

Anchorage West Association
Financial Information Transmittal
For the Seven Months Ending December 31, 2007

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January 7, 2008

Board of Directors
Anchorage West Association

These statements have been prepared for the Board of Directors of the Association under the terms of our management agreement by Summit Resort Group, Inc.'s in house accounting department under the supervision of our Controller. In no way is it implied that they meet all of the professional standards governing compiled, reviewed or audited financial statements prepared by an independent CPA engaged by the Board of Directors of the Association.

These statements have been prepared in accordance with generally accepted accounting principals (GAAP) with the exception that notes to financial statements have not been prepared. Certain portions of the financial statements contain forecasts of annual operating expenses and replacement fund expenditures approved by the Board of Directors. Actual results could differ from these forecasts.

Summit Resort Group, Inc.

Anchorage West Association
 Balance Sheets
 as of December 31, 2007

| ASSETS | <i>Operating Fund</i> | <i>Replacement Fund</i> | <i>Total</i> |
|------------------------------------------------|---------------------------|-----------------------------|-------------------|
| Cash and cash equivalents | \$ 4,597 | \$ 38,864 | \$ 43,461 |
| Assessments receivable | 2,729 | | 2,729 |
| Due from replacement fund | 8,404 | | 8,404 |
| Due to operating fund | | (8,404) | (8,404) |
| Manager's Unit | 65,000 | | 65,000 |
| Common Facilities | 46,341 | | 46,341 |
| Equipment & Furnishings | 32,472 | | 32,472 |
| Erosion Control Project | 52,374 | | 52,374 |
| New Pool, Etc | 117,362 | | 117,362 |
| Accumulated Depreciation | (205,602) | | (205,602) |
| TOTAL ASSETS | \$ 123,677 | \$ 30,460 | \$ 154,137 |
| | | | |
| LIABILITIES | | | |
| Prepaid assessments | \$ 3,042 | | \$ 3,042 |
| | 3,042 | - | 3,042 |
| FUND BALANCES | 120,635 | 30,460 | 151,096 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 123,677 | \$ 30,460 | \$ 154,137 |

Anchorage West Association
 Statements of Revenues and Expenses
 and Changes in Fund Balances
 for the Seven Months Ended December 31, 2007

| REVENUES | | <i>Operating Fund</i> | <i>Replacement Fund</i> | <i>Total</i> |
|----------------------------------|--------|---------------------------|-----------------------------|-------------------|
| Member assessments | | \$ 126,900 | \$ 13,536 | \$ 140,436 |
| Interest | | 364 | 744 | 1,107 |
| Other | | 451 | | 451 |
| TOTAL REVENUE | | <u>127,715</u> | <u>14,280</u> | <u>141,995</u> |
| | | | | |
| EXPENSES | | | | |
| Operating Fund | note 1 | 131,147 | | 131,147 |
| Replacement Fund | note 2 | | 8,755 | 8,755 |
| TOTAL EXPENSES | | <u>131,147</u> | <u>8,755</u> | <u>139,902</u> |
| Excess of revenues over expenses | | (3,433) | 5,525 | 2,093 |
| Beginning fund balances | | <u>124,068</u> | <u>24,935</u> | <u>149,003</u> |
| ENDING FUND BALANCES | | <u>\$ 120,635</u> | <u>\$ 30,460</u> | <u>\$ 151,096</u> |

note 1-see accompanying Budget Remaining Analysis

note 2- see accompanying Replacement Fund Analysis

Anchorage West Association
 Operating Fund Budget Remaining Analysis
 for the Seven Months Ended December 31, 2007

