

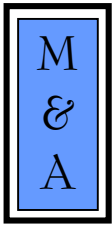
Cordillera Property Owners Association, Inc.

**Financial Statements
December 31, 2006**

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
December 31, 2006

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Cordillera Property Owners Association, Inc.**

We have audited the accompanying balance sheets of Cordillera Property Owners Association, Inc. (the "Association"), a Colorado non-profit corporation, as of December 31, 2006, and the related statements of revenues, expenses and 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. The prior-year summarized information has been derived from the Association's 2005 financial statements; and, in our report dated June 12, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Cordillera Property Owners Association, Inc. as of December 31, 2006, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule on page 12 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the 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.

McMahan and Associates, LLC.

**McMahan and Associates, L.L.C.
March 23, 2007**

Performing services for resort communities throughout Colorado

*D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.*

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Hospitality Financial & Technology Professionals/Community Associations Institute

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Balance Sheets
December 31, 2006
(With Comparative Totals for 2005)

	2006			2005
	Operating Fund	Replacement Fund	Total	Total
Assets:				
Cash	287,080	1,298,662	1,585,742	499,110
Restricted cash - transfer assessments	-	-	-	604,367
Cash - Design Review Board	773,298	-	773,298	753,298
Interest receivable	5,078	-	5,078	9,346
Owners receivables, net of allowances of \$21,425 for 2006 and \$0 for 2005	44,394	22,100	66,494	63,683
Design Review Board fines receivable	5,000	-	5,000	6,000
Prepaid expenses	64,269	-	64,269	-
Prepaid income tax	2,590	-	2,590	2,590
Accounts receivable - Cordillera Metro	-	-	-	58,803
Due to (from) other fund	387,337	(387,337)	-	-
Fixed assets, net of accumulated depreciation of \$77,969 and \$48,451	1,187,868	-	1,187,868	1,055,779
Eagle River Parcel I	-	800,000	800,000	800,000
Total Assets	2,756,914	1,733,425	4,490,339	3,852,976
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable - Other	123,279	-	123,279	59,765
Accounts payable - Cordillera Metro	30,784	-	30,784	-
Landscaping payable	-	-	-	12,338
Deposits	2,500	-	2,500	2,500
Deferred assessments	263,050	-	263,050	-
Design Review Board interest payable	15,298	-	15,298	15,298
Design Review Board deposits	758,000	-	758,000	738,000
Total Liabilities	1,192,911	-	1,192,911	827,901
Fund Equity:				
Working capital contributions	402,525	-	402,525	402,525
Fund Balances:				
Fund balance - Restricted for transfer assessments	-	-	-	604,367
Investment in fixed assets, net of depreciation	1,187,868	800,000	1,987,868	1,855,779
Fund balance (deficit)	(26,390)	933,425	907,035	162,404
Total Fund Balance	1,161,478	1,733,425	2,894,903	2,622,550
Total Fund Equity	1,564,003	1,733,425	3,297,428	3,025,075
Total Liabilities and Fund Equity	2,756,914	1,733,425	4,490,339	3,852,976

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

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Totals for 2005)

	2006			2005
	Operating Fund	Replacement Fund	Total	Total
Revenues:				
Assessments	853,970	-	853,970	855,000
Real estate transfer assessments	80,588	2,793,994	2,874,582	1,639,542
Investment income	37,614	89,846	127,460	58,718
Marketing contribution	94,000	-	94,000	-
Pine beetle reimbursements	-	136,495	136,495	-
Knox Box reimbursement	-	-	-	372
Lift station reimbursement	7,200	-	7,200	16,580
Fishing program	-	178,338	178,338	6,446
Cordillera Valley Club Property Owners Association capital contribution	-	6,500	6,500	-
Kensington Partners contribution	-	30,000	30,000	30,000
Post office sales, net	17,270	-	17,270	2,994
Miscellaneous income	17,787	-	17,787	13,749
Total Revenues	1,108,429	3,235,173	4,343,602	2,623,401
Expenses:				
Operating Expenses:				
Administrative	1,008,255	-	1,008,255	702,397
Community Operations	100,776	42,404	143,180	232,576
Cordillera Vail Club	80,588	-	80,588	-
Total Operating	1,189,619	42,404	1,232,023	934,973
Non-operating Expenses:				
Capital Expenses:				
Utility box project	-	20,000	20,000	20,370
Interest expense	-	-	-	3,935
Wildfire mitigation	-	695,936	695,936	182,250
Marketing program	-	414,851	414,851	15,223
Fishing	-	23,389	23,389	15,024
Cordillera Vail Club	-	455,483	455,483	-
Cordillera Metropolitan District contribution	-	1,229,567	1,229,567	500,000
Cordillera Metropolitan District capital contribution	-	-	-	850,254
Total Capital Outlay	-	2,839,226	2,839,226	1,587,056
Total Expenses	1,189,619	2,881,630	4,071,249	2,522,029
Excess (Deficiency) of Revenues Over Expenses	(81,190)	353,543	272,353	101,372
Fund Balances - Beginning	1,242,668	1,379,882	2,622,550	2,521,178
Fund Balances - Ending	1,161,478	1,733,425	2,894,903	2,622,550

