

**MCCORMICK RANCH PROPERTY
OWNERS' ASSOCIATION, INC.**

**Financial Statements
and
Independent Auditors' Report
for the
Year ended December 31, 2010**

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

Financial Statements

For the Year Ended December 31, 2010

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statements of Revenues, Expenses and Changes in Fund Balances	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8
SUPPLEMENTAL SCHEDULES	
Schedules of Operating Expenses	9-10
Supplementary Information on Future Major Repairs and Replacements	11

FISCHER AND JENSEN, CPA's PLLC

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
McCormick Ranch Property Owners' Association, Inc.
Scottsdale, AZ

We have audited the accompanying balance sheet of McCormick Ranch Property Owners' Association, Inc. as of December 31, 2010 and the related statement of revenues, expenses, changes in fund balances and cash flows for the year 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McCormick Ranch Property Owners' Association, Inc. as of December 31, 2010, and the results of its operations, changes in fund balances and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The other supplemental schedules accompanying the financial statements are presented only for additional analysis and have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information about future repairs and replacements is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit.

June 4, 2011

Fischer and Jensen, CPAs PLLC

FAX (602) 237-6619 • E-MAIL JDJCPAPC@AOL.COM

10320 W. McDOWELL ROAD, SUITE A-1004 • AVONDALE, AZ 85392 • PHONE (602) 237-5781

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

ALL FUNDS

Balance Sheet

December 31

Current Funds

Operations

Replacement

Total
All Funds

2010

2009

(memo only)

ASSETS

CURRENT ASSETS

Cash

Cash-general

Cash-designated

Total Cash

Short-term Investments

Accounts receivable

Assessments receivable-net of allowance

Other receivables

Interest receivable

Total Accounts Receivable

TOTAL CURRENT ASSETS

PROPERTY AND EQUIPMENT

Land

Land improvements

Building

Machinery and equipment

Office furniture and fixtures

Less accumulated depreciation

TOTAL PROPERTY AND

EQUIPMENT-NET

TOTALS

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts payable

Checks in excess of deposits

Accrued liabilities and other

Deferred revenue

TOTAL CURRENT

LIABILITIES

FUND BALANCES

Undesignated

Designated

TOTAL FUND BALANCES

OTHER FUND EQUITY

Contributed by developer

TOTALS

	Operations	Replacement	2010	2009
Cash				
Cash-general	\$ 444,748	\$ -	\$ 444,748	\$ 451,111
Cash-designated		249,868	249,868	397,695
Total Cash	<u>444,748</u>	<u>249,868</u>	<u>694,616</u>	<u>848,806</u>
Short-term Investments	<u>843,173</u>	<u>750,711</u>	<u>1,593,884</u>	<u>1,398,597</u>
Accounts receivable				
Assessments receivable-net of allowance	82,734	-	82,734	70,903
Other receivables	57,371		57,371	
Interest receivable			-	1,207
Total Accounts Receivable	<u>140,105</u>	<u>-</u>	<u>140,105</u>	<u>72,110</u>
TOTAL CURRENT ASSETS	1,428,026	1,000,579	2,428,605	2,319,513
PROPERTY AND EQUIPMENT				
Land	323,990	-	323,990	323,990
Land improvements	1,641,733		1,641,733	1,641,733
Building	272,683		272,683	275,667
Machinery and equipment	684,714		684,714	757,368
Office furniture and fixtures	61,948		61,948	85,863
	<u>2,985,068</u>	<u>-</u>	<u>2,985,068</u>	<u>3,084,621</u>
Less accumulated depreciation	<u>(1,637,757)</u>	<u>-</u>	<u>(1,637,757)</u>	<u>(1,639,534)</u>
TOTAL PROPERTY AND EQUIPMENT-NET	1,347,311	-	1,347,311	1,445,087
TOTALS	\$ <u>2,775,337</u>	\$ <u>1,000,579</u>	\$ <u>3,775,916</u>	\$ <u>3,764,600</u>
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 27,921	\$ -	\$ 27,921	\$ 63,629
Checks in excess of deposits	90,130		90,130	
Accrued liabilities and other	206,215		206,215	194,219
Deferred revenue	37,459		37,459	51,714
TOTAL CURRENT LIABILITIES	<u>361,725</u>	<u>-</u>	<u>361,725</u>	<u>309,562</u>
FUND BALANCES				
Undesignated	1,523,607		1,523,607	1,650,544
Designated		1,000,579	1,000,579	914,489
TOTAL FUND BALANCES	<u>1,523,607</u>	<u>1,000,579</u>	<u>2,524,186</u>	<u>2,565,033</u>
OTHER FUND EQUITY				
Contributed by developer	<u>890,005</u>	<u>-</u>	<u>890,005</u>	<u>890,005</u>
TOTALS	\$ <u>2,775,337</u>	\$ <u>1,000,579</u>	\$ <u>3,775,916</u>	\$ <u>3,764,600</u>