| EXPENSES | 2007-2008 | | Remaining | |
|-------------------------------------|-------------------|-------------------|------------------|----------------|
| | <i>Actual</i> | <i>Budget</i> | <i>Amount</i> | <i>Percent</i> |
| Management fee | \$ 28,130 | \$ 47,400 | \$ 19,270 | 41% |
| Gas | 19,529 | 54,653 | 35,124 | 64% |
| Electricity | 4,445 | 8,276 | 3,831 | 46% |
| Water & sewer | 22,279 | 36,000 | 13,721 | 38% |
| Bank charges | - | 45 | 45 | 100% |
| Building maintenance | 5,354 | 10,200 | 4,846 | 48% |
| Boiler & heat repairs & maintenance | 6,466 | 4,000 | (2,466) | -62% |
| Cable television | 9,778 | 17,319 | 7,541 | 44% |
| Internet | 2,705 | 5,226 | 2,521 | 48% |
| Grounds maintenance | 7,426 | 4,000 | (3,426) | -86% |
| Pool maintenance | 11,251 | 5,250 | (6,001) | -114% |
| Snow removal | 885 | 5,200 | 4,315 | 83% |
| Licenses & Taxes | 30 | 900 | 870 | 97% |
| Manager's unit | 403 | 350 | (53) | -15% |
| Insurance | 7,517 | 12,540 | 5,023 | 40% |
| Property tax | - | 1,624 | 1,624 | 100% |
| Postage | 430 | 210 | (220) | -105% |
| Office expense | 409 | 690 | 281 | 41% |
| Telephone | 11 | 0 | (11) | |
| Meetings | 2,137 | 1,400 | (737) | -53% |
| Miscellaneous | - | 100 | 100 | 100% |
| Bonuses | - | 400 | 400 | 100% |
| Rubbish removal | 1,961 | 2,100 | 139 | 7% |
| Contingency | - | 0 | - | |
| | <u>\$ 131,147</u> | <u>\$ 217,883</u> | <u>\$ 86,736</u> | 40% |

Anchorage West Association
 Replacement Fund Analysis
 for the Seven Months Ended December 31, 2007

| | Beginning Fund Balance | Additions to Fund | Charges to Fund | Interest Earnings Net of Taxes | Ending Fund Balance |
|-------|------------------------------|----------------------|--------------------|--------------------------------------|------------------------|
| Total | \$ 24,935 | 13,536 | 8,755 | 744 | \$ 30,460 |

| | Charges to Fund | 2007-08 Budget | Remaining Amount | Percent |
|------------------|--------------------|-------------------|---------------------|---------|
| Driveway/Asphalt | \$ 1,583 | - | \$ (1,583) | |
| Pool/Hot Tub | 6,713 | 3,600 | (3,113) | -86% |
| Boilers/Motors | 459 | - | (459) | |
| Landscaping | | 10,000 | 10,000 | 100% |
| | <u>\$ 8,755</u> | <u>\$ 13,600</u> | <u>\$ 4,845</u> | |

Anchorage West Association
 Statements of Cash Flows
 for the Seven Months Ended December 31, 2007

| | Operating Fund | Replacement Fund | Total |
|---------------------------------------------------------------------------------------------------------------|-------------------|---------------------|------------------|
| Excess of revenues over expenses | \$ (3,433) | \$ 5,525 | \$ 2,093 |
| Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: | | | |
| Increase in assessments receivable | (2,729) | | (2,729) |
| Increase (decrease) in interfund balances | (11,289) | 11,289 | - |
| Decrease in accounts payable | (1,197) | | (1,197) |
| Decrease in prepaid assessments | (4,958) | | (4,958) |
| Total adjustments | <u>(20,173)</u> | 11,289 | <u>(8,884)</u> |
| Net cash provided by operating activities | (23,606) | 16,814 | (6,791) |
| Cash at beginning of period | 28,203 | 22,050 | 50,253 |
| Cash at end of period | <u>\$ 4,597</u> | <u>\$ 38,864</u> | <u>\$ 43,461</u> |

