

# 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 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 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.

*Robinson Farmer, Cox Associates*

Charlottesville, Virginia  
September 30, 2010

### MOSBY MOUNTAIN COMMUNITY ASSOCIATION

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

	2009	2008
<b>Revenues:</b>		
Assessments	\$ 62,818	\$ 74,749
Disclosure packets	150	83
Interest income	139	144
Developer	10,000	-
<b>Total revenues</b>	<b>\$ 73,107</b>	<b>\$ 74,976</b>
<b>Expenses:</b>		
Accounting fees	\$ 3,847	\$ 3,917
Contributions	100	-
Licenses and fees	250	183
Meeting expense	-	120
Office expense	525	903
Other professional services	320	255
Social activities	30	-
Security monitoring	105	-
Trash collection	16,686	23,848
Insurance	928	809
Landscaping	25,861	40,800
Special assessment - landscaping	1,900	-
Common area maintenance	750	-
Signage	163	569
Snow removal	906	1,403
Landscape improvements	354	237
Special assessment - miscellaneous expenses	904	-
Website expenses	223	165
<b>Total expenses</b>	<b>\$ 53,852</b>	<b>\$ 73,209</b>
Excess (deficiency) or revenues over expenses	\$ 19,255	\$ 1,767
Cash balance, beginning of year	18,832	17,065
Cash balance, end of year	<b>\$ 38,087</b>	<b>\$ 18,832</b>

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.