See Accompanying Notes and Independent Auditors' report.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
 ALL FUNDS
 Statements of Revenues, Expenses and Changes in Fund Balances
 For the Years Ended December 31

	<u>Current Funds</u>		<u>Total All Funds</u>	
	<u>Operations</u>	<u>Replacement</u>	<u>2010</u>	<u>2009</u> (memo only)
REVENUES				
Member assessments	\$ 3,269,372	\$ -	\$ 3,269,372	\$ 3,126,331
Administration fees	19,658		19,658	13,960
Assessment interest	28,374		28,374	13,633
Investment earnings		44,424	44,424	79,843
Maintenance contracts	149,488		149,488	147,046
Other	66,452		66,452	57,702
Statement fees	111,385		111,385	82,127
TOTALS	<u>3,644,729</u>	<u>44,424</u>	<u>3,689,153</u>	<u>3,520,642</u>
OPERATING EXPENSES				
Administrative	1,394,030		1,394,030	1,279,571
Landscaping	164,669		164,669	83,382
Maintenance	1,127,577	519,881	1,647,458	1,385,767
Utilities	426,067		426,067	468,634
TOTALS	<u>3,112,343</u>	<u>519,881</u>	<u>3,632,224</u>	<u>3,217,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND OTHER				
	532,386	(475,457)	56,929	303,288
DEPRECIATION				
	(95,908)		(95,908)	(100,839)
GAIN (LOSS) ON SALE OF ASSETS				
	(1,868)	-	(1,868)	11,000
	<u>(97,776)</u>	<u>-</u>	<u>(97,776)</u>	<u>(89,839)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	434,610	(475,457)	(40,847)	213,449
FUND BALANCES, Beginning of Year				
	1,650,544	914,489	2,565,033	2,351,584
TOTALS	<u>2,085,154</u>	<u>439,032</u>	<u>2,524,186</u>	<u>2,565,033</u>
OTHER CHANGES IN FUND BALANCES				
Interfund transfers	(561,547)	561,547	-	-
FUND BALANCES, End of Year				
	<u>\$ 1,523,607</u>	<u>\$ 1,000,579</u>	<u>\$ 2,524,186</u>	<u>\$ 2,565,033</u>

See Accompanying Notes and Independent Auditors' report.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
 ALL FUNDS
 Statements of Cash Flows
 For the Year Ended December 31

