

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

January 26, 2011

Board of Directors
Singletree Property Owners Association
Edwards, Colorado 81632

We have compiled the accompanying balance sheet of Singletree Property Owners Association as of December 31, 2010 and the related statement of revenues, expenditures and changes in fund balance – historical and budget – and the statement of cash flows for the twelve month period then ended. We also compiled the accompanying budget of revenues, expenses and changes in fund balance for calendar year 2011, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, we participate in the financial manager of the Association. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as consulting financial managers for the Association.

Our responsibilities include conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

We also compiled the accompanying historical financial statements of the Association for the year ended December 31, 2009 and our report thereon stated that we did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

We are not independent with respect to Singletree Property Owners Association because we perform certain accounting services that impair our independence.

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA, President

SINGLETREE PROPERTY OWNERS ASSOCIATION
BALANCE SHEET
December 31, 2010
& December 31, 2009

Rate	12/31/2010 Total	12/31/2009 Total
ASSETS		
Current Assets:		
Alpine Bank Checking	0.10% 107	54
Alpine Bank Money Market	0.70% 57,820	38,472
US Bank Checking	35	585
US Bank Money Market	0.50% 1,201	54,878
US Bank Money Market (Restricted)	0.50% 41,500	
1st Bank Liquid Asset Account	0.80% 100,361	
1st Bank Petty Cash	1,128	1,000
Alpine Bank CDARS - Restricted		89,600
Total Cash in Bank	202,153	184,590
Investments		
US Bank CD (Matures 3/23/12)	1.73% 109,361	108,861
Colorado State Bank & Trust CD (Matures 1/4/12)	0.70% 200,000	
Alpine Bank CD (Matured 6/14/10)	0	176,304
Alpine Bank CDARS (Matured 6/24/10)	0	87,213
Total Investments	309,361	372,378
Other Current Assets		
Accounts Receivable	6,490	2,363
Accounts Receivable - Berry Creek Metro	11,743	
Interest Receivable	2,065	0
Allowance for Doubtful Accounts	(325)	(325)
Prepaid Expenses	800	1,161
Total Current Assets	532,288	560,167
Total Assets	532,288	560,167
LIABILITIES		
Liabilities:		
Accounts Payable	24,517	12,254
DRC Escrow Deposits	41,500	89,600
Total Liabilities	66,017	101,854
Net Assets:		
Reserved for Legal Expense	95,000	100,000
Reserved for Open Space	75,000	75,000
Reserved for Future Operations	100,000	100,000
Reserved for Capital Projects	100,000	100,000
Unrestricted	96,272	83,312
Ending Net Assets	466,272	458,312
Total Liabilities & Net Assets	532,288	560,167

See accompanying accountant's report.

