

Lagoon Ocean Resort Financial Report Annual Meeting June 2010

2009

The association took over the finances as of December 1, 2009. In December we incurred a loss of 1,645 Naf due to property maintenance issues and the set up of a Wi-Fi network

As of Dec 31, the LOR had cash of 22,405 Naf and known liabilities of 7,517 Naf. The LOR equity was 25,630 Naf

2010 to May 2010

Subsequent to the 2009 year end, the board became aware of a number of additional liabilities not previously recorded. These include the following:

Selikor: No invoices have been received from Selikor for an unknown period. An allowance of 1,000 Naf per month has been established going back to Nov 2009

Aqualetric: The LOR has not been invoiced for any electricity usage. As a result a monthly allowance of 700 Naf has been established. The LOR also paid 2,500 Naf for water fees from 2009.

Land Lease: An allowance of 700 Naf per month has been set up to cover this expense

Property Taxes: Because of the unknown nature of this expense including amount and timing, no allowance has been set up

2010 Budget

A small loss was budgeted for 2010. As of June 2010, the actual loss will be approximately 6,000 Naf due to the items mentioned above. In order for the LOR to remain financially stable and ensure proper long term maintenance and upkeep, an increase in fees for 2011 will be required.