

# MCMAHAN AND ASSOCIATES, L.L.C.

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**To the Board of Directors  
Blue Lake Owners' Association  
Carbondale, Colorado**

We have audited the financial statements of Blue Lake Owners' Association (the "Association") for the year ended December 31, 2010. Professional standards require that we provide you with the following information related to our audit.

### ***Qualitative Aspects of Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 2 of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Estimated useful lives for depreciation on fixed assets: Management's estimate of is based on industry practice and experience. We evaluated the key factors and assumptions used to develop the useful lives used in determining depreciation and found that it is reasonable in relation to the financial statements taken as a whole.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatement detected as a result of audit procedures was corrected by management:

- Depreciation expense on fixed assets was adjusted (increased) during the audit.

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***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

As is required in all audit engagements, we have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

*McMahan and Associates, L.L.C.*

McMahan and Associates, L.L.C.  
August 9, 2011

**Blue Lake Owners' Association**

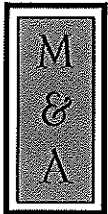
**Financial Report**

**December 31, 2010**

**Blue Lake Owners' Association  
(A Colorado Non-Profit Corporation)  
December 31, 2010**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Blue Lake Owners' Association  
Carbondale, Colorado

We have audited the accompanying balance sheets of Blue Lake Owners' Association (the "Association"), a Colorado non-profit corporation, as of December 31, 2010 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 2009 financial statements and, in our report dated June 22, 2010, we expressed limited assurance that there were no material modifications that should be made to those financial statements in order for them to be in conformity with generally accepted accounting principles.

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 Blue Lake Owners' Association as of December 31, 2010, 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 financial statements taken as a whole. The supplemental Schedule of Operating and Replacement Funds - Budget to Actual Comparison on page 10 is presented for purposes of additional analysis and is not a required part of the 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 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The Schedule of Future Major Repairs and Replacements on page 11 is not a required part of the financial statements, but is supplementary information required by the Financial Accounting Standards Board. We have applied certain limited procedures, which consist 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.

*McMahan and Associates, L.L.C.*

McMahan and Associates, L.L.C.  
August 9, 2011

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**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Balance Sheets**  
**December 31, 2010**  
**(With Comparative Totals for December 31, 2009)**

	2010		2009	
	Operating Fund	Replacement Fund	Total	Total
<b>Assets:</b>				
Cash and cash equivalents	9,757	104,747	114,504	88,797
Investments - Certificates of deposit	-	155,543	155,543	152,002
Accounts receivable - Owners (net)	10,610	-	10,610	11,789
Property and equipment, net	312,402	-	312,402	330,741
Due from (to) other fund	7,096	(7,096)	-	-
<b>Total Assets</b>	<b>339,865</b>	<b>253,194</b>	<b>593,059</b>	<b>583,329</b>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Cash and cash equivalents - Overdraft	-	-	-	3,660
Accounts payable	4,623	-	4,623	6,912
Deferred assessment revenue	4,241	-	4,241	2,912
Accrued payroll and payroll taxes	5,847	-	5,847	3,985
Deposits	1,805	-	1,805	1,805
Note payable	64,610	-	64,610	71,605
<b>Total Liabilities</b>	<b>81,126</b>	<b>-</b>	<b>81,126</b>	<b>90,879</b>
<b>Fund Equity:</b>				
Working capital	39,334	-	39,334	38,407
Fund balances	219,405	253,194	472,599	454,043
<b>Total Fund Equity</b>	<b>258,739</b>	<b>253,194</b>	<b>511,933</b>	<b>492,450</b>
<b>Total Liabilities and Fund Equity</b>	<b>339,865</b>	<b>253,194</b>	<b>593,059</b>	<b>583,329</b>

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

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Revenues, Expenses and Changes in Fund Balances**  
**For the Year Ended December 31, 2010**  
**(With Comparative Totals for the Year Ended December 31, 2009)**

