), as of March 31, 2012 and 2011, and the related statements of activities and changes in net assets, 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 audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Arrowhead Lake Association, as of March 31, 2012 and 2011, and the results of its activities and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained on pages 11 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SBH and Associates, LLP

Palm Springs, CA
May 29, 2012

Arrowhead Lake Association

Statements of Financial Position

As of March 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,316,677	\$ 1,474,521
Investments	1,237,079	1,320,605
Investments - Hardin Marine security deposit	84,126	84,126
Accounts receivable (net)	66,430	1,355
Inventory	36,689	17,701
Note receivable	-	17,875
Prepaid expenses	108,732	107,270
TOTAL CURRENT ASSETS	<u>2,849,733</u>	<u>3,023,453</u>
NONCURRENT ASSETS		
Capital assets:		
Land	390,333	390,333
Property and equipment	8,810,691	8,486,376
Less accumulated depreciation	(5,839,206)	(5,449,493)
TOTAL NONCURRENT ASSETS	<u>3,361,818</u>	<u>3,427,216</u>
TOTAL ASSETS	<u>\$ 6,211,551</u>	<u>\$ 6,450,669</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 135,552	\$ 15,883
Accrued payroll and related items	29,889	139,412
Income taxes payable	3,640	-
Deferred income	775,937	945,515
Security deposit	84,126	84,126
Other current liabilities	33,359	28,548
TOTAL CURRENT LIABILITIES	<u>1,062,503</u>	<u>1,213,484</u>
NET ASSETS		
Unrestricted net assets	4,787,940	4,905,991
Board designated for the Shoreline Beautification Program	361,108	331,194
TOTAL NET ASSETS	<u>5,149,048</u>	<u>5,237,185</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,211,551</u>	<u>\$ 6,450,669</u>

The accompanying notes are an integral part of the financial statements.

Arrowhead Lake Association
Statement of Activities and Changes in Net Assets
For the Years Ended March 31, 2012 and 2011

	2012	2011
UNRESTRICTED NET ASSETS		
OPERATING REVENUE		
Lake and marina fees	\$ 2,545,603	\$ 2,504,692
Beach club dues and fees	222,740	190,956
Shoreline Beautification program fees	29,914	23,443
Fuel sales, gross profit	42,682	37,814
Firework contributions	34,412	26,590
Fish contributions	16,487	13,647
Erosion/sediment control cost sharing	-	51,789
Lease income	273,495	274,258
Interest income	15,810	22,066
Excursion and resort boat leases	60,700	54,000
TOTAL OPERATING REVENUE	3,241,843	3,199,255
OPERATING EXPENSES		
Lake and marina operations	1,061,971	1,038,328
Beach club operations	77,832	67,427
Gas dock operations	38,859	38,447
General and administrative	1,454,679	1,296,806
Fourth of July show	68,718	56,310
Fish stocking	35,097	34,923
Depreciation	413,653	353,067
Income tax expense	18,735	17,603
TOTAL OPERATING EXPENSES	3,169,544	2,902,911
Special Projects	160,436	-
TOTAL OPERATING AND SPECIAL PROJECT EXPENSES	3,329,980	2,902,911
CHANGE IN UNRESTRICTED NET ASSETS	(88,137)	296,344
CHANGE IN NET ASSETS	(88,137)	296,344
NET ASSETS, BEGINNING OF YEAR	5,237,185	4,940,841
NET ASSETS, END OF YEAR	\$ 5,149,048	\$ 5,237,185

The accompanying notes are an integral part of the financial statements.

Arrowhead Lake Association
Statement of Cash Flows
For the Years Ended March 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (88,137)	\$ 296,344
Adjustments to reconcile change in net assets:		
Depreciation	413,653	353,067
(Increase) decrease in current assets:		
Accounts and grants receivables	(65,075)	3,359
Prepaid expenses	(1,462)	25,485
Current assets	17,875	73,625
Inventory	(18,988)	6,302
Increase (decrease) in current liabilities:		
Accounts payable	119,669	(324)
Accrued expenses	(109,523)	4,442
Deferred income	(169,578)	(240,470)
Security deposit - Hardin Marine	-	1,343
Change in Income Taxes Payable	3,640	-
Other liabilities	4,811	3,868
Net Cash Flows from Operating Activities	106,885	527,041
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of investments, net of maturities	558,526	770,621
Change in value of security deposit - Hardin Marine	-	(1,343)
Net Cash Flows from Investing Activities	558,526	769,278
 CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of capital assets	(348,255)	(647,684)
Net Cash Flows from Financing Activities	(348,255)	(647,684)
 CHANGE IN CASH AND CASH EQUIVALENTS	317,156	648,635
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	999,521	825,886
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,316,677	\$ 1,474,521
Cash paid for income taxes	\$ 7,205	\$ 18,337

The accompanying notes are an integral part of the financial statements.

