

**Gold Point Homeowners Association, Inc.**

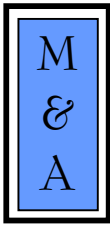
**Financial Statements**

**July 31, 2011**



**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Financial Statements**  
**July 31, 2011**  
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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Gold Point Homeowners Association, Inc.  
Breckenridge, Colorado**

We have audited the accompanying balance sheets of Gold Point Homeowners Association, Inc. (the "Association"), a Colorado non-profit corporation, as of July 31, 2011, 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 2010 financial statements and, in our report dated September 28, 2010; 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 the Gold Point Homeowners Association, Inc. as of July 31, 2011, 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 of Budget Comparison - Operating Fund* on page 11 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information, except for that portion marked "unaudited", on which we express no opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

*Member: American Institute of Certified Public Accountants*

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Gold Point Homeowners Association, Inc.  
Board of Directors

U.S. generally accepted accounting principles require that the *Schedule of Future Major Repairs and Replacements* on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**McMahan and Associates, L.L.C.**  
**October 22, 2011**

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Balance Sheets**  
**July 31, 2011**  
**(With Comparative Totals for 2010)**

	2011				2010	
	Operating Fund	Long-term Reserve Fund	Timeshare Furniture Fund	Commons Building Fund	Total	Total
<b>Assets:</b>						
Cash in banks	50,545	99,049	246,738	82,219	478,551	600,307
Member assessments receivable (net of allowance for doubtful accounts of \$81,472 and \$59,582 in 2011 and 2010)	74,324	-	-	-	74,324	37,813
Due from (to) other funds	(136,033)	10,388	151,254	(25,609)	-	-
Due from (to) Gold Point II Condominium	490	-	-	-	490	(372)
Due from (to) Grand Timber Lodge	424	-	-	-	424	10,532
Due from (to) Grand Lodge on Peak 7	374	-	-	-	374	-
Unit supplies inventory	6,240	-	-	-	6,240	8,140
Prepaid expenses	1,046	-	-	-	1,046	5,796
Commons building (net of accumulated depreciation of \$200,858 and \$190,286)	-	-	-	222,001	222,001	232,573
<b>Total Assets</b>	<u>(2,590)</u>	<u>109,437</u>	<u>397,992</u>	<u>278,611</u>	<u>783,450</u>	<u>894,789</u>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	8,613	-	-	-	8,613	13,613
Deferred assessment revenue	10,132	-	-	-	10,132	6,323
Due to related parties	43,595	-	-	-	43,595	37,698
<b>Total Liabilities</b>	<u>62,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,340</u>	<u>57,634</u>
<b>Fund Balances (Deficit)</b>	<u>(64,930)</u>	<u>109,437</u>	<u>397,992</u>	<u>278,611</u>	<u>721,110</u>	<u>837,155</u>
<b>Total Liabilities and Fund Balances (Deficit)</b>	<u>(2,590)</u>	<u>109,437</u>	<u>397,992</u>	<u>278,611</u>	<u>783,450</u>	<u>894,789</u>

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

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Revenues, Expenses and Changes in Fund Balances**  
**For the Year Ended July 31, 2011**  
**(With Comparative Totals for 2010)**