	<u>Current Funds</u>		<u>Total All Funds</u>	
	<u>Operations</u>	<u>Replacement</u>	<u>2010</u>	<u>2009</u> (memo only)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (deficiency) of revenues over expenses	\$ 434,610	\$ (475,457)	\$ (40,847)	\$ 213,449
Adjustments to reconcile income (loss) to net cash provided by operating activities:				
Depreciation	95,908		95,908	100,839
Bad debt allowance	38,000		38,000	60,000
(Gain) loss on sale of assets	1,868		1,868	(11,000)
Net changes in:				
Member assessments receivable	(49,831)		(49,831)	(50,058)
Other receivables	(57,371)		(57,371)	
Interest receivable	1,207		1,207	6,571
Prepaid expenses			-	4,830
Accounts payable	(35,708)		(35,708)	25,048
Checks in excess of deposits	90,130		90,130	
Accrued liabilities and other	11,996		11,996	(1,322)
Prepaid member assessments	(14,255)		(14,255)	16,310
Net cash provided (used) by operating activities	<u>516,554</u>	<u>(475,457)</u>	<u>41,097</u>	<u>364,667</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments		(1,233,313)	(1,233,313)	(1,713,994)
Proceeds from sale of investments	38,630	999,396	1,038,026	1,029,000
Purchase of property and equipment				(123,531)
Proceeds from sale of assets				11,000
Net cash provided (used) by investing activities	<u>38,630</u>	<u>(233,917)</u>	<u>(195,287)</u>	<u>(797,525)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interfund transfers	<u>(561,547)</u>	<u>561,547</u>	<u>-</u>	<u>(512,675)</u>
NET INCREASE (DECREASE) IN CASH	(6,363)	(147,827)	(154,190)	(945,533)
CASH AND CASH EQUIVALENTS:				
Beginning of year	<u>451,111</u>	<u>397,695</u>	<u>848,806</u>	<u>1,794,339</u>
End of year	<u>\$ 444,748</u>	<u>\$ 249,868</u>	<u>\$ 694,616</u>	<u>\$ 848,806</u>
Supplemental information:				
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income tax paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes and Independent Auditors' report.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Notes to Financial Statements

1. ORGANIZATION OF THE ASSOCIATION

The McCormick Ranch Property Owners' Association, Inc. (the Association) was incorporated under the laws of the State of Arizona as a non profit corporation on September 21, 1972 to provide for orderly development, maintenance, preservation and architectural control of owners' property and common area within the 4236 acre McCormick Ranch Property Owners' Association, Inc. development located in Scottsdale, Arizona. There are 9298 various categories of residential units that are assessed annual amounts ranging from \$37 to \$185. Commercial sites are assessed annually according to current market values of the properties. These rates range from \$15.42 to \$30.83 per \$100 of assessed cash value.

McCormick Ranch owners of assessable property are members of the Association. Under the Declaration of Covenants (as amended) and the Association By-laws, the owners of the assessable property are required to make certain annual payments, and nonmembers are required to pay special use fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) **BASIS OF ACCOUNTING** – The Association's financial statements are prepared on the accrual basis of accounting. Under this method of accounting, revenue and expenses are identified with specific periods of time and recorded as earned and incurred, respectively, without regard to the date of receipt or payment.
- b) **FUND ACCOUNTING** – The Association has elected certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operations Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designed for future designated purposes, such as major repairs and replacements.

- c) **Member Assessments** – Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from owners.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. The Association has established an allowance for doubtful accounts of \$98,000 representing assessments receivable at December 31, 2010 that may be uncollectible in the next operating period.

- d) **Cash and Cash Equivalents** – The Association considers cash in operating bank accounts, money market accounts, and certificates of deposit with maturities, at date of purchase, of 90 days or less as cash equivalents. Certificates of deposit and financial instruments with maturities, at date of purchase, of more than 90 days and less than one year are classified as short-term investments. Investments with maturity dates exceeding one year are classified as long-term investments.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- e) Interest income – Interest income is allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund, unless otherwise directed by the Board of Directors.
- f) Use of Estimates – The preparation of financial statements 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. Accordingly, actual results could differ from those estimates.
- g) Common property - Certain building and land areas have been contributed by the developer and others upon completion of the project. These areas consisted of land and office site building. The Association has recorded these assets at fair market value at the date of donation.
- h) Property and equipment – Property and equipment are stated at cost. Contributed property is recorded at fair market value at the date of donation. Depreciation is provided using the straight – line method over the estimated useful lives of the property as follows:

Building and improvements	7 to 30 years
Furniture and fixtures	5 to 10 years
Office equipment	5 years
Maintenance equipment	4 to 10 years
Recreation equipment	5 to 10 years
Pumps and motors	5 to 10 years

Depreciation expense for the years ended December 31, 2010 and 2009 was \$95,908, and \$100,839, respectively.