	<u>2010</u>			<u>2009</u>
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>	<u>Total</u>
<b>Revenues:</b>				
Common assessments	260,736	85,134	345,870	334,446
Trash service assessments	67,667	-	67,667	73,539
Rental income - Office and Community Center	45,754	-	45,754	50,839
Rental income - Storage lots	19,453	-	19,453	19,045
Grant income	-	-	-	48,014
Finance charges and fines	4,786	-	4,786	3,977
Interest income	-	3,766	3,766	4,659
Other income	566	-	566	713
<b>Total Revenues</b>	<u>398,962</u>	<u>88,900</u>	<u>487,862</u>	<u>535,232</u>
<b>Expenses:</b>				
Payroll and benefits	181,453	-	181,453	173,873
Utilities	83,577	-	83,577	92,121
Depreciation	19,234	-	19,234	18,814
Insurance	24,896	-	24,896	20,653
Professional fees	7,310	-	7,310	6,856
Irrigation	7,767	-	7,767	6,648
Interest	5,406	-	5,406	5,917
Grounds maintenance	72,098	-	72,098	64,458
Office expense	8,259	-	8,259	9,261
Repairs and maintenance	12,241	-	12,241	13,971
Other	2,630	-	2,630	6,357
Replacement Fund expenses	-	44,435	44,435	107,816
<b>Total Expenses</b>	<u>424,871</u>	<u>44,435</u>	<u>469,306</u>	<u>526,745</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<u>(25,909)</u>	<u>44,465</u>	<u>18,556</u>	<u>8,487</u>
<b>Beginning Fund Balances</b>	<u>245,314</u>	<u>208,729</u>	<u>454,043</u>	<u>445,556</u>
<b>Ending Fund Balances</b>	<u><u>219,405</u></u>	<u><u>253,194</u></u>	<u><u>472,599</u></u>	<u><u>454,043</u></u>

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

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2010**  
**(With Comparative Totals for the Year Ended December 31, 2009)**

	2010			2009
	Operating Fund	Replacement Fund	Total	Total
<b>Cash Flows From Operating Activities:</b>				
Cash received from owners	356,555	85,134	441,689	434,985
Cash received from investment income	-	225	225	2,662
Other cash receipts	46,320	-	46,320	100,021
Cash payments for goods and services	(227,878)	(44,435)	(272,313)	(335,076)
Cash paid for employees	(179,591)	-	(179,591)	(172,948)
Transfer from (to) other funds, net	24,974	(24,974)	-	-
<b>Net Cash Provided by Operating Activities</b>	<u>20,380</u>	<u>15,950</u>	<u>36,330</u>	<u>29,644</u>
<b>Cash Flows From Investing Activities:</b>				
Proceeds on sale/redemption of investments	-	-	-	50,000
Cash paid to purchase investments	-	-	-	(50,005)
Cash paid to purchase fixed assets	(1,601)	-	(1,601)	(42,839)
Reimbursements received for capital asset purchases	706	-	706	-
<b>Net Cash (Used) by Investing Activities</b>	<u>(895)</u>	<u>-</u>	<u>(895)</u>	<u>(42,844)</u>
<b>Cash Flows From Financing Activities:</b>				
Net cash received from working capital deposits	927	-	927	980
Principal paid on note payable	(6,995)	-	(6,995)	(6,484)
<b>Net Cash (Used) by Financing Activities</b>	<u>(6,068)</u>	<u>-</u>	<u>(6,068)</u>	<u>(5,504)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	13,417	15,950	29,367	(18,704)
<b>Beginning Cash and Cash Equivalents</b>	<u>(3,660)</u>	<u>88,797</u>	<u>85,137</u>	<u>103,841</u>
<b>Ending Cash and Cash Equivalents</b>	<u>9,757</u>	<u>104,747</u>	<u>114,504</u>	<u>85,137</u>
<b>Ending Cash and Cash Equivalents is Comprised of:</b>				
Cash and cash equivalents	9,757	104,747	114,504	88,797
Cash and cash equivalents - Overdraft	-	-	-	(3,660)
<b>Total Ending Cash and Cash Equivalents</b>	<u>9,757</u>	<u>104,747</u>	<u>114,504</u>	<u>85,137</u>
<b>Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided by Operating Activities:</b>				
Excess (deficiency) of revenues over expenses	<u>(25,909)</u>	<u>44,465</u>	<u>18,556</u>	<u>8,487</u>
<b>Adjustments to reconcile:</b>				
Depreciation	19,234	-	19,234	18,814
(Increase) decrease - Accrued interest on certificates of deposit	-	(3,541)	(3,541)	(1,997)
(Increase) decrease - Accounts receivable - Owners	1,179	-	1,179	5,024
Increase (decrease) - Accounts payable	(2,289)	-	(2,289)	(2,423)
Increase (decrease) - Deferred revenue	1,329	-	1,329	359
Increase (decrease) - Accrued payroll and payroll taxes	1,862	-	1,862	925
Increase (decrease) - Deposits	-	-	-	455
Transfer from (to) other fund	24,974	(24,974)	-	-
<b>Total Adjustments</b>	<u>46,289</u>	<u>(28,515)</u>	<u>17,774</u>	<u>21,157</u>
<b>Net Cash Provided by Operating Activities</b>	<u>20,380</u>	<u>15,950</u>	<u>36,330</u>	<u>29,644</u>

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

**Blue Lake Owners' Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
December 31, 2010**

**1. Organization**

Blue Lake Owners' Association (the "Association"), a planned unit development, was incorporated in the State of Colorado as a non-profit corporation pursuant to Articles of Incorporation dated July 11, 1984. The Association's primary purpose is to operate and maintain the common property of the Association.