	<b>2011</b>				<b>2010</b>	
	<b>Operating Fund</b>	<b>Long-term Reserve Fund</b>	<b>Timeshare Furniture Fund</b>	<b>Commons Building Fund</b>	<b>Total</b>	<b>Total</b>
<b>Revenues:</b>						
Assessments, net of discounts	801,969	45,543	90,504	4,131	942,147	869,896
Late fee revenue	40,406	-	-	-	40,406	17,096
Interest income	-	1,024	1,138	374	2,536	4,393
Office rental income	-	-	-	11,038	11,038	10,822
Miscellaneous	2,298	-	-	-	2,298	11,452
<b>Total Revenues</b>	<b>844,673</b>	<b>46,567</b>	<b>91,642</b>	<b>15,543</b>	<b>998,425</b>	<b>913,659</b>
<b>Expenses:</b>						
Bank service charges	579	-	-	-	579	-
Bad debt expense	29,146	-	-	-	29,146	44,955
Accounting and consulting fees	17,916	-	-	-	17,916	17,564
Cable television	17,069	-	-	-	17,069	16,406
Spring/fall cleaning	28,207	-	-	-	28,207	34,844
Common area expenses	70,195	-	-	-	70,195	60,295
Commons Building expenses	-	-	-	17,665	17,665	15,415
Depreciation	-	-	-	10,571	10,571	10,571
Fire alarm maintenance	3,754	-	-	-	3,754	2,878
Furniture and inventory replacement	-	-	64,732	-	64,732	62,439
Health club dues	20,965	-	-	-	20,965	8,871
Hot tub maintenance	4,973	-	-	-	4,973	6,750
Insurance	45,327	-	-	-	45,327	39,948
Management fees	34,706	-	-	-	34,706	34,706
Miscellaneous	2,655	-	-	-	2,655	2,603
Other long-term reserve expenses	-	150,200	-	-	150,200	28,821
Office expense	4,057	-	-	-	4,057	3,846
Professional fees	11,405	-	-	-	11,405	11,921
Property tax expense	36,400	-	-	-	36,400	38,638
Front desk and reservationists	95,081	-	-	-	95,081	93,217
Snow removal	5,418	-	-	-	5,418	-
Trash removal	11,050	-	-	-	11,050	10,054
Travel and entertainment	168	-	-	-	168	60
Unit expenses	403,139	-	-	-	403,139	411,814
Water and sanitation	29,092	-	-	-	29,092	29,834
<b>Total Expenses</b>	<b>871,302</b>	<b>150,200</b>	<b>64,732</b>	<b>28,236</b>	<b>1,114,470</b>	<b>986,450</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(26,629)</b>	<b>(103,633)</b>	<b>26,910</b>	<b>(12,693)</b>	<b>(116,045)</b>	<b>(72,791)</b>
<b>Beginning Fund Balances</b>	<b>(38,301)</b>	<b>213,070</b>	<b>371,082</b>	<b>291,304</b>	<b>837,155</b>	<b>909,946</b>
<b>Ending Fund Balances (Deficit)</b>	<b>(64,930)</b>	<b>109,437</b>	<b>397,992</b>	<b>278,611</b>	<b>721,110</b>	<b>837,155</b>

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

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Cash Flows**  
**For the Year Ended July 31, 2011**  
**(With Comparative Totals for 2010)**

	2011				2010	
	Operating Fund	Long-term Reserve Fund	Timeshare Furniture Fund	Commons Building Fund	Total	Total
<b>Cash Flow From Operating Activities:</b>						
Cash received from owners	780,527	45,543	90,504	4,131	920,705	878,189
Interest received	-	1,024	1,138	374	2,536	4,393
Other receipts of cash	2,298	-	-	11,038	13,336	23,249
Cash transfers from (to) other account	42,778	(19,496)	(25,777)	2,495	-	-
Cash payments for goods and services	(789,337)	(150,200)	(64,732)	(17,664)	(1,021,933)	(906,043)
Cash payments for property taxes	(36,400)	-	-	-	(36,400)	(38,638)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(134)</u>	<u>(123,129)</u>	<u>1,133</u>	<u>374</u>	<u>(121,756)</u>	<u>(38,850)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(134)	(123,129)	1,133	374	(121,756)	(38,850)
<b>Net Cash and Cash Equivalents - Beginning of Year</b>	<u>50,679</u>	<u>222,178</u>	<u>245,605</u>	<u>81,845</u>	<u>600,307</u>	<u>639,157</u>
<b>Net Cash and Cash Equivalents - End of Year</b>	<u><u>50,545</u></u>	<u><u>99,049</u></u>	<u><u>246,738</u></u>	<u><u>82,219</u></u>	<u><u>478,551</u></u>	<u><u>600,307</u></u>
<b>Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:</b>						
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<u>(26,629)</u>	<u>(103,633)</u>	<u>26,910</u>	<u>(12,693)</u>	<u>(116,045)</u>	<u>(72,791)</u>
<b>Adjustments to Reconcile Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:</b>						
Depreciation	-	-	-	10,572	10,572	10,571
(Increase) decrease in interfund balances	42,778	(19,496)	(25,777)	2,495	-	-
(Increase) decrease in assessments receivable	(58,401)	-	-	-	(58,401)	(3,316)
Increase (decrease) in allowance for doubtful accounts	21,890	-	-	-	21,890	39,299
(Increase) decrease in other receivables	-	-	-	-	-	975
(Increase) decrease in due from Grand Timber Lodge	10,108	-	-	-	10,108	(14,664)
(Increase) decrease in due from Grand Lodge on Peak 7	(374)	-	-	-	(374)	-
(Increase) decrease in prepaid expenses	4,750	-	-	-	4,750	597
(Increase) decrease in housekeeping inventory	1,900	-	-	-	1,900	4,668
Increase (decrease) in due to Gold Point II Condominium	(862)	-	-	-	(862)	1,947
Increase (decrease) in due to related parties	5,897	-	-	-	5,897	(13,807)
Increase (decrease) in accounts payable	(5,000)	-	-	-	(5,000)	7,502
Increase (decrease) in deferred revenue	3,809	-	-	-	3,809	169
<b>Total Adjustments</b>	<u>26,495</u>	<u>(19,496)</u>	<u>(25,777)</u>	<u>13,067</u>	<u>(5,711)</u>	<u>33,941</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>(134)</u></u>	<u><u>(123,129)</u></u>	<u><u>1,133</u></u>	<u><u>374</u></u>	<u><u>(121,756)</u></u>	<u><u>(38,850)</u></u>