- i) Income Taxes - The Association is exempt from Federal and state income taxes as prescribed under Section 501(c)(4) of the Internal Revenue Code, as amended, and the Arizona Revised Statutes.
- j) Concentration of risk – The Association maintains their cash in bank deposit accounts at a high credit quality financial institution. The balances, at times, may exceed federally insured limits of \$250,000 per institution. At December 31, 2010 the Association exceeded the insured limit by \$1,880.
- k) Accumulated unpaid vacation pay – Vacation pay and other benefits are accrued when incurred. Upon termination of employment, employees are paid the unused vacation pay at current pay rates. Unused sick leave is not paid at termination.
- l) Comparative financial information – The financial statements fund balances include certain 2009 comparative information. With respect to the comparative financial statements, such prior year information is not presented by fund and is presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2009 from which the summarized information was derived.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Notes to Financial Statements

3. MEMBERS' ASSESSMENTS RECEIVABLE

The members' assessment receivable at December 31, 2010 and 2009 consists of the following.

	<u>2010</u>	<u>2009</u>
Current	\$82,107	\$81,815
Delinquent, over 90 days	<u>98,627</u>	<u>49,088</u>
	180,734	130,903
Less: Allowance for doubtful accounts	<u>(98,000)</u>	<u>(60,000)</u>
NET RECEIVABLES	<u>\$82,734</u>	<u>\$70,903</u>

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents allow funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$1,000,600 at December 31, 2010, are held in separate accounts and are generally not available for operating purposes.

In prior years, the Association had funded actual major repairs and replacements expenditures from excess operating funds as expenditures were incurred. During 2009, the Association adopted a program to begin accumulating and designating funds for estimated future major repairs and replacements.

The funding program was based on a study performed by the board of directors during 2009 to estimate the remaining useful lives and replacement costs of the common property components. The Association is currently accepting proposals from independent outside consultants to complete a reserve study in the near future.

The Association is funding major repairs and replacements over the estimated useful lives of the components by estimating current replacement costs. Actual expenditures, however, may vary from the estimated amounts. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

5. PENSION PLAN

The Association's plan was amended to cover all full-time employees over 21 years old who have completed one year of employment, in order to comply with changes in federal regulations. The Board of Directors determines the annual contribution of the members' compensation for 2010. Total pension expense for 2010 and 2009 was \$72,139, and \$65,763, respectively.

	<u>2010</u>	<u>2009</u>
Total plan assets at December 31,	<u>\$1,065,649</u>	<u>\$1,197,710</u>

6. LITIGATION

The Association may have or did become involved in claims and pending litigation arising in the normal course of its operations. The Association is currently not involved in any such litigation which management believes could have a material adverse effect on its financial position.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Notes to Financial Statements

7. **FINANCIAL STATEMENT PRESENTATION**

Certain amounts in the prior year's comparative totals financial statements may have been reclassified to conform to the current year presentation. There was no change to the reported prior year net income.

8. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 4, 2011, the date when the financial statements were available to be issued.

The current year presentation of a current liability of Checks in excess of deposits for \$90,130 represents a book overdraft arising from issuance of checks of an amount in excess of the balance in the account on which to be drawn, although such checks had not cleared through the bank. However, on January 3, 4 and 12 of 2011, the financial institution did honor checks presented for payment resulting in an overdrawn account balance of \$2,844, \$2,304 and \$14,128, respectfully.

SUPPLEMENTAL SCHEDULES

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Schedules of Operating Expenses
For the Year Ended December 31