The Association, which is located in Carbondale, Colorado, consists of 350 homes/lots and common areas.

**2. Summary of Significant Accounting Policies**

**A. Fund Accounting**

The Association uses the fund method of accounting, which requires that funds, such as operating funds and funds for future major repairs and replacements, 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 of the Association (the "Board"). Disbursements from the Replacement Fund may be made only for their designated purposes.

**B. Basis of Accounting**

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

**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 recorded at cost and are depreciated using the straight-line method over estimated useful lives of five to thirty-nine years.

Real common property, including infrastructure assets and other assets which cannot be readily disposed for cash, are not recognized as assets on the Association's financial statements.

**D. Cash and Cash Equivalents**

The Association considers all checking accounts, savings accounts and money market savings accounts to be cash equivalents for the purpose of the Statement of Cash Flows, since all such funds are highly liquid.

**E. Investments**

The Association has invested certain excess funds in certificates of deposit. Because these certificates of deposit are intended to fund operations and may provide a ready source of cash when so required, these investments are classified as trading.

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**F. Allowance for Uncollectible Amounts**

The Association utilizes the allowance method of recognizing the future potential uncollectibility of assessments receivable from owners. An allowance of \$1,405 was recorded at December 31, 2010 to estimate uncollectible accounts. The Association's policy is to charge late fees to owner accounts at the end of each month an account is delinquent. Liens may be filed on accounts with delinquent balances that are 100 or more days past due.

**G. Deferred Revenue**

Deferred revenue represents prepaid assessments.

**H. Working Capital**

Working capital represents contributions made to the Association by the condominium unit owner at the time of their purchase of the unit. This amount is equal to three months' assessments at the time of the purchase.

**I. Common Assessments**

Common assessments are the primary source of revenue for the Association. The Board prepares an annual budget to estimate the annual expenses of maintaining the Association's common elements. On a monthly basis, 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 Fund.

**J. 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.

For tax purposes the Association had available at December 31, 2010, federal and state net operating loss carry forwards of \$33,475 and \$31,104, respectively. These carryforwards, which will expire beginning 2023 through 2027, may be used to offset future net income derived from investments and other non-membership sources. Due to the uncertainty of how much, if any, of these carryforwards will be used in future periods, no deferred tax assets have been recorded by the Association.

**K. Investment Income Allocation**

Interest income is recorded in the fund holding the underlying source of investment income.

Blue Lake Owners' Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
December 31, 2010  
(Continued)

2. Summary of Significant Accounting Policies (continued)

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 amounts or 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, 2009, from which the comparative totals were derived.

M. Subsequent Events

Management has evaluated subsequent events through August 9, 2011, the date these financial statements were available to be issued.

3. Investments

Certificates of deposit, maturing within one to two years, bearing interest at 1.19% - 1.74% per annum	<u>\$ 155,543</u>
<b>Total Investments</b>	<u><u>\$ 155,543</u></u>

4. Property and Equipment

Buildings and improvements	\$ 490,374
Equipment and vehicles	<u>116,629</u>
At cost	<u>607,003</u>
Less: Accumulated depreciation	<u>(294,601)</u>
<b>Net Book Value</b>	<u><u>\$ 312,402</u></u>

5. Note Payable

A note payable at December 31, 2010, consists of the following:

Payable to Bank of Colorado, maturing September 20, 2017, bearing interest of 7.92%, and collateralized by the community center and assignment of rental income.	<u>\$ 64,610</u>
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This note payable was refinanced on January 31, 2011, matures January 20, 2016, and bears interest of 3.25% per annum.

**Blue Lake Owners' Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
December 31, 2010  
(Continued)**

**5. Note Payable (continued)**

Future maturities (based on the 2011 refinancing) are as follows:

2011	\$ 19,077
2012	10,589
2013	10,947
2014	11,314
2015	11,692
2016	991
	<u>991</u>
	<u>\$ 64,610</u>

**6. Operating Lease Commitments**

The Association leases office and community center space to tenants under operating leases with initial terms of one to ten years. The Association received \$45,754 from these leases during the year ended December 31, 2010. The following is a schedule of future minimum rentals under the leases at December 31, 2010:

	Office Lease #1	Office Lease #2	Office Lease #3	Community Center Lease	Total
2011	\$ 4,172	3,708	5,718	34,300	47,898
2012	-	-	5,887	34,800	40,687
2013	-	-	6,063	34,800	40,863
2014	-	-	506	34,800	35,306
2015	-	-	-	34,800	34,800
2016	-	-	-	17,400	17,400
	<u>4,172</u>	<u>3,708</u>	<u>18,175</u>	<u>190,900</u>	<u>216,954</u>
<b>Total Minimum Lease Payments</b>	<u>\$ 4,172</u>	<u>3,708</u>	<u>18,175</u>	<u>190,900</u>	<u>216,954</u>

**7. Replacement Funds and Reserve for Future Major Repairs and Replacements**

The Association is accumulating funds for future major repairs and replacements of the Association's property as required in its Declaration of Covenants, Conditions, and Restrictions. Accumulated funds are held in a separate savings account and certificates of deposit and generally are not available for expenditures for normal operations.