Arrowhead Lake Association
Notes to Financial Statements
For the Years Ended March 31, 2012 and 2011

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Organization

Arrowhead Lake Association (the Association) was incorporated under the Laws of the State of California on September 4, 1974. The Association was organized pursuant to the General Nonprofit Corporation Laws of the State of California for the purpose of acquiring, operating, and maintaining Lake Arrowhead and other properties within Arrowhead Woods for the social and recreational benefit of Association members. Membership in the Association is voluntary, but is restricted to owners of residential real property in Arrowhead Woods, with the exclusion of Lakewood Tracts A & B.

Accounting method

The Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenue is recognized when earned, or billed, and expenses are recognized when goods or services are received, whether paid or not.

In accordance with accounting principles generally accepted in the United States of America, information regarding its financial position and activities are required to be present within three classes/types of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association does not have net assets that are permanently restricted and as such, none are presented.

Revenue recognition

Member fees are considered available for the Association's general programs unless specifically restricted by the donor. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. However, the Association receives certain contributions for the annual fireworks display and future fish stocking at the end of the fiscal period that are used in the subsequent period. These prepayments are treated as unearned revenue, similar to member dock fees and are reported as Other Current Liabilities in the Statement of Financial Position. These amounts are not considered material to the financial statements.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include: cash on hand; funds on deposit with financial institutions; and investments with original maturities of three months or less.

Fair value of financial instruments

The carrying value of the Association's financial instruments is considered to approximate the fair value. Cash, accounts payable, and other accrued liabilities are settled close to the balance sheet date such that the fair value does not differ significantly from the stated amounts. Accounts receivable is recorded net of an estimate of uncollectable balances.

Inventory

Inventory consists of marina fuel is stated at original cost determined on the first-in-first-out method.

Capital assets

Property improvements and equipment with a cost exceeding \$1,000, are capitalized and are depreciated on the straight-line method over their estimated useful lives, ranging from 3 to 45 years. Building improvements are amortized on the straight-line method over remaining useful life of the building.

Deferred Revenue

Deferred revenue represents dues, fees, and rents received before the period to which they relate. Such revenues are recognized in the applicable period.

Arrowhead Lake Association

Notes to Financial Statements

For the Years Ended March 31, 2012 and 2011

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates included in the preparation of these financial statements include estimated bad debts and estimates of depreciation relating to useful life. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

At March 31, 2012, investments in certificate of deposits consist of the following below. The certificate of deposit presented separately is restricted as part of the marine operations lease agreement.

2012		
Maturity Date	Interest rate	Cost
5/1/2012	1.05%	\$ 209,379
5/1/2012	0.73%	208,505
6/22/2012	0.15%	99,637
8/3/2012	0.60%	40,396
9/16/2012	0.35%	125,384
10/8/2012	0.75%	100,323
10/22/2012	0.75%	203,455
11/12/2012	0.50%	250,000
	Total	<u>\$ 1,237,079</u>

2011		
Maturity Date	Interest rate	Cost
4/22/2011	1.64%	\$ 200,904
5/1/2011	0.95%	206,029
5/1/2011	1.00%	205,303
6/25/2011	0.15%	99,489
7/8/2011	0.60%	203,929
9/16/2011	0.35%	124,951
11/3/2011	0.95%	40,000
11/3/2011	0.95%	40,000
3/1/2012	1.05%	200,000
	Total	<u>\$ 1,320,605</u>
6/14/2012	0.30%	<u>\$ 84,126</u>

Arrowhead Lake Association
Notes to Financial Statements
For the Years Ended March 31, 2012 and 2011

NOTE 3 – ACCOUNTS RECEIVABLE

At March 31, 2012, Accounts Receivable consist of the following:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Accounts receivable	\$ 131,430	\$ 3,891
Allowance for bad debts	(65,000)	(2,536)
Total	<u>\$ 66,430</u>	<u>\$ 1,355</u>

NOTE 4 – CAPITAL ASSETS

At March 31, 2012, Capital Assets consist of the following:

	<u>2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>2012</u>
Non-depreciable real property:				
Land	\$ 390,333	\$ -	\$ -	\$ 390,333
Depreciable personal property:				
Land improvements	226,363	-	-	226,363
Buildings and building improvements	2,970,929	15,158	-	2,986,087
Easement improvements	1,786,353	315,538	-	2,101,891
Fuel facility	535,045	-	-	535,045
Dam	30,229	-	-	30,229
Rental docks	931,446	-	-	931,446
Vehicles	255,443	-	-	255,443
Boats and appurtenances	1,225,207	-	(20,441)	1,204,766
Equipment - field	268,845	-	(2,373)	266,472
Office and beach club furniture	197,426	17,559	(1,126)	213,859
Beach club equipment	59,090	-	-	59,090
Subtotal	<u>8,486,376</u>	<u>348,255</u>	<u>(23,940)</u>	<u>8,810,691</u>
Less accumulated depreciation	<u>(5,449,493)</u>	<u>(413,653)</u>	<u>23,940</u>	<u>(5,839,206)</u>
Total capital assets, net	<u>\$ 3,427,216</u>	<u>\$ (65,398)</u>	<u>\$ -</u>	<u>\$ 3,361,818</u>

Arrowhead Lake Association

Notes to Financial Statements

For the Years Ended March 31, 2012 and 2011

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At March 31, 2012, Accounts Payable consist of the following:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Accrued payroll	\$ 16,721	\$ 29,024
Vacation	9,538	44,912
Benefits	3,520	64,626
Accrued payroll tax	110	850
Total	<u>\$ 29,889</u>	<u>\$ 139,412</u>

NOTE 6 – INCOME TAXES

Arrowhead Lake Association is exempt from federal taxes under section 501 (c) 7 of the Internal Revenue Code and is classified as a social or recreational organization other than a private foundation. The Association is also exempt from state income taxes under Section 23701 (g) of the California Revenue and Taxation Code. The Association is taxed on investment income and on business income unrelated to its exempt purpose. For the year ended March 31, 2012, federal and state taxes are summarized below.

<u>Description</u>	<u>2012</u>	<u>2011</u>
Federal	\$ 12,665	\$ 11,286
State	6,852	6,317
Total	<u>\$ 19,517</u>	<u>\$ 17,603</u>

NOTE 7 – CONTRIBUTIONS

Fish and fireworks contributions at March 31, 2012 and 2011, are used to subsidize the Association's operating expenses for fish stocking and fireworks expenses. Contributions and the corresponding expenses are summarized below:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Firework contributions	\$ 34,412	\$ 26,590
Fish contributions	16,487	13,647
Total income	<u>\$ 50,899</u>	<u>\$ 40,237</u>
Firework expenses	\$ 68,718	\$ 56,310
Fish stocking expense	35,097	34,923
Total expense	<u>\$ 103,815</u>	<u>\$ 91,233</u>

Arrowhead Lake Association
Notes to Financial Statements
For the Years Ended March 31, 2012 and 2011

NOTE 8 – DESCRIPTION OF LEASING ARRANGEMENTS AND LEASE SECURITY DEPOSIT

The Association’s leasing operations consist principally of the leasing of the Marina and other lakeside related facilities. Under the lease agreements, the lessees are required to pay their proportionate share of property taxes, insurance, utilities, maintenance, and repairs. Rental income for the year ended March 31, 2012, was \$273,495.

At the origination in 1996 of the Hardin Marine’s lease, a security deposit of \$50,000 was made to the Association. This deposit is held in a bank account separate from all other Association funds. Under the lease agreement Hardin Marine has the right to all earned interest on the deposit. The value of the deposit at March 31, 2012, including accrued interest was \$84,126. This amount is due to Hardin Marine upon termination of the lease in accordance with the lease agreement.

NOTE 9 – PENSION PLAN

Effective January 1, 1997, the Association adopted a 401(k) profit sharing plan. The plan covers certain qualified employees who meet the plan’s eligibility requirements. The plan was modified during the fiscal year. From January 2012 prospectively, the Association contributes 4% of the qualified employees annual wages. For the years ended March 31, 2012 and 2011, the Association contributed \$51,925 and \$71,393 respectively to the plan.