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Singletree Property Owners Association						\$150/Dues
Statement of Revenues, Expenditures and Changes in Fund Balance						
Actual, Budget and Forecast for the Periods Indicated						
Account		2010 Year-to-Date				2011
		12 Months Ended 12/31/09 Actual	12 Months Ended 12/31/10 Actual	12 Months Ended 12/31/10 Budget	Variance Favorable (Unfavor)	Budget Cal Yr 2011
	Revenues:					
4100	Assessments	104,250	157,268	156,600	668	157,350
4150	Late Fees	988	1,584	200	1,384	200
4200	DRC Deposits Forfeited	33,298	0	4,000	(4,000)	2,000
4250	Legal Received from Others	1,495	0	0	0	
4300	Interest Income: Alpine Bank	8,966	3,234	9,000	(5,766)	700
4320	Interest Income: 1st Bank		489	0	489	800
4350	Interest Income: US Bank	2,822	1,665	1,000	665	1,650
4360	Interest Income: CSBT		613	0	613	1,400
4400	DRC Review Fees	5,250	2,100	1,000	1,100	1,000
4450	Covenant Violations	200	0	0	0	
4550	Title Company Statement Fees	3,400	3,000	2,000	1,000	2,000
4600	Xfer Funds fr Reserves for Open Space	0	0	0	0	
	Total Revenues	160,667	169,954	173,800	(3,846)	167,100
	Expenses:					
5100	Accounting	11,929	9,822	13,000	3,178	13,000
5200	Admin Support - SPOA	10,275	15,930	11,000	(4,930)	11,000
5250	Admin Support - DRC	1,725	2,910	2,000	(910)	2,000
5300	Annual Function/Homeowner Relations	6,141	6,025	7,000	975	7,000
5400	Board Meeting Expense	922	1,352	2,000	648	1,500
5750	Covenant Administration	407	6	1,000	994	1,000
5500	Clean Up Day	0	0	500	500	500
	Weed Control			2,000	2,000	500
5800	Architectural Consultant / DRC	18,000	12,500	18,000	5,500	12,000
5900	Income Taxes	393	2,769	2,700	(69)	1,500
6100	Insurance	3,645	3,560	3,754	194	3,754
6130	Legal - Operations	879	890	1,000	110	1,000
6131	Legal - Covenant Enforcement/DRC	7,955	4,136	5,000	864	5,000
5650	Contributions	500	0	500	500	500
6200	Community Publications	4,976	1,888	6,000	4,112	3,000
6250	Postage	2,611	1,028	4,000	2,972	2,000
6300	Office Supplies	2,710	4,614	4,500	(114)	4,500
6560	Payroll Reimbursement to Metro District	19,554	18,974	21,000	2,026	21,000
	Travel Reimbursement			500	500	500
6450	Telephone	613	591	800	209	800
6700	Community Projects		75,000	50,000	(25,000)	75,000
	Unplanned Expenses/Contingency			10,000	10,000	
	Total Expenses	93,233	161,995	166,254	4,259	167,054
	Revenue over Expenses	67,433	7,959	7,546	413	46
	Beginning Fund Balance	390,879	458,313	426,415	31,898	455,623
	Spending from Reserves	0	0	0	0	
	Ending Fund Balance	458,312	466,272	433,961	32,311	455,669
	Components of Fund Balance:	=	=	=	=	
3200	Reserved for Legal Expense	100,000	95,000	95,000	0	95,000
3500	Reserved for Open Space	75,000	75,000	75,000	0	75,000
	Reserved for Future Operations	100,000	100,000	100,000	0	100,000
	Reserved for Capital Projects	100,000	100,000	100,000	0	100,000
	Unrestricted	83,312	96,272	63,961	32,311	85,669
	Total Fund Balance	458,312	466,272	433,961	32,311	455,669

See accompanying accountant's report.

Please note: SPOA and DRC Board members are volunteers and not paid for their time.

**Singletree Property Owners Association
Statement of Cash Flows
For the Periods Indicated**

	12 Months Ended <u>12/31/10</u>	12 Months Ended <u>12/31/09</u>
Beginning Cash Balance	184,590	236,757
Cash Flows from Operating Activities		
Regular Assessments	139,332	29,475
Late Fees	1,584	988
Interest Income	6,002	11,787
Design Review Committee Fees	2,100	5,250
Legal Fees From Others	0	1,495
Title Company Statement Fees	3,000	3,400
Covenant Violations	0	200
Cash paid to suppliers/vendors	(149,372)	(92,606)
Net Cash Provided (Used) by Operating Activities	<u>2,646</u>	<u>(40,012)</u>
Cash Flows from Financing Activities		
DRC Compliance Deposits Received	12,900	58,000
DRC Compliance Deposits Returned	(61,000)	(119,665)
Redemption of (Investment in) Certificates of Deposit	63,017	49,509
Net Cash Provided (Used) by Financing Activities	<u>14,917</u>	<u>(12,156)</u>
Cash Flows from Capital Activities		
Capital Asset Additions	0	0
Net Cash Provided (Used) by Capital Activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash	<u>17,563</u>	<u>(52,167)</u>
Ending Cash balance	<u><u>202,153</u></u>	<u><u>184,590</u></u>
	=	=
Reconciliation of Revenues over Expenses to to Net Cash Provided by Operating Activities:		
Revenues Over Expenses	7,959	67,433
Adjustments:		
(Increase) Decrease in Accounts Receivable	(17,936)	29,525
(Increase) Decrease in Prepaid Expenses	361	537
Increase (Decrease) in Accounts Payable	12,262	90
Increase (Decrease) Prepaid Assessments	0	(104,300)
Forfeited DRC Compliance Deposits	0	(33,298)
Net Cash Provided (Used) by Operating Activities	<u><u>2,646</u></u>	<u><u>(40,012)</u></u>
See accompanying accountant's report.	=	=

