

BROOKSHIRE DOWNS AT HEATHERRIDGE

DECEMBER 31, 2006

ASSETS

|                          |    |           |                  |
|--------------------------|----|-----------|------------------|
| CASH                     |    |           |                  |
| 1010 CASH-BANK OF CHOICE | \$ | 11,403.60 |                  |
| 1016 RES-BANK OF CHOICE  |    | 31,635.61 |                  |
| 1017 RES-COLONIAL CD 015 |    | 30,000.00 |                  |
|                          |    | -----     |                  |
| TOTAL CASH               |    |           | 73,039.21        |
| ACCOUNTS RECEIVABLE      |    |           |                  |
| 1110 DUES RECEIVABLE     |    | 11,909.99 |                  |
| 1121 PREPAID INSURANCE   |    | 802.00    |                  |
|                          |    | -----     |                  |
| TOTAL RECEIVABLES        |    |           | 12,711.99        |
|                          |    |           | -----            |
| TOTAL ASSETS             |    |           | <u>85,751.20</u> |

LIABILITIES

|                           |  |             |                  |
|---------------------------|--|-------------|------------------|
| ACCOUNTS PAYABLE          |  |             |                  |
| 2110 ACCOUNTS PAYABLE     |  | 2,094.77    |                  |
| 2115 PREPAID ASSESSMENTS  |  | 1,992.31    |                  |
| 2165 WORKING CAPITAL DEP  |  | 10,152.00   |                  |
| 2170 MAINTENANCE FEE DEP  |  | 1,480.00    |                  |
|                           |  | -----       |                  |
| TOTAL PAYABLES            |  |             | 15,719.08        |
| EQUITY                    |  |             |                  |
| 2940 CURRENT EARNINGS     |  | 23,299.91   |                  |
| 2941 CURRENT EARNINGS     |  | (23,299.91) |                  |
| 2950 RESERVE FUND-PRIOR   |  | 55,927.64   |                  |
| 2955 RESERVE FUND-CURRENT |  | 17,912.22   |                  |
| 2960 OPERATING FUND-PRIOR |  | (9,195.43)  |                  |
| 2965 OPERATING FD-CURRENT |  | 5,387.69    |                  |
|                           |  | -----       |                  |
| TOTAL EQUITY              |  |             | 70,032.12        |
|                           |  |             | -----            |
| TOT LIABILITY AND EQUITY  |  |             | <u>85,751.20</u> |

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Budget Comparison Report  
DECEMBER 31, 2006

PREPARED BY  
WESTERN STATES PROPERTY SERVICES, INC.