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

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**July 31, 2011**

**1. Organization**

Gold Point Homeowners Association, Inc., (the "Association") is a condominium association organized as a Colorado not-for-profit corporation for the purposes of maintaining and preserving common property of the Association. The Association consists of 36 units which include 27 time-span units with 50 owners per unit ("timeshare and fractional") and 9 whole-unit owners. The Association, which is located in Breckenridge, Colorado, began its operations in 1981.

**2. Summary of Significant Accounting Policies**

**A. Fund Accounting**

The Association uses fund accounting, which requires that funds be classified separately for accounting and reporting purposes. As of July 31, 2011, the Association had the following funds:

Operating - Disbursements from this fund are generally at the discretion of the Board of Directors and property manager.

Long-term Reserve - Disbursements from this fund generally may be made only for designated purposes.

Timeshare Furniture - Disbursements from this fund are designated for the replacement of unit furniture.

Commons Building - Disbursements from this fund are designated for operational costs of the Commons Building.

**B. Investment Income Allocation**

Interest is recorded in the fund in which it was earned.

**C. Recognition of Assets**

The Association recognizes as assets on its financial statements:

- (a) common personal property and;
- (b) common real property to which it has title and that it can dispose of for cash, while retaining the proceeds thereto.

These assets are recorded at cost and are depreciated using the straight-line method over an estimated useful life of forty years.

**D. Basis of Accounting**

These financial statements have been prepared on the accrual basis of accounting which recognizes revenues when assessed or earned and expenses when incurred.

**E. Cash and Cash Equivalents**

All checking and money market savings accounts are considered cash equivalents by the Association for the purpose of the Statements of Cash Flows since all funds are highly liquid with no stated maturities.

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**July 31, 2011**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**F. Common Assessments**

Common assessments are the primary source of revenue for the Association. An annual budget, which is approved by the Board of Directors (the "Board"), is prepared to estimate the annual expenses of maintaining the Association's common elements. Members of the Association are assessed for their pro-rata share of these estimated expenses.

Since the Association is designed only to operate as a conduit to collect assessments and pay operating expenses on behalf of members, any excess or deficiency of revenues over expenses is repaid to or recovered from the members in a subsequent year by reducing or increasing assessments, or, with the approval of the Board, transferred to the Replacement Funds.

**G. Due To/From Other Funds**

The Association has chosen to record all accounts receivable and accounts payable in the Operating Fund. In accordance with generally accepted accounting principles, the differences caused by this accounting treatment are shown as interfund asset and liability accounts.

**H. Allowance for Uncollectible Accounts - Assessments**

The Association utilizes the allowance method of recognizing the future potential uncollectibility of owner assessments receivable. This reserve is calculated based on the estimated percentage of potentially uncollectible accounts 90 or more days overdue. The Association's policy is to charge late fees to owner accounts that are 60 or more days overdue. Owner assessment accounts that are 120 or more days past due are sent to a collection agency by the Association. For the year ended July 31, 2011, the Association incurred \$29,146 in bad debt expense and wrote off accounts totaling \$2,005 (net of recoveries totaling \$9,740).

**I. Due From (to) Gold Point II Condominium ("Gold Point II")**

Gold Point II is a timeshare condominium association located adjacent to the Association. Gold Point II and the Association are both managed by Breckenridge Grand Vacations, which is owned and operated by Gold Point Lodging and Realty, Inc. ("GPLR"). Gold Point II pays the Association for their share of expenses related to the operation of the Commons Building. At July 31, 2011, the Association was owed \$490 by Gold Point II.