NOTE 10 – FUEL SALES

The Association maintains four fueling stations, which are the only stations on Lake Arrowhead. The Association operates these stations for the convenience and necessity of its members. Fuel sales for the years ending March 31, 2012 and 2011, are summarized below:

Description	2012	2011
Fuel sales	\$ 526,078	\$ 439,358
Less COGS	(483,396)	(401,544)
Gross profit	\$ 42,682	\$ 37,814

NOTE 11 – SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK

The Association maintains operating bank accounts whose balance may occasionally exceed the federally insured amount of \$250,000.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Environmental Matters

The operations carried out by the Association and its tenants on Association property require compliance with a variety of federal, state and county environmental laws and regulations. In addition, the Association is required to monitor and report on the status of certain contaminants relating to fuel storage and delivery facilities. While a spill or violation of such laws and regulations could give rise to substantial correction costs and other liabilities, the Association’s management believes its monitoring and programs are in substantial compliance with current requirements.

Concentrations

The Association’s revenues are derived mainly from user fees that the Association charges members for the use of Lake Arrowhead. If the lake level significantly decreases, it could adversely impact the Association’s revenue. The Association at this time relies solely on nature to replenish the water in the lake.

Arrowhead Lake Association
Notes to Financial Statements
For the Years Ended March 31, 2012 and 2011

NOTE 12 – COMMITMENTS AND CONTINGENCIES - (CONTINUED)

Contingencies

During the current fiscal year the State of California made flood damage repairs to Highway 173.

In the opinion of management and Association counsel, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involve such amounts, that would not have a significant effect on the financial position or results of operations of the Association if disposed of unfavorably. Therefore, no provision for loss has been included in the accompanying financial statements.

Taxation

The Association's federal and state tax returns are open for examination for the years 2010, 2011, and 2012.

NOTE 13 – SHORELINE BEAUTIFICATION PROGRAM

The Association utilizes a portion of user fees to support its Shoreline Beautification Program. The program is tracked separately to account for the use of the funding and is reflected as a component of Unrestricted Net Assets on the Statement of Financial Position as a Board Designation of Net Assets. Below is a reconciliation of the ending balance:

Shoreline Beautification Program:		
Beginning balance	\$ 331,194	\$ 307,751
Add: revenues/fees	29,914	23,443
Less: Shoreline Beautification Program	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 361,108</u>	<u>\$ 331,194</u>

Arrowhead Lake Association
Supplementary Information
For the Years Ended March 31, 2012 and 2011
Schedule of Lake and Marina Operating Revenues

	<u>2012</u>	<u>2011</u>
LAKE AND MARINA FEES		
Dock fees	\$ 1,283,648	\$ 1,274,160
Boat fees and boat licensing	591,020	609,040
Dock rental fees	273,475	299,185
General membership fees	93,526	122,619
Transfer fees	155,010	151,130
Other	<u>148,924</u>	<u>48,558</u>
 TOTAL LAKE AND MARINA FEES	 <u>\$ 2,545,603</u>	 <u>\$ 2,504,692</u>

Arrowhead Lake Association
Supplementary Information
For the Years Ended March 31, 2012 and 2011
Schedule of Lake and Marina Operating Expenses

<u>LAKE AND MARINA MAINTENANCE EXPENSE</u>	<u>2012</u>	<u>2011</u>
Wages - maintenance	\$ 227,475	\$ 227,364
Wages - ramp	22,975	22,144
Payroll taxes	21,254	20,502
Workers compensation	17,718	13,057
Benefits	51,002	76,753
Shop tools	1,930	2,165
Materials and supplies	6,525	6,107
Fuel/automobile and equipment	15,486	15,624
Repair and maintenance/auto and equipment	11,973	12,273
Repair and maintenance/property	9,336	27,774
Dock rental repairs	29,679	16,014
Building repairs	10,038	4,098
Elevator operations	6,499	8,393
DMV registrations	2,168	4,671
Utilities electric	3,250	2,404
Utilities gas	630	518
Water/sewer	26,241	29,040
Buoys	17,973	11,648
Contract services	50,878	42,643
Trash removal	18,254	17,106
Miscellaneous	2,317	960
Small office equipment	248	311
Erosion and sediment control	56,488	15,951
Telephone	1,749	1,693
Lake weed abatement	19,184	25,830
Uniforms/safety training	1,323	1,636
New equipment	2,591	1,565
Trail/access maintenance	74,973	69,638
Tree removal	39,534	40,963
Tree treatment	16,937	7,768
Maintenance	4,366	2,740
Maintenance/landscape -marina	2,896	2,211
Maintenance/landscape - Burnt Mill	5,301	4,445
Maintenance/landscape -Tavern Bay	18,151	5,697
Maintenance/landscape -Grass Valley	3,508	2,662
Maintenance/landscape -Demo Garden	3,211	958
Village Cove/Orchard Bay	1,050	-
Janitorial	4,691	4,729
Trash removal	3,275	4,058
Equipment repair	1,179	-
Gate repair	3,797	-
SUBTOTAL LAKE AND MARINA MAINTENANCE EXPENSE	<u>\$ 818,053</u>	<u>\$ 754,113</u>