|                             | BUDGET      | ACTUAL      | CURR. VARIANCE | YTD BUDGET    | YTD ACTUAL    | YTD VARIANCE |
|-----------------------------|-------------|-------------|----------------|---------------|---------------|--------------|
| INCOME                      |             |             |                |               |               |              |
| 5110 HOMEOWNERS DUES        | \$ 8,760.00 | \$ 8,760.00 | \$ 0.00        | \$ 105,120.00 | \$ 105,120.00 | \$ 0.00      |
| 5115 UTILITIES              | 3,750.00    | 3,750.00    | 0.00           | 45,000.00     | 45,200.00     | 200.00       |
| 5210 LATE FEE CHARGE        | 0.00        | 20.00       | 20.00          | 0.00          | 340.00        | 340.00       |
| 5220 COLLECTION COST REC    | 0.00        | 221.50      | 221.50         | 0.00          | 4,016.70      | 4,016.70     |
| 5230 LAUNDRY INCOME         | 250.00      | 243.63      | (6.37)         | 3,000.00      | 2,732.40      | (267.60)     |
| 5235 PARKING INCOME         | 60.00       | 0.00        | (60.00)        | 720.00        | 0.00          | (720.00)     |
| 5240 CAPITALIZATION         | 0.00        | 0.00        | 0.00           | 0.00          | 64.00         | 64.00        |
| 5245 INTEREST INCOME        | 0.00        | 5.49        | 5.49           | 0.00          | 242.67        | 242.67       |
| 5255 MISC INCOME            | 0.00        | 60.00       | 60.00          | 0.00          | 730.00        | 730.00       |
| 5450 TRANSFERS TO RESERVE   | (2,300.00)  | (2,300.00)  | 0.00           | (27,600.00)   | (37,600.00)   | (10,000.00)  |
| TOTAL INCOME                | 10,520.00   | 10,760.62   | 240.62         | 126,240.00    | 120,845.77    | (5,394.23)   |
| EXPENSES                    |             |             |                |               |               |              |
| 7030 MANAGEMENT FEE         | 650.00      | 650.00      | 0.00           | 7,800.00      | 7,800.00      | 0.00         |
| 7040 LEGAL FEES             | 0.00        | 0.00        | 0.00           | 0.00          | 49.58         | (49.58)      |
| 7045 LEGAL COLLECTIONS      | 75.00       | 629.53      | (554.53)       | 900.00        | 3,965.96      | (3,065.96)   |
| 7055 AUDIT FEES             | 0.00        | 0.00        | 0.00           | 1,175.00      | 0.00          | 1,175.00     |
| 7060 PRINTING & COPYING     | 25.00       | 285.00      | (260.00)       | 300.00        | 863.21        | (563.21)     |
| 7062 POSTAGE                | 25.00       | 18.03       | 6.97           | 300.00        | 352.19        | (52.19)      |
| 7075 LICENSE, PERMITS, DUES | 0.00        | 0.00        | 0.00           | 0.00          | 15.00         | (15.00)      |
| 7085 ANNUAL MEETING         | 0.00        | 0.00        | 0.00           | 0.00          | 164.00        | (164.00)     |
| 7086 BAD DEBT EXPENSE       | 0.00        | 0.00        | 0.00           | 0.00          | 441.42        | (441.42)     |
| 7090 MISC ADMINISTRATIVE    | 50.00       | 22.70       | 27.30          | 600.00        | 424.85        | 175.15       |
| TOTAL ADMINISTRATIVE        | 825.00      | 1,605.26    | (780.26)       | 11,075.00     | 14,076.21     | (3,001.21)   |
| 7120 INCOME TAXES           | 0.00        | 0.00        | 0.00           | 12.00         | 7.87          | 4.13         |
| 7130 INSURANCE              | 0.00        | (1,501.85)  | 1,501.85       | 10,000.00     | 9,117.00      | 883.00       |

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|----------------------------|----------|---------------|----------------|--------------|-------------|--------------|
| TOTAL TAXES & INSURANCES   | \$ 0.00  | \$ (1,501.85) | \$ 1,501.85    | \$ 10,012.00 | \$ 9,124.87 | \$ 887.13    |
| 7230 BLDG & FACILITIES RPR | 0.00     | 0.00          | 0.00           | 0.00         | 706.14      | (706.14)     |
| 7240 PAINTING & SIDING     | 75.00    | 0.00          | 75.00          | 900.00       | 51.65       | 848.35       |
| 7250 ELECTRICAL REPAIRS    | 50.00    | 188.57        | (138.57)       | 600.00       | 1,194.36    | (594.36)     |
| 7260 BOILER REPAIR         | 150.00   | 0.00          | 150.00         | 1,800.00     | 160.00      | 1,640.00     |
| 7270 ROOF/GUTTER REPAIRS   | 50.00    | 0.00          | 50.00          | 600.00       | 425.00      | 175.00       |
| 7280 PLBG & SEWER MAINT    | 500.00   | 225.00        | 275.00         | 6,000.00     | (650.00)    | 6,650.00     |
| 7290 OTHER BUILDING MAINT  | 100.00   | 0.00          | 100.00         | 1,200.00     | 1,503.24    | (303.24)     |
| TOTAL BUILDING MAINT.      | 925.00   | 413.57        | 511.43         | 11,100.00    | 3,390.39    | 7,709.61     |
| 7310 ELECTRICITY           | 500.00   | 435.67        | 64.33          | 4,800.00     | 4,029.96    | 770.04       |
| 7320 GAS                   | 4,500.00 | 3,388.82      | 1,111.18       | 34,000.00    | 33,334.13   | 665.87       |
| 7371 WATER                 | 800.00   | 654.59        | 145.41         | 12,000.00    | 16,275.04   | (4,275.04)   |
| 7372 SEWER                 | 750.00   | 744.06        | 5.94           | 9,000.00     | 7,644.08    | 1,355.92     |
| 7380 TRASH REMOVAL         | 250.00   | 248.00        | 2.00           | 3,000.00     | 3,168.00    | (168.00)     |
| TOTAL UTILITIES            | 6,800.00 | 5,471.14      | 1,328.86       | 62,800.00    | 64,451.21   | (1,651.21)   |
| 7410 GROUNDS CARE          | 600.00   | 647.91        | (47.91)        | 7,200.00     | 7,665.45    | (465.45)     |
| 7415 GROUNDS SUPPLIES      | 0.00     | 1,950.00      | (1,950.00)     | 1,000.00     | 4,592.94    | (3,592.94)   |
| 7416 TREES & BUSHES        | 900.00   | 0.00          | 900.00         | 1,800.00     | 0.00        | 1,800.00     |
| 7417 FLOWERS               | 0.00     | 0.00          | 0.00           | 300.00       | 0.00        | 300.00       |
| 7420 JANITORIAL            | 550.00   | 1,130.00      | (580.00)       | 6,520.00     | 6,705.00    | (185.00)     |
| 7435 EXTERMINATING         | 0.00     | 400.00        | (400.00)       | 0.00         | 615.00      | (615.00)     |
| 7440 SPRINKLER SYS MAINT   | 0.00     | 0.00          | 0.00           | 1,600.00     | 1,862.51    | (262.51)     |
| 7445 CONCRETE REPAIRS      | 100.00   | 0.00          | 100.00         | 1,200.00     | 0.00        | 1,200.00     |
| TOTAL GROUNDS MAINTENANCE  | 2,150.00 | 4,127.91      | (1,977.91)     | 19,620.00    | 21,440.90   | (1,820.90)   |
| 7510 PARKING LOT REPAIRS   | 0.00     | 0.00          | 0.00           | 0.00         | 1,135.00    | (1,135.00)   |