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

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended December 31, 2006
(With Comparative Totals for 2005)

	2006			2005
	Operating Fund	Replacement Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from owners	1,111,753	2,941,145	4,052,898	2,461,915
Investment income received	100,685	89,846	190,531	59,771
Design Review Board deposits received	450,000	-	450,000	400,000
Other cash receipts	129,057	214,838	343,895	49,907
Design review deposits refunded	(430,000)	-	(430,000)	(300,000)
Cash paid for goods and services	(1,061,822)	(2,881,630)	(3,943,452)	(1,925,377)
Transfer (to) from other fund	164,192	(164,192)	-	-
Net Cash Provided by Operating Activities	463,865	200,007	663,872	746,216
Cash Flows from Investing Activities:				
Acquisition of fixed assets	(161,607)	-	(161,607)	(22,790)
Net Cash (Used) by Investing Activities	(161,607)	-	(161,607)	(22,790)
Cash Flows from Financing Activities:				
Principal payment	-	-	-	(425,000)
Interest	-	-	-	(20,397)
Net Cash (Used) by Financing Activities	-	-	-	(445,397)
Net Increase in Cash	302,258	200,007	502,265	278,029
Cash and Cash Equivalents - Beginning	758,120	1,098,655	1,856,775	1,578,746
Cash and Cash Equivalents - End	1,060,378	1,298,662	2,359,040	1,856,775
Reconciliation of Cash to Financial Statement Captions:				
Cash	287,080	1,298,662	1,585,742	499,110
Restricted cash - Transfer assessments	-	-	-	604,367
Cash - Design Review Board	773,298	-	773,298	753,298
Cash and Cash Equivalents at End of Period	1,060,378	1,298,662	2,359,040	1,856,775
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided by Operating Activities:				
Excess (Deficiency) of revenues over expenses	(81,190)	353,543	272,353	101,372
Adjustments:				
(Increase) decrease in receivables	(565,846)	10,656	(555,190)	(91,912)
(Increase) decrease in prepaid expenses	(64,269)	-	(64,269)	5,948
(Increase) decrease in prepaid income taxes	-	-	-	13,358
Depreciation	29,518	-	29,518	27,999
Capital contribution	-	-	-	850,254
Increase (decrease) in accounts payable - Trade	81,960	-	81,960	(36,871)
Increase (decrease) in accounts payable - Construction	-	-	-	(103,411)
Increase (decrease) in retainage payable	-	-	-	(93,179)
Increase (decrease) in property taxes payable	-	-	-	(5,096)
Increase (decrease) in deposits held	20,000	-	20,000	102,500
Increase (decrease) in prepaid assessments	879,500	-	879,500	(24,746)
Increase (decrease) in due to (from) other fund	164,192	(164,192)	-	-
Total Adjustments	545,055	(153,536)	391,519	644,844
Net Cash Provided by Operating Activities	463,865	200,007	663,872	746,216

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

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006

1. Organization

Cordillera Property Owners Association, Inc. (the "Association") was incorporated in the State of Colorado on October 14, 1987 as a non-profit corporation. The Association's original Declaration is dated May 25, 1988 and was amended and restated on May 11, 1993 and May 11, 1998. The Association began operations in 1990 and is responsible for the operation and maintenance of common property within the development. The development consists of residential lots located in Eagle County, Colorado.

The Declaration allows for two types of membership; Class A, which are all owners except Kensington Partners (the "Declarant") and; Class B, which is the Declarant. The Declaration allows for a Declarant control period which allows the Declarant the right to approve or disapprove actions of the Board and appoint a majority of the Board. Declarant control period will lapse when:

- (a) Seventy-five (75%) of the units permitted have been issued temporary certificates of occupancy and conveyed to persons other than the Declarant or Builders;
- (b) December 31, 2022; or
- (c) The Class B member so determines at its sole discretion.

At December 31, 2006, 468 of 910 maximum expected units have been issued certificates of occupancy, or 51%.