The Board commissioned a study, which was completed in 2007, to estimate the remaining useful lives and the replacement costs of the components of common property. These estimates were based on visual observations of representative samplings during an on-site visit by an engineering firm and assume a 3% rate of inflation and interest. The unaudited supplemental Schedule of Future Major Repairs and Replacements on page 11 is based on that study.

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

**7. Replacement Funds and Reserve for 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 Fund.

Funds are being accumulated in the Replacement Funds based on estimates for future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the Replacement Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

During the year ended December 31, 2010, the Association levied \$85,134 of Replacement Fund assessments.

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Operating and Replacement Funds - Budget to Actual Comparison**  
**For the Year Ended December 31, 2010**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2009)**

	<u>2010</u>		<u>Variance Favorable/ (Unfavorable)</u>	<u>2009</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Common assessments - Operating	260,736	260,736	-	253,386
Common assessments - Replacement	85,515	85,134	(381)	81,060
Trash service assessments	74,052	67,667	(6,385)	73,539
Rental income - Office and Community Center	51,486	45,754	(5,732)	50,839
Rental income - Storage lots	21,877	19,453	(2,424)	19,045
Grant income - Replacement	-	-	-	48,014
Finance charges and fines	2,562	4,786	2,224	3,977
Interest income - Operating	500	-	(500)	502
Interest income - Replacement	2,892	3,766	874	4,157
Other income	-	566	566	713
<b>Total Revenues</b>	<u>499,620</u>	<u>487,862</u>	<u>(11,758)</u>	<u>535,232</u>
<b>Expenses:</b>				
<b>Operating Fund:</b>				
Payroll and benefits	173,089	181,453	(8,364)	173,873
Utilities	90,097	83,577	6,520	92,121
Depreciation	10,000	19,234	(9,234)	18,814
Insurance	24,794	24,896	(102)	20,653
Professional fees	11,600	7,310	4,290	6,856
Irrigation	6,585	7,767	(1,182)	6,648
Interest	5,420	5,406	14	5,917
Grounds maintenance	66,826	72,098	(5,272)	64,458
Office expense	8,531	8,259	272	9,261
Repairs and maintenance	8,496	12,241	(3,745)	13,971
Other	3,650	2,630	1,020	6,357
<b>Subtotal - Operating Fund</b>	<u>409,088</u>	<u>424,871</u>	<u>(15,783)</u>	<u>418,929</u>
<b>Replacement Fund:</b>				
Lighting - Parks	-	-	-	9,439
Fencing	20,000	-	20,000	9,301
Sidewalks	-	27,816	(27,816)	89,076
Irrigation	25,000	16,619	8,381	-
Dredging	15,000	-	15,000	-
<b>Subtotal - Replacement Fund</b>	<u>60,000</u>	<u>44,435</u>	<u>15,565</u>	<u>107,816</u>
<b>Total Expenses</b>	<u>469,088</u>	<u>469,306</u>	<u>(218)</u>	<u>526,745</u>
<b>Excess of Revenues Over Expenses</b>	<u>30,532</u>	<u>18,556</u>	<u>(11,976)</u>	<u>8,487</u>

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

**Blue Lake Owners' Association**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Future Major Repairs and Replacements**  
**December 31, 2010**

During fiscal year 2007, the Association's Board of Directors commissioned a study by independent reserve study engineers to estimate the remaining useful lives and the replacement costs of the components of common property. The study projected future fund balances, but did not allocate fund balance between the individual items, nor has the Board elected to allocate fund balance between the components of common property.

The following table is based on the study and presents significant information about the components of the Association's common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Projected Fund Balance 2010</u>	<u>Replacement Fund Balance 2010</u>
Concrete and asphalt	0-11	182,748		
Maintenance equipment	0-9	118,500		
Recreation equipment	0-9	96,050		
Fencing	0-9	49,125		
Doors and windows	12	37,125		
Siding	0-2	22,400		
Irrigation system	0-4	21,350		
Street lights and gate operators	1-19	20,200		
Monument and mailboxes	1-14	18,150		
Office interiors and equipment	0-3	12,700		
Landscaping and bridge	0-8	7,800		
Boilers	3	4,000		
Gutters and downspouts	0	2,975		
<b>Total</b>		<u>593,123</u>	<u>189,536</u>	<u>253,194</u>

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