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|------------------------|-----------|-----------|----------------|------------|------------|--------------|
| 7550 SNOW REMOVAL      | 700.00    | 311.00    | 389.00         | 2,800.00   | 1,839.50   | 960.50       |
| TOTAL ROAD MAINTENANCE | 700.00    | 311.00    | 389.00         | 2,800.00   | 2,974.50   | (174.50)     |
| TOTAL EXPENSES         | 11,400.00 | 10,427.03 | 972.97         | 117,407.00 | 115,458.08 | 1,948.92     |
| NET PROFIT / LOSS      | (880.00)  | 333.59    | 1,213.59       | 8,833.00   | 5,387.69   | (3,445.31)   |

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|                              | BUDGET   | ACTUAL      | CURR. VARIANCE | YTD BUDGET   | YTD ACTUAL   | YTD VARIANCE |
|------------------------------|----------|-------------|----------------|--------------|--------------|--------------|
| RESERVE REVENUE              |          |             |                |              |              |              |
| 9200 TRANSFER TO RESERVES \$ | 2,300.00 | \$ 2,300.00 | \$ 0.00        | \$ 27,600.00 | \$ 37,600.00 | \$ 10,000.00 |
| 9205 SPECIAL ASSESSMENT      | 0.00     | 0.00        | 0.00           | 0.00         | 23,333.17    | 23,333.17    |
| 9350 INTEREST INCOME         | 0.00     | 67.72       | 67.72          | 0.00         | 1,339.05     | 1,339.05     |
| TOTAL REVENUE                | 2,300.00 | 2,367.72    | 67.72          | 27,600.00    | 62,272.22    | 34,672.22    |
| EXPENSE                      |          |             |                |              |              |              |
| 9512 SIDING PROJECT          | 0.00     | 0.00        | 0.00           | 0.00         | 43,610.00    | (43,610.00)  |
| 9514 PAINTING                | 0.00     | 0.00        | 0.00           | 0.00         | 750.00       | (750.00)     |
| TOTAL EXPENSE                | 0.00     | 0.00        | 0.00           | 0.00         | 44,360.00    | (44,360.00)  |
| EXCESS/LOSS OF RESERVES      | 2,300.00 | 2,367.72    | 67.72          | 27,600.00    | 17,912.22    | (9,687.78)   |