On August 21, 2003, the Declarant agreed to voluntarily surrender certain rights regarding the appointment of members of the Board before the termination of the Declarant control period. In accordance with (c) above, the Declarant and the Association agreed to a method for a smooth transition of control of the Board. The following schedule has been established. Effective August 15, 2003, the Declarant removed one existing Class B member and appointed one director who is a Class A member in 2003. In 2004 and 2005, a Class A member was elected at the annual meeting to replace a class B member in each year. After the 2005 annual meeting, the Declarant may elect to appoint one director of choice who may be a Class A member, or an employee or an affiliate of Declarant until (a) through (c) as described above occurs. As of December 31, 2006 no board members are affiliated with the Declarant.

2. Summary of Significant Accounting Policies

A. Funds

The Association uses the fund method of accounting, which requires that funds, such as operating funds be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the Operating Fund are generally at the discretion of the Board of Directors. As allowed by the Declaration, a Replacement Fund has been established. Disbursements from the Replacement Fund may be made only for purposes as designated by the Board.

B. Basis of Accounting

The Association's records are maintained using the accrual method of accounting.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

2. Summary of Significant Accounting Policies (continued)

C. Assessments

Assessments are billed annually based upon the Association's budgeted expenses. The billing for new filings begins on the first day of the month following the sale of a lot to a party other than the Declarant.

D. Deferred Assessment Revenue

Deferred assessment revenue represents assessments for the next fiscal year, which have been collected from owners in advance. The Association bills members annually.

E. Working Capital Contributions

Upon purchase of a unit, each owner contributes working capital. The following working capital changes occurred during 2006:

Working capital contributions, January 1, 2006	\$ 402,525
Additions	-
Working capital contributions, December 31, 2006	<u><u>\$ 402,525</u></u>

F. Income Taxes

While the Association has been organized under Colorado non-profit statutes as a corporation without capital stock or shareholders, the Association is not a tax-exempt organization. Consequently, the Association is subject to Federal and state income taxes on net income derived from investments and other non-membership sources.

G. Recognition of Fixed Assets

The Association recognizes personal common property and real property to which it has title. Assets are recorded at cost and depreciated over their useful life using the straight-line method of depreciation. At December 31, 2006, the Association's fixed assets included an all-terrain vehicle, a security camera and the Market/Post Office. Depreciation expense for 2006 is \$29,518.

H. Bad Debts

Bad debts are recognized by the allowance method; an allowance for possible uncollectibility of the accounts receivable is established when the collectability becomes doubtful. Allowances established at December 31, 2006 or 2005 are \$21,425 and \$0, respectively.

I. Design Review Board Deposits

The Association is responsible for the operation of the Cordillera Design Review Board (the "DRB"). The DRB reviews the design of all home construction, exterior refurbishments and landscaping of properties within the Association's boundaries. The DRB requires a compliance deposit equal to \$20,000 with each application. Deposits received prior to March 23, 1999 earn interest at a rate of 2.65% per annum until returned. The deposits and any interest earned on qualifying deposits are refunded after final approval of the project is given.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

2. Summary of Significant Accounting Policies (continued)

I. Design Review Board Deposits (continued)

Interest earned on qualifying deposits is recorded on the Association's financial statements as Design Review Board interest payable. Interest earned on deposits received March 23, 1999 or later is income to the Association.

Design Review Board Deposits, January 1, 2006	\$738,000
Additions	450,000
Refunds	(430,000)
Design Review Board Deposits, December 31, 2006	<u>\$ 758,000</u>

J. Cash Equivalents

For purposes of the Statement of Cash Flows, the Association defines cash equivalents as all investments which are available upon demand.

K. Prepaid Expenses

Prepaid expenses consist of expenses paid which will provide benefits in subsequent years.

L. Use of 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Comparative Information

The financial statements include certain prior year comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2005, from which the comparative totals were derived.

3. Concentration of Credit Risk

As of December 31, 2006 cash balances exceeded Federal Deposit Insurance Corporation ("FDIC") limits by \$1,956,805.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

4. Future Major Repairs and Replacement Reserve

The Association's restated Declaration, dated May 11, 1993, requires the Association to accumulate funds for future capital replacements. Accumulated funds are generally not available for operations. At December 31, 2006, the Association had accumulated \$1,733,425 of equity or net assets for future capital replacements of which \$800,000 is invested in the Eagle River Parcel I, with a remaining balance of \$933,425.