Anchorage West Association

Balance Sheet

As of December 31, 2007

| | Operating Fund | Reserve Fund | Combined |
|----------------------------------------|----------------------|---------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 100 · 302 - Operating Bank Account | \$ 4,596.89 | | \$ 4,596.89 |
| 105 · 134 - Reserve Bank Account | | \$ 38,864.06 | 38,864.06 |
| Total Checking/Savings | 4,596.89 | 38,864.06 | 43,460.95 |
| Accounts Receivable | | | |
| 140 · Accounts Receivable Dues | 2,729.00 | | 2,729.00 |
| Due from Reserve Fund | 8,403.73 | | 8,403.73 |
| Total Accounts Receivable | 11,132.73 | - | 11,132.73 |
| Total Current Assets | 15,729.62 | 38,864.06 | 54,593.68 |
| Fixed Assets | | | |
| 165 · Manager's Unit | 65,000.00 | | 65,000.00 |
| 166 · Common Facilities | 46,340.99 | | 46,340.99 |
| 167 · Equipment & Furnishings | 32,472.26 | | 32,472.26 |
| 168 · Erosion Control Project | 52,373.87 | | 52,373.87 |
| 170 · New Pool, Etc. | 117,362.27 | | 117,362.27 |
| 180 · Accumulated Depreciation | (205,602.20) | | (205,602.20) |
| Total Fixed Assets | 107,947.19 | - | 107,947.19 |
| TOTAL ASSETS | \$ 123,676.81 | \$ 38,864.06 | \$ 162,540.87 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| Due to Operating Fund | | \$ 8,403.73 | \$ 8,403.73 |
| Total Accounts Payable | - | \$ 8,403.73 | \$ 8,403.73 |
| Other Current Liabilities | | | |
| 225 · Prepaid Assessments | \$ 3,041.00 | | 3,041.00 |
| Total Other Current Liabilities | 3,041.00 | - | 3,041.00 |
| Total Current Liabilities | 3,041.00 | 8,403.73 | 11,444.73 |
| Total Liabilities | 3,041.00 | 8,403.73 | 11,444.73 |
| Equity | | | |
| 310 · Retained Earnings- Operations | 124,068.38 | | 124,068.38 |
| 320 · Retained Earnings- Approp Reser | | 24,935.16 | 24,935.16 |
| Net Fund Increase (Decrease) | (3,432.57) | 5,525.17 | 2,092.60 |
| Total Equity | 120,635.81 | 30,460.33 | 151,096.14 |
| TOTAL LIABILITIES & EQUITY | \$ 123,676.81 | \$ 38,864.06 | \$ 162,540.87 |