Singletree Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2010 and 2009

1. Organization

Singletree Property Owners Association (the "Association") was incorporated in the State of Colorado on February 22, 1995 as a nonprofit corporation. The Association administers the provisions of an Amended and Restated Declaration of Covenants, Conditions and Restrictions filed on May 23, 2005 covering Berry Creek Ranch Filings 1 through 4. The Association is governed by a nine (9) member Board of Directors (the "Board") elected at large. The Board is responsible for administration of the affairs of the Association as detailed in the Articles of Incorporation, the Bylaws, and the Declaration. The Association consists of 1004 residential units located in Edwards, Colorado. In 2009 the Board voted to conform to the requirements of the Colorado Common Interest Ownership Act.

2. Summary of Significant Accounting Policies

A. Fund Accounting

The Association's uses the fund method of accounting, which requires funds to be classified separately for accounting and reporting purposes. Fund accounting is helpful in segregating funds having restrictions on their use.

The Association has one Operating Fund and has not had any need to establish any other funds. Disbursements from the operating fund are at the discretion of the Board.

B. Basis of Accounting

The Association uses the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

C. Assessments

Assessments are billed annually at a rate set by the Board. Assessments rates for 2009 and 2010 were \$150 per property.

D. Income Taxes

The Association may elect each year to be taxed as a regular corporation or as a homeowners' association. The Association elected to be taxed as a homeowners' association for the tax periods ended December 31, 2010. Under that election, the Association is generally taxed on nonexempt income such as interest income at a federal rate of 30% and at the state statutory rates.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association defines cash equivalents as all short term, highly liquid investments with an original maturity of three months or less.

Singletree Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2010 and 2009
(Continued)

2. Summary of Significant Accounting Policies (continued)

F. Recognition of Assets

For accounting purposes the Association recognizes personal common property and real property to which it has title. Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line method of depreciation. At December 31, 2010 the Association did not recognize any property or equipment.

G. Bad Debts

Bad debts are recognized by the allowance method. An allowance for possible uncollectibility of accounts receivable is established when collectibility becomes doubtful. An allowance of \$325 was established at December 31, 2008, for accounts receivable that may ultimately be uncollectible and has remained unchanged for 2009 and 2010.

H. Prepaid Assessments

Prepaid assessments consist of assessments received in advance for the following fiscal year. The Association had no prepaid assessments at the end of 2009 or 2010.

I. Design Review Committee Deposits

The Design Review Committee (the "Committee" or DRC) created by the Association consists of five (5) property owners appointed by the Association's Board of Directors. The Committee's objective is that all new construction and uses of property are compatible with the intent to preserve the residential character of the properties, suitable and harmonious in architectural design with existing styles, and complementary to the natural environment of Singletree.

The Committee requires a \$2,500 landscape deposit and a \$12,000 compliance deposit at the start of new construction. Small projects, such as additions to existing structures, pay a lesser deposit at the discretion of the Committee. Deposits are refunded upon satisfactory completion of construction in accordance with the approved project plans, including landscaping growth sufficient to ensure its longevity. If the builder is not entitled to a return of deposited amounts, the deposit is income to the Association, recorded as DRC deposits forfeited. The Committee is not required to pay interest on deposits held by the Association. The Association Board has restricted a portion of the cash balances to be used to repay the DRC escrow deposits when the deposits become refundable.

Additionally, the Committee is authorized to levy and collect a reasonable fee to cover costs of plan and specifications review. The Committee levies \$500, to be paid to the Association, per compliance review. Additionally, the Committee requires a fee to be paid directly to the Association's outside architectural consultant, based on the square footage of the project.

2. Summary of Significant Accounting Policies (continued)

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting

Singletree Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2010 and 2009
(Continued)

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

3. Reserved Fund Balances

At December 31, 2010 and 2009 the Association Board had reserved funds for future estimated expenses as shown below:

	<u>2010</u>	<u>2009</u>
Reserved		
Legal expense	95,000	100,000
Open Space	75,000	75,000
Future Operations	100,000	100,000
Capital Projects	100,000	100,000
 Unreserved		
Unrestricted	96,272	83,312
Total	466,272	458,312

4. Concentration of Credit Risk

The Association has invested certain of its cash balances in money funds held with financial institutions. Certain of these funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to the FDIC insurance limit. At December 31, 2010 the Association had no uninsured funds.