Funds being accumulated in the Replacement Fund are for future replacements of common property components. It is the Association's responsibility to preserve and maintain common property. The Association has conducted a long-range plan of the Association's future replacement expenses which includes required Real Estate Transfer Assessment Agreement payments (see Note 8). Amounts accumulated in the Replacement Fund may not be adequate to meet all future needs for capital replacements. If additional funds are needed, the Association has the right, subject to the Board of Directors' approval, to increase regular assessments, levy special assessments, or delay capital replacements until funds are available. As the Association's common elements are immaterial to the financial statements as a whole, the Association has not conducted a Reserve Study.

5. Cordillera Metropolitan District

Effective January 1, 2006, the Association entered into an agreement with Cordillera Metropolitan District (the "District") to provide general administrative, management, design review services, public safety, covenant enforcement and other such services for the Association. The agreement has an initial term expiring December 31, 2006 and is annually renewable, for a twelve month term, unless terminated by either party.

The Association owed the District \$30,784 at December 31, 2006.

Effective January 1, 2004 the Association entered into a land lease agreement, for the Market/Post Office, with the District. Terms of the land lease include \$1 per year rental payment until January 1, 2103 at which time the Association may continue as a year-to-year tenant.

6. Transfer Assessment

On April 2, 2001, the Association's Board of Directors approved a 1% real estate transfer assessment (the "RETA"), effective July 1, 2001. The revenue from the RETA is pledged to Cordillera Metropolitan District (the "District") for the Association debt transferred to the District to purchase the Chaveno Property from Kensington Partners. RETA collections in excess of pledged amount may be used by the Association at the Board's discretion.

Effective January 1, 2005 the assessment rate increased to 2% for sale contracts dated January 1, 2005 and after.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

7. Transfer Assessment Agreement

On March 17, 2002, the Association entered into a Transfer Assessment Agreement (the "Agreement") between Cordillera Metropolitan District ("CMD") and Cordillera Mountain Metropolitan District ("CMMD") (collectively, the "Districts") to cooperate in the acquisition and development of the Chaveno Parcel. The Districts each issued General Obligation Bonds, Series 2002 (the "Financing") to provide funding for the project. In order to meet current and future debt service payment on the Financing, the Association has agreed to assess, collect, pledge and pay to the Districts a portion of its Transfer Assessment as required to meet the obligations of this Agreement.

On September 18, 2006, the Fourth Amended and Restated Transfer Assessment Agreement replaced in entirety all previous Agreements. CMMD is no longer a separate party to the Agreement, but is responsible for debt, due to the consolidation of CMD and CMMD as ordered by the Eagle County District Court.

Under the Agreement, the Association is required to a) collect its Transfer Assessments, b) hold funds collected necessary to make annual scheduled payments in a segregated, interest-bearing account, and c) make the payment due November 1st of each year (see the following payment schedule). Upon satisfying the scheduled payments, and providing an accounting to the Districts evidencing that all obligations have been fully funded, the Association may use the Transfer Assessment revenue as it deems appropriate.

If the collection of the RETA is insufficient to meet the payment requirements of this Agreement, the Association shall accrue a liability in the amount of any such shortfall, which is to be paid as collections of the RETA become available.

The Association's obligations under this agreement will terminate upon the District's full accumulation of the amount necessary to pay all obligations under the Financing. Under the Fourth Amended and Restated Assessment Agreement the Association made the following payments in 2006: principal of \$5,000, interest of \$249,893 and a contribution to the debt leveling reserve fund of \$370,107.

The following payment schedule under the Agreement includes the obligation for the Districts' 2002 and 2002B bond issues and the additional payments to level the Association's debt service to no more than \$625,000 per year. The Association's payment, due November 1, is as follows:

2007	625,000
2008	625,000
2009	625,000
2010	625,000
2011	625,000
2012-2016	3,099,245
2017-2021	1,399,602
Total	<u>\$ 7,623,847</u>

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

8. Eagle River Parcel I

On October 8, 2003 the Association entered into a Ground Lease Agreement (the "Lease") with Vail Christian Schools (the "Landlord") for the property known as Eagle River Parcel I ("Parcel I"). The Lease has an initial term of 99 years with the right to renew for a second 99 year term. Rent of \$800,000 was paid for the initial term. Rent for the second term, if renewed, will be \$1. Additionally, the Landlord reserves easement for access for academic and school-related purposes in connection with the Landlord's use of the school located within the property immediately adjacent to the property. Further, the above parties entered into a Purchase Option Addendum (the "Addendum") for Parcel I, which may be exercised at the Association's option without further monetary consideration.

The Association obtained the property for use as open space and fishing rights access for the use of its members.