**J. Inventories**

Housekeeping supply inventory is valued at cost, using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expense when consumed rather than when purchased.

**K. 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.

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**July 31, 2011**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**L. Comparative Information**

The financial statements include certain prior year comparative information in total but not by fund class. 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 July 31, 2010, from which the comparative totals were derived.

**M. Deferred Assessment Revenue**

Deferred revenue represents prepaid assessments, and is primarily composed of payments received in advance for the first quarter's billing of the next fiscal year.

**N. Subsequent Events**

Management has evaluated subsequent events through October 22, 2011, the date these financial statements were available to be issued.

**3. 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.

**4. Fixed Assets**

Fixed assets are summarized below:

**Commons Building:**

**Description**

Commons Building, at cost	\$ 422,859
Less: Accumulated depreciation	<u>(200,858)</u>
Net Commons Building	<u><u>\$ 222,001</u></u>

Depreciation expense is computed on the straight-line basis and was \$10,571 for the year ended July 31, 2011.

**5. Related Party Transactions**

On August 1, 2001, the Association entered into an agreement with Breckenridge Grand Vacations for management, accounting, and reservation services. The management, accounting, and reservation fees are negotiated annually. This agreement is for five years terms that automatically renew unless terminated. This agreement may be terminated by the Association for Cause, as defined in the agreement. Breckenridge Grand Vacations may resign as manager with or without cause. However, Breckenridge Grand Vacations cannot resign until the Association obtains a substitute managing agent or until 180 days have elapsed from the resignation notification date.

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**July 31, 2011**  
**(Continued)**

**5. Related Party Transactions (continued)**

During its fiscal year, the Association incurred various expenses that were payable to Breckenridge Grand Vacations, as well as to Peak 7, LLC and Alma Laundry, LLC, each of which are parties related to GPLR. The following is a schedule of transactions between the association and related entities for the year ended July 31, 2011:

Management fee	\$ 34,706
Accounting	17,916
Front desk/reservations	95,081
Unit cleaning (housekeeping)	150,119
Unit cleaning (laundry)	58,515
Common area cleaning	47,367
Spring/fall cleaning	12,140
Other	6,529
Maintenance labor	<u>112,312</u>
 Total Services	 <u>\$ 534,685</u>

The Association owed related parties \$43,595 at July 31, 2011, for these services.

The Association entered into an operating lease with GPLR, whereby GPLR rents office space in the Commons Building for management and sales offices. The lease term began on November 1, 1992, and ended on October 31, 2002. This agreement has remained in effect through a verbal renewal. The rent payments may be reviewed and adjusted on an annual basis. The lease automatically terminates with the management agreement. For the year ended July 31, 2011, the lease was amended to require rent of \$11,038.

On July 29, 2011, the Association entered into an agreement with GPLR, whereby GPLR attempts to resell inventory units for the Association (which were obtained as a result of foreclosure proceedings to collect past due assessments). Upon the sale of these inventory units, GPLR is required to remit to the Association an amount equal to 15% of the Net Listed Sales Price, as defined in the agreement. During the year ended July 31, 2011, the Association received \$0 from GPLR for the purchase of inventory units. At July 31, 2011, the Association did not own any inventory units.

GPLR pays assessments relating to its owned unit weeks throughout the year. This amount totaled \$12,645 during the fiscal year ended July 31, 2011.

**6. Future Major Repairs and Replacements**

As permitted by the Association's governing documents, the Association is accumulating funds for future major repairs and replacements of the Association's common property. Accumulated funds are held in separate money market accounts and are generally not available for expenses for normal operations.

The Association commissioned a study, which was completed in 2008, to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were obtained from a Level I – Full Service Reserve Study. The life expectancy of all components was ascertained from visual inspections made during this study. Replacement cost estimates were made from industry standard estimating manuals and based on the engineering firm's experience with similar projects. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements is based on the study.

