# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

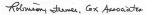
To the Board of Directors Mosby Mountain Community Association, Inc. Charlottesville, Virginia

We have audited the accompanying statement of cash basis revenues, expenses, and changes in cash balances of Mosby Mountain Community Association, Inc. for the years ended December 31, 2009 and 2008. This financial statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 lato 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 audit provides a reasonable basis for our opinion.

As described in Note 2, the financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis revenue, expenses, and changes in cash balances for the years ended December 31, 2009 and 2008 on the basis of accounting described in Note 2.



Charlottesville, Virginia September 30, 2010

#### MOSBY MOUNTAIN COMMUNITY ASSOCATION

Statement of Cash Basis Revenues, Expenses and Changes in Cash Balances Years Ended December 31, 2009 and 2008

Security   Security			2009		2008
Disclosure packets	Revenues:				
Total revenues	Assessments	\$	62,818	S	74,749
Total revenues	Disclosure packets		150		83
Total revenues         \$         73,107         \$         74,976           Expenses:         Expenses:         3,847         \$         3,917           Accounting fees         \$         3,847         \$         3,917           Contributions         100         100         183           Meeting expense         -         120         120           Office expense         525         900         90           Ofther professional services         320         255         900           Other professional services         320         255         900         26         1,403         806         23,844         1,800         900         20,800         20,800         20,800	Interest income		139		144
Expenses:  Accounting fees \$ 3,847 \$ 3,917 Contributions 100 Licenses and fees 250 183 Meeting expense - 120 Office expense 525 990 Other professional services 320 255 Social activities 30 30 Security monitoring 105 Trash collection 16,686 23,844 Insurance 928 806 Landscaping 25,861 40,800 Special assessment - landscaping 1,900 Common area maintenance 750 Signage 163 566 Snow removal 906 1,400 Landscape improvements 354 233 Special assessment - miscellaneous expenses 904 Website expenses 223 166 Total expenses \$ 53,852 \$ 73,200 Excess (deficiency) or revenues over expenses \$ 19,255 \$ 1,766 Cash balance, beginning of year 18,832 17,065	Developer	_	10,000		
Accounting fees         \$ 3,847 \$ 3,917           Contributions         100           Licenses and fees         250         18.           Meeting expense         - 120         18.           Meeting expense         525         900           Office expense         320         255           Other professional services         320         255           Social activities         30         55           Security monitoring         105         55           Trash collection         16,686         23,844           Insurance         928         80           Landscaping         25,861         40,800           Special assessment - landscaping         1,900           Common area maintenance         750         56           Signage         163         56           Snow removal         906         1,400           Landscape improvements         354         233           Special assessment - miscellaneous expenses         904         904           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766	Total revenues	\$	73,107	\$	74,976
Contributions         100           Licenses and fees         250         18.           Meeting expense         255         90.           Office expense         525         90.           Other professional services         320         255           Social activities         30         55           Security monitoring         105         15           Trash collection         16,686         23,844           Insurance         928         80           Landscaping         25,861         40,800           Special assessment - landscaping         1,900         5           Common area maintenance         750         5           Signage         163         56           Snow removal         966         1,400           Landscape improvements         354         233           Special assessment - miscellaneous expenses         904         4           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Expenses:				
Licenses and fees	Accounting fees	\$	3,847	\$	3,917
Meeting expense         -         120           Office expense         525         90           Other professional services         320         255           Social activities         30         105           Trash collection         16,686         23,844           Insurance         928         80           Landscaping         1,900         5           Special assessment - landscaping         1,900         1,900           Common area maintenance         750         1,566           Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         23           Special assessment - miscellaneous expenses         904         23           Website expenses         223         166           Total expenses         \$ 53,852         \$ 73,206           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Contributions		100		enightechi, e
Office expense         525         900           Other professional services         320         255           Social activities         30         255           Security monitoring         105         5           Trash collection         16,686         23,846           Insurance         928         80           Landscaping         2,5,861         40,800           Special assessment - landscaping         1,900           Common area maintenance         750           Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         233           Special assessment - miscellaneous expenses         904         904           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Licenses and fees		250		183
Other professional services         320         255           Social activities         30         30           Security monitoring         105         23,844           Trash collection         16,686         23,844           Insurance         928         80           Landscaping         25,861         40,800           Special assessment - landscaping         1,900           Common area maintenance         750         56           Signage         163         565           Snow removal         906         1,400           Landscape improvements         354         23           Special assessment - miscellaneous expenses         904         90           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Meeting expense		-		120
Social activities         30           Security monitoring         105           Trash collection         16,686         23,846           Insurance         928         80           Landscaping         1,900         5           Special assessment - landscaping         1,900         6           Common area maintenance         750         6           Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         223           Special assessment - miscellaneous expenses         904         906           Website expenses         223         166           Total expenses         \$ 53,852         \$ 73,206           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Office expense		525		903
Security monitoring   105	Other professional services		320		255
Trash collection         16,686         23,844           Insurance         928         80           Landscaping         25,861         40,800           Special assessment - landscaping         1,900           Common area maintenance         750         56           Signage         163         56           Snow removal         906         1,400           Landscape improvements         354         233           Special assessment - miscellaneous expenses         904         40           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Social activities		30		
Insurance	Security monitoring		105		
Landscaping         25,861         40,800           Special assessment - landscaping         1,900           Common area maintenance         750           Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         23           Special assessment - miscellaneous expenses         904         904           Website expenses         223         166           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Trash collection		16,686		23,848
Special assessment - landscaping         1,900           Common area maintenance         750           Signage         163         565           Snow removal         906         1,400           Landscape improvements         354         237           Special assessment - miscellaneous expenses         904           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Insurance		928		809
Common area maintenance         750           Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         233           Special assessment - miscellaneous expenses         904	Landscaping		25,861		40,800
Signage         163         566           Snow removal         906         1,400           Landscape improvements         354         23           Special assessment - miscellaneous expenses         904         906           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,200           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,060	Special assessment - landscaping		1,900		
Snow removal         906         1,400           Landscape improvements         354         23           Special assessment - miscellaneous expenses         904         35           Website expenses         223         160           Total expenses         \$ 53,852         \$ 73,200           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,060	Common area maintenance		750		
Landscape improvements         354         237           Special assessment - miscellaneous expenses         904         316           Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,205           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,766           Cash balance, beginning of year         18,832         17,065	Signage		163		569
Special assessment - miscellaneous expenses         904 223         165           Website expenses         \$ 53,852         \$ 73,200           Total expenses         \$ 19,255         \$ 1,760           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,760           Cash balance, beginning of year         18,832         17,060	Snow removal		906		1,403
Website expenses         223         165           Total expenses         \$ 53,852         \$ 73,203           Excess (deficiency) or revenues over expenses         \$ 19,255         \$ 1,767           Cash balance, beginning of year         18,832         17,061	Landscape improvements		354		237
Total expenses         \$         53,852         \$         73,205           Excess (deficiency) or revenues over expenses         \$         19,255         \$         1,766           Cash balance, beginning of year         18,832         17,065	Special assessment - miscellaneous expenses		904		beene wi
Excess (deficiency) or revenues over expenses \$ 19,255 \$ 1,766 Cash balance, beginning of year 18,832 17,065	Website expenses		223		165
Cash balance, beginning of year 18,832 17,065	Total expenses	\$	53,852	\$	73,209
	Excess (deficiency) or revenues over expenses	\$	19,255	\$	1,767
Cash balance, end of year \$\$ 38,087 \$\$ 18,832	Cash balance, beginning of year		18,832		17,065
	Cash balance, end of year	\$	38,087	\$	18,832