Anchorage West Association Profit & Loss Budget Performance December 2007

| | Dec 07 | Budget | \$ Over Budget | % of Budget | Jun - Dec 07 | YTD Budget | \$ Over Budget | % of Budget | Annual Budget |
|-------------------------------------|---------------|---------------|----------------|--------------|----------------|----------------|----------------|-------------|----------------|
| Ordinary Income/Expense | | | | | | | | | |
| Income | | | | | | | | | |
| 400 - Dues Income | 21,009 | 21,009 | 0 | 100% | 140,436 | 140,436 | 0 | 100% | 245,481 |
| 405 - Rental Income | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0 |
| 415 - Laundry Income | 33 | 0 | 451 | | | | | | |
| 420 - Other Income | 0 | 80 | -80 | 0% | 0 | 185 | -185 | 0% | 500 |
| 435 - Interest Income- Operating | 35 | 23 | 12 | 150% | 364 | 161 | 203 | 226% | 276 |
| Total Income | 21,076 | 21,112 | -36 | 100% | 141,251 | 140,782 | 469 | 100% | 246,257 |
| Expense | | | | | | | | | |
| 501 - Management Fee | 4,070 | 4,070 | 0 | 100% | 28,130 | 28,130 | 0 | 100% | 48,480 |
| 502 - Gas Expense | 4,208 | 5,330 | -1,122 | 79% | 19,529 | 26,158 | -6,629 | 75% | 54,653 |
| 503 - Electricity Expense | 620 | 629 | -9 | 99% | 4,445 | 4,231 | 214 | 105% | 8,276 |
| 504 - Water & Sewer Expense | 2,887 | 3,000 | -113 | 96% | 22,279 | 21,000 | 1,279 | 106% | 36,000 |
| 505 - Bank Charges | 0 | 0 | 0 | 0% | 0 | 18 | -18 | 0% | 45 |
| 515 - Building Maintenance | 1,030 | 850 | 180 | 121% | 5,354 | 6,000 | -646 | 89% | 10,200 |
| 516 - Boiler & Heat Repairs & Maint | 1,235 | 350 | 885 | 353% | 6,466 | 2,250 | 4,216 | 287% | 4,000 |
| 520 - Cable Television | 1,400 | 1,422 | -22 | 98% | 9,778 | 9,954 | -176 | 98% | 17,319 |
| 525 - Internet | 428 | 564 | -136 | 76% | 2,705 | 2,406 | 299 | 112% | 5,226 |
| 530 - Grounds Maintenance | 6 | 0 | 6 | 100% | 7,426 | 4,000 | 3,426 | 186% | 4,000 |
| 535 - Pool Maintenance | 32 | 275 | -243 | 12% | 11,251 | 3,575 | 7,676 | 315% | 5,250 |
| 540 - Snow Removal | 0 | 800 | -800 | 0% | 885 | 1,600 | -715 | 55% | 5,200 |
| 555 - Licenses & Taxes | 0 | 0 | 0 | 0% | 30 | 0 | 30 | 100% | 900 |
| 560 - Manager's Unit Expense | 0 | 0 | 0 | 0% | 403 | 350 | 53 | 115% | 350 |
| 565 - Insurance | 1,074 | 1,045 | 29 | 103% | 7,315 | 7,315 | 202 | 103% | 12,540 |
| 570 - Property Taxes | 0 | 0 | 0 | 0% | 0 | 812 | -812 | 0% | 1,624 |
| 575 - Postage | 22 | 30 | -8 | 74% | 430 | 135 | 295 | 319% | 210 |
| 580 - Office Expense | 17 | 30 | -13 | 58% | 409 | 540 | -131 | 76% | 690 |
| 585 - Telephone | 0 | 0 | 0 | 0% | 11 | 0 | 11 | 100% | 0 |
| 595 - Meeting Expense | 0 | 0 | 0 | 0% | 2,137 | 1,400 | 737 | 153% | 1,400 |
| 600 - Misc Expense | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 100 |
| 601 - Property Manager's Bonus | 0 | 400 | -400 | 0% | 0 | 400 | -400 | 0% | 400 |
| 630 - Rubbish Removal | 206 | 150 | 56 | 137% | 1,961 | 1,200 | 761 | 163% | 2,100 |
| 635 - Contingency | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0 |
| Total Expense | 17,235 | 18,945 | -1,710 | 91% | 131,147 | 121,474 | 9,673 | 108% | 218,963 |
| Net Ordinary Income | 3,842 | 2,167 | 1,675 | 177% | 10,103 | 19,308 | -9,205 | 52% | 27,294 |
| Other Income/Expense | | | | | | | | | |
| Other Income | | | | | | | | | |
| 440 - Interest Income- Repl Res | 88 | 25 | 63 | 352% | 744 | 175 | 569 | 425% | 300 |
| 445 - Reserve Assessment | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0 |
| Total Other Income | 88 | 25 | 63 | 352% | 744 | 175 | 569 | 425% | 300 |
| Other Expense | | | | | | | | | |
| 800 - Driveway/Asphalt | 0 | 0 | 0 | 0% | 1,583 | | | 0% | 27,636 |
| 802 - Pool/Hot Tub | 0 | 0 | 0 | 0% | 6,713 | | | 65% | 27,636 |
| 807 - Boilers/Motors | 0 | 0 | 0 | 0% | 459 | | | 60% | -27,336 |
| 850 - Reserve Transfer Expense | 0 | 2,820 | -2,820 | 0% | 8,755 | 13,536 | -13,536 | 0% | 27,636 |
| Total Other Expense | 0 | 2,820 | -2,820 | 0% | 8,755 | 13,536 | -4,781 | 65% | 27,636 |
| Net Other Income | 88 | -2,795 | 2,883 | -3% | -8,011 | -13,361 | 5,350 | 60% | -27,336 |
| Net Income | 3,930 | -628 | 4,558 | -626% | 2,093 | 5,947 | -3,854 | 35% | -42 |