9. Trash and Recycling Program

The Association entered in to a service agreement with Vail Honeywagon LTD, May 1, 2002, and amended October 18, 2004, for waste and recycled waste removal services. The agreement is effective until December 31, 2005 and may be renewed for succeeding three year periods unless either party terminates with at least 60 days notice. The agreement is for monthly payments based on a rate of \$15 per unit for services and additional miscellaneous fees for the community receptacle or other special pickup, with a cost of living adjustment based on Denver, Boulder Metro Area CPI effective January 1, 2006.

10. Operating Lease

The Association entered into an operating lease on September 6, 2006, for space to maintain the Cordillera Vail Club, with non-cancelable terms that expire at September 2011, with two 5 year optional extensions available through September 2021. For the year ended December 31, 2006, minimum rental payments under such lease arrangements totaled \$18,943. Future minimum rental payments required as of December 31, 2006 under the remaining terms of the operating lease are as follows:

Fiscal year ending December 31, 2007	\$229,966
Fiscal year ending December 31, 2008	238,015
Fiscal year ending December 31, 2009	246,345
Fiscal year ending December 31, 2010	254,967
Fiscal year ending December 31, 2011	<u>173,899</u>
Total	<u>\$1,143,192</u>

Under the terms of the lease, the Association must pay the landlord a pro rata share of common expenses for the building. As of December 31, 2006, the Association paid \$1,070 of common element expenses. At December 31, 2006, the Association has construction in progress for leasehold improvements of \$120,351.

On February 5, 2007, as required by the lease and for the benefit of the leaser, the Association executed two letters of credit. One letter of credit is in the amount of \$255,200 with an expiration date of February 5, 2006, and another letter of credit is in the amount of \$285,000 with an expiration of February 5, 2012. Both letters of credit have an initial variable rate of 8.250% and are secured by assignment of assessments, income and deposits for security or utilities.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2006
(Continued)

11. Line of Credit

On January 26, 2005 the Board resolved to obtain a Line of Credit (the "LOC") with the Alpine Bank in an amount up to \$1,000,000. The LOC will have a variable interest rate equal to the JP Morgan Chase Bank prime rate with an initial rate of 5.75%. Interest payments on outstanding balances, if any, are due monthly with a total outstanding principal and accrued interest to date due April 26, 2006. The LOC renewed subsequent to December 31, 2006 with a due date of October 26, 2007 and an initial rate of 8.25%. The LOC is secured by assessment rights, assessment proceeds, including special assessments and excluding the real estate transfer assessment, cash on hand and on deposit, and accounts receivable. As of June 2007, no balance has been drawn on the LOC.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Schedule of Operating Fund Revenues and Expenses - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>		Variance Favorable (Unfavorable)	<u>2005</u>
	Budget (Unaudited)	Actual		Actual
Revenues:				
Assessments	854,000	853,970	(30)	855,000
Assessments	-	80,588	80,588	855,000
Investment income	45,000	37,614	(7,386)	46,104
Marketing contribution	-	94,000	94,000	-
Knox Box reimbursement	-	-	-	372
Lift station reimbursement	-	7,200	7,200	16,580
Fishing program	10,000	-	(10,000)	6,446
Post office sales, net	-	17,270	17,270	2,994
Miscellaneous income	6,000	17,787	11,787	13,749
Total Revenues	<u>915,000</u>	<u>1,108,429</u>	<u>193,429</u>	<u>1,796,245</u>
Expenses:				
Administrative:				
Administrative services	839,295	839,295	-	525,219
Bad debt expense	-	21,425	(21,425)	-
Bank and credit card charges	4,500	7,567	(3,067)	7,657
Insurance	12,000	9,215	2,785	10,518
Professional fees	19,000	42,117	(23,117)	19,324
Depreciation	-	29,518	(29,518)	27,999
Income taxes	-	2,468	(2,468)	-
Interest expense	-	-	-	250
Post office operations	1,380	15,348	(13,968)	54,743
Homeowner relations	-	-	-	335
Fishing program	58,000	21,080	36,920	56,352
Miscellaneous	-	20,222	(20,222)	-
Total Administrative	<u>934,175</u>	<u>1,008,255</u>	<u>(74,080)</u>	<u>702,397</u>
Community Operations:				
Lift station reimbursement	-	7,200	(7,200)	16,655
Trash and recycle program	105,600	93,576	12,024	92,625
Cordillera Vail Club	-	80,588	(80,588)	-
Total Security Operational	<u>105,600</u>	<u>181,364</u>	<u>(75,764)</u>	<u>109,280</u>
Total Expenses	<u>1,039,775</u>	<u>1,189,619</u>	<u>(149,844)</u>	<u>811,677</u>

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