The independent auditors' report and other accompanying notes to the financial statements are an integral part of this statement.

## MOSBY MOUNTAIN COMMUNITY ASSOCIATION, INC.

Notes to Financial Statement As of December 31, 2009 and 2008

#### NOTE 1-REPORTING ENTITY:

#### Nature of Activities:

Mosby Mountain Community Association, Inc. is a non-stock Virginia corporation and consists of 119 residential lots in Albemarle County, Virginia. The Association provides for the maintenance of the common areas of the Mosby Mountain Community. The Association holds title to the common areas. The roads are owned by the Commonwealth of Virginia.

#### NOTE 2-SIGNIFICANT ACCOUNTING POLICIES:

#### Basis of Accounting

The accounts and records of the Association are maintained on a cash basis reflecting only cash received and disbursed. Therefore, receivables and payables, inventories, accrued income and expenses, equipment, and depreciation, which may be material in amount, are not reflected, and these statements do not present the overall financial position or results of operations. Fixed assets additions are expensed when purchased.

### **NOTE 3-DEPOSITS:**

The Association requires all investments of cash to be in federal insured accounts.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Association's name. At December 31, 2009 no deposits were exposed to custodial risk.

## NOTE 4-INCOME TAXES:

The Association is taxed as a Homeowner's Association under Section 528 of the Internal Revenue Code. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings less expenses directly associated with the production of such income. Exempt function income, which consists primarily of member assessments, is not taxable.