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**July 31, 2011**  
**(Continued)**

**6. Future Major Repairs and Replacements (continued)**

In accordance with industry guidelines, it is the Association's primary duty to maintain and preserve the common property of the owners. Therefore, it is the Association's responsibility to determine a method for funding the costs of future major repairs and maintenance by assessing owners when funds are needed or by anticipating costs over extended time periods, assessing owners for the anticipated costs, and accumulating funds in reserves to meet the future funding requirements. The Board has chosen to fund major repairs and replacements over the remaining useful lives of the components, based on the study's estimates of current replacement costs and considering amounts previously accumulated in the Replacement Funds. Assessments of \$45,543 and \$90,504 for the Long-term Reserve Fund and Timeshare Furniture Fund, respectively, were reported during the year ended July 31, 2011.

Funds being accumulated in the Long-term Reserve and Timeshare Furniture Funds are based on estimated costs for repairs and replacements of common property components. Actual expenditures and investment incomes may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Operating Fund Revenues and Expenses - Budget and Actual**  
**For the Year Ended July 31, 2011**  
**(With Comparative Actual Amounts for 2010)**

	<u>2011</u>		<b>Variance Positive (Negative)</b>	<u>2010</u>
	<b>Budget (Unaudited)</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
Assessments, net of discounts	801,969	801,969	-	720,552
Late fee revenue	8,000	40,406	32,406	17,096
Miscellaneous	3,500	2,298	(1,202)	11,452
<b>Total Revenues</b>	<u>813,469</u>	<u>844,673</u>	<u>31,204</u>	<u>749,100</u>
<b>Expenses:</b>				
Bank service charges	-	579	(579)	-
Bad debt expense	25,000	29,146	(4,146)	44,955
Accounting and consulting fees	17,916	17,916	-	17,564
Cable television	17,588	17,069	519	16,406
Spring/fall cleaning	22,000	28,207	(6,207)	34,844
Common area cleaning	29,514	47,367	(17,853)	36,866
Common area - Other	-	-	-	52
Common area utilities	24,470	22,828	1,642	23,377
Fire alarm maintenance	3,306	3,754	(448)	2,878
Health club dues	13,706	20,965	(7,259)	8,871
Hot tub maintenance	5,355	4,973	382	6,750
Insurance	41,837	45,327	(3,490)	39,948
Management fees	34,706	34,706	-	34,706
Miscellaneous	1,100	2,655	(1,555)	2,603
Office expense	5,080	4,057	1,023	3,846
Professional fees	6,983	11,405	(4,422)	11,921
Property taxes	44,760	36,400	8,360	38,638
Front desk and reservationists	95,081	95,081	-	93,217
Snow removal	1,200	5,418	(4,218)	-
Trash removal	10,466	11,050	(584)	10,054
Travel and entertainment	100	168	(68)	60
Unit cleaning	174,299	208,633	(34,334)	216,023
Unit utilities	69,015	57,905	11,110	63,993
Unit maintenance	133,883	136,601	(2,718)	131,798
Water and sanitation	27,022	29,092	(2,070)	29,834
<b>Total Expenses</b>	<u>804,387</u>	<u>871,302</u>	<u>(66,915)</u>	<u>869,204</u>
<b>(Deficiency) of Revenues Over Expenses - GAAP Basis</b>		<u>(26,629)</u>		<u>(120,104)</u>

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

**Gold Point Homeowners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Supplementary Information on Future Major Repairs and Replacements**  
**Long-term Reserve and Timeshare Furniture Funds**  
**July 31, 2011**  
**(Unaudited)**

The Association commissioned a study during the fiscal year ended July 31, 2008, to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were obtained from a Level I - Full Service Reserve Study. The life expectancy of all components was ascertained from visual inspections made during this study. Replacement cost estimates were obtained from industry standard estimating manuals and based on the engineering firm's experience with similar projects.

The balance of the Long-Term Reserve and Timeshare Furniture Funds at July 31, 2011 has not been designated by the Board for specific components of common property.

The following table is based on the study and presents significant information about the components of common property:

<b>Components</b>	<b>Estimated Remaining Useful Lives (Years)</b>	<b>Estimated Current Replacement Costs</b>	<b>Projected Fund Balances at July 31, 2011</b>	<b>Actual Fund Balances at July 31, 2011</b>
Site work	0 - 51	126,490		
Building exteriors	0 - 22	608,378		
Building interior common areas	0 - 19	224,124		
Building interior - Phase 1	0 - 15	362,043		
Building interior - Phase 2	2 - 17	263,304		
Building interior - Phase 3	2 - 17	317,840		
Commons building	2 - 17	84,870		
<b>Total</b>		<b>1,987,049</b>	<b>568,039</b>	<b>507,429</b>

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