

DOUGLAS B. GORMAN, P. C.
Certified Public Accountant
P.O. Box 149
Crested Butte, Colorado 81224
Phone (970)-349-6156

To the Board of Directors and Members
Pristine Point Owners' Association

February 1, 2005

The accompanying balance sheet-income tax basis of Pristine Point Owners' Association, as of December 31, 2004 and the related statements of revenue and expenses and changes in fund balance-income tax basis for the period ended December 31, 2004, have been compiled by us.

The compilation is in accordance with standards established by the American Institute of Certified Public Accountants (Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants). The financial statements have been prepared on the accounting basis used by the corporation for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements, information that is the representation of the owners. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles, and a statement of cash flows. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who were not informed about such matters.

Douglas B. Gorman
Certified Public Accountant

PRISTINE POINT OWNERS' ASSOCIATION
BALANCE SHEET
AS OF DECEMBER 31, 2004

	OPER. FUND	CAPITAL RESERVE
ASSETS		
Cash in Bank	\$993.00	\$5,026.00
Accounts Receivable	\$ 187.00	
TOTAL ASSETS	<u>\$1,180.00</u>	<u>\$5,026.00</u>
LIABILITIES AND FUND BALANCE		
TOTAL LIABILITIES	<u>\$0.00</u>	<u>\$0.00</u>
FUND BALANCE	<u>\$1,180.00</u>	<u>\$5,026.00</u>
TOTAL FUND BALANCE	<u>\$1,180.00</u>	<u>\$5,026.00</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,180.00</u>	<u>\$5,026.00</u>

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

PRISTINE POINT OWNERS' ASSOCIATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 FOR THE PERIOD JANUARY 1, 2004 TO DECEMBER 31, 2004

	OPERATING FUND	CAPITAL RESERVE
REVENUES		
Assessments	\$ 9,000.00	
Late Fees	\$5.00	
Interest Income	\$8.00	\$ 26.00
Architectural Review Fees	\$100.00	
	<hr/>	<hr/>
TOTAL REVENUES	\$ 9,113.00	\$ 26.00
EXPENSES		
Operating (Schedule attached)	\$ 9,973.00	<hr/> \$0.00
Less Capital Reserve Allocations	\$0.00	
TOTAL EXPENSES	<hr/> \$ 9,973.00	<hr/> \$0.00
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	\$ (860.00)	\$26.00
BEGINNING FUND BALANCES	\$2,040.00	\$5,000.00
	<hr/> \$0.00	\$0.00
ENDING FUND BALANCES	<hr/> \$ 1,180.00	<hr/> \$5,026.00

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

PRISTINE POINT OWNERS' ASSOCIATION
 SCHEDULE OF OPERATIONS
 FOR THE PERIOD JANUARY 1, 2004 TO DECEMBER 31, 2004

	PERIOD ENDED 12/31/2004 ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)
REVENUES			
Assessments	\$9,000.00	\$9,000.00	\$0.00
Late Fees	\$6.00		\$6.00
Architectural Review Fees	\$100.00	\$200.00	(\$100.00)
Interest Income	\$34.00	\$40.00	(\$6.00)
TOTAL REVENUES	<u>\$9,140.00</u>	<u>\$9,240.00</u>	<u>(\$100.00)</u>
EXPENSES			
Snow Removal	\$3,425.00	\$4,500.00	\$1,075.00
Insurance	\$373.00	\$500.00	\$127.00
Copies, Printing, Postage	\$373.00	\$200.00	(\$173.00)
Management Fees	\$1,992.00	\$2,000.00	\$8.00
Legal Fees	\$3,235.00	\$1,000.00	(\$2,235.00)
Accounting Fees	\$324.00	\$400.00	\$76.00
Telephone	\$26.00	\$0.00	(\$26.00)
Annual Meeting	\$0.00	\$50.00	\$50.00
Repairs & Maintenance	\$225.00	\$500.00	\$275.00
Miscellaneous	\$0.00	\$90.00	\$90.00
TOTAL EXPENSES	<u>\$9,973.00</u>	<u>\$9,240.00</u>	<u>(\$733.00)</u>
EXCESS OF EXPENSES OVER REVENUES	<u>(\$833.00)</u>	<u>\$0.00</u>	<u>(\$833.00)</u>

UNAUDITED-SEE ACCOUNTANTS COMPILATION REPORT

PPOA Balance Sheet -- 2004 - 2005 Comparisons

Item	2004 BUDGET	ACTUAL 12/31/04	2005 BUDGET	ACTUAL 5/19/05	% of BUDGET
Revenues:					
Owner Dues	