	<u>Current Funds</u>		<u>Total All Funds</u>	
	<u>Operations</u>	<u>Replacement</u>	<u>2010</u>	<u>2009</u>
ADMINISTRATIVE				(memo only)
Annual meeting	\$ 666	\$ -	\$ 666	\$ -
Audit	13,233		13,233	14,273
Bad debt	61,807		61,807	60,000
Bank charges	648		648	
Christmas dinner	5,936		5,936	
Classes/seminars	245		245	
Computer supplies	954		954	1,945
Copier supplies	305		305	271
Employee benefits	409,172		409,172	384,143
Equipment service contracts	51,594		51,594	48,689
Insurance	80,740		80,740	80,280
Internet/website	2,953		2,953	1,974
Legal	26,903		26,903	4,485
Memberships	2,150		2,150	
Mileage allowance	5,922		5,922	
Newsletter	304		304	60
Office supplies	3,090		3,090	2,114
Other	2,613		2,613	
Postage	13,605		13,605	23,080
Printing	6,778		6,778	5,168
Professional services	85,127		85,127	76,010
Property tax	717		717	688
Recording fees	400		400	
Salary and wages	611,081		611,081	567,287
Substance abuse prevention	294		294	
Telephone	6,793		6,793	9,104
TOTALS	<u>\$ 1,394,030</u>	<u>\$ -</u>	<u>\$ 1,394,030</u>	<u>\$ 1,279,571</u>
LANDSCAPING				
Fertilizer	\$ 23,291	\$ -	\$ 23,291	\$ -
Landscape other	9,808		9,808	
Pesticides	691		691	
Plant material	8,028		8,028	
Seed	34,881		34,881	
Tree trimming	87,970		87,970	83,382
TOTALS	<u>\$ 164,669</u>	<u>\$ -</u>	<u>\$ 164,669</u>	<u>\$ 83,382</u>

See Accompanying Notes and Independent Auditors' report.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.
Schedules of Operating Expenses
For the Year Ended December 31

	<u>Current Funds</u>		<u>Total</u>	
	<u>Operations</u>	<u>Replacement</u>	<u>2010</u>	<u>All Funds</u> <u>2009</u> (memo only)
MAINTENANCE				
Building and yard maintenance	\$ 3,161	\$ -	\$ 3,161	\$ -
Capital equipment		125,933	125,933	
Capital improvements		393,948	393,948	
Communications	14,139		14,139	
Drip all	1,137		1,137	
Electric supplies/repairs	10,072		10,072	
Equipment rental				271
Facility overhead	47		47	
Gas and oil	66,267		66,267	56,947
Hand equipment	3,590		3,590	
Janitor and supplies	803		803	
Lake maintenance	45,971		45,971	41,775
On-site dumpster	10,215		10,215	
Other				43,589
Pipe and fittings	2,338		2,338	
Project maintenance	15,737		15,737	
Repair and maintenance				417,087
Riding mowers	14,820		14,820	
Safety equipment	5,034		5,034	
Salary and wages	857,557		857,557	800,014
Shop overhead	7,139		7,139	
Small engine equipment	8,964		8,964	
Sprinklers	9,633		9,633	26,084
Telephone-portable	3,391		3,391	
Timers/clocks	598		598	
Tools	2,786		2,786	
Tractors/implements	2,454		2,454	
Trash liners	8,079		8,079	
Uniform allowance	2,769		2,769	
Valves	5,020		5,020	
Vehicle license and emissions	2,966		2,966	
Vehicles	22,890		22,890	
TOTALS	\$ <u>1,127,577</u>	\$ <u>519,881</u>	\$ <u>1,647,458</u>	\$ <u>1,385,767</u>
UTILITIES				
Electricity	\$ 65,446	\$ -	\$ 65,446	\$ 70,941
Lake electricity	23,262		23,262	24,902
Water	337,359		337,359	372,791
TOTALS	\$ <u>426,067</u>	\$ <u>-</u>	\$ <u>426,067</u>	\$ <u>468,634</u>

See Accompanying Notes and Independent Auditors' report.

MCCORMICK RANCH PROPERTY OWNERS' ASSOCIATION, INC.

Supplementary Information on Future Major
Repairs and Replacements
December 31, 2010

The Association's Executive Director, Assistant Executive Director and Director of Maintenance, at the direction of the board of directors, conducted a study during 2009 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated replacement costs have not been revised since that year for this presentation. The Association is currently accepting proposals to have an independent reserve study conducted.

The following information is based on the study and presents significant information about the components of common property. (Amounts are rounded to the nearest hundred dollars.)

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Replacement Fund Balance at December 31, 2010</u>
Capital improvements	3 to 10	\$2,753,900	\$500,000
Building improvements	20 to 30	536,300	
Machinery and equipment	3 to 10	1,594,300	4,100
Furniture and fixtures	3 to 5	<u>115,500</u>	
Unallocated			<u>496,500</u>
	TOTALS	<u>\$5,000,000</u>	<u>\$1,000,600</u>