Arrowhead Lake Association
Supplementary Information
For the Years Ended March 31, 2012 and 2011
Schedule of Lake and Marina Operating Expenses

<u>LAKE AND MARINA SAFETY EXPENSES</u>	<u>2012</u>	<u>2011</u>
Wages - lake safety	\$ 111,801	\$ 143,102
Wages - shore safety	1,054	1,872
Payroll taxes - safety	15,878	15,249
Workers compensation - safety	16,600	19,482
Fuel	23,752	22,841
Repair and maintenance	33,996	33,752
New equipment	10,207	5,828
Security services	1,620	3,591
Benefits	15,280	15,906
Training	1,186	2,506
Supplies	6,582	11,135
Telephone	1,230	1,729
Utilities (gas/electric)	2,218	2,575
Uniforms	1,722	2,548
Security patrol service	792	2,099
SUBTOTAL LAKE AND MARINA SAFETY EXPENSES	<u>243,918</u>	<u>284,215</u>
TOTAL LAKE AND MARINA OPERATING EXPENSES	<u>\$ 1,061,971</u>	<u>\$ 1,038,328</u>

Arrowhead Lake Association
Supplementary Information
For the Years Ended March 31, 2012 and 2011
Schedule of General and Administrative Expenses

<u>GENERAL AND ADMINISTRATIVE EXPENSES</u>	<u>2012</u>	<u>2011</u>
Wages - administrative	\$ 517,408	\$ 523,502
401 K contribution	26,350	-
Payroll taxes	44,659	41,767
Workers compensation	24,895	13,689
Benefits	87,132	147,687
Seasonal employee retention bonus	6,200	6,000
Office supplies	13,252	11,092
Utilities (electric)	27,707	28,636
Telephone	19,846	16,805
Gas	6,208	5,832
Computer repair	782	-
Printing	22,373	21,302
Toner and ink cartridges	2,615	3,709
Postage	6,522	6,394
Property taxes	82,298	80,086
Audit and accounting	8,250	8,250
Bad Debt Expense	65,000	-
Legal	69,955	30,819
Legal - water rights	138,443	34,155
Professional accounting service	9,950	7,686
Engineering, planning, survey	-	1,200
Insurance	81,249	82,777
Shoreline fuel	1,276	700
Shoreline supplies	1,929	2,197
Shoreline reimbursable	5,872	22,163
LA update	11,140	11,170
Equipment service contracts	28,254	25,505
Computer service maintenance	6,182	13,035
Security and janitorial	5,057	4,288
Board expense	6,382	16,506
Member relations	21,231	18,944
Election	1,170	-
Bank service fees	6,198	6,305
Uniforms	503	773
Professional development	1,772	466
Permits, dues, fees, licenses	41,185	37,259
County recorder	501	494
Credit card processing expense	37,138	31,939
New equipment	9,852	25,142
Employee relations	6,501	7,157
Mileage	1,442	1,375
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 1,454,679	\$ 1,296,806

Arrowhead Lake Association

Supplementary Information

For the Years Ended March 31, 2012 and 2011

Schedule of Special Projects Expenses

	<u>2012</u>	<u>2011</u>
Update mapping	\$ 700	\$ -
Software upgrades	10,081	-
Trail improvements	3,150	-
Handrails	1,800	-
Trail Repairs S518	668	-
Accesses	2,400	-
Trail markers	49	-
Main office flooring/repairs S518	3,547	-
Forest care - Burnt Mill	100	-
Parking lot access dam	4,800	-
Tavern Bay- Phase IV snack bar and restroom	280	-
Tavern Bay - Dock replacement	10,154	-
Stump removal	1,140	-
Outflow valve repair	11,360	-
Vehicle gate	17,964	-
Marine operations center water service	3,395	-
Dredging	18,560	-
Engineering	6,053	-
Materials and equipment	3,600	-
Orchard Bay	10,220	-
Burnt Mill Bay	31,017	-
TOTAL SPECIAL PROJECT EXPENSES	<u>\$ 160,436</u>	<u>\$ -</u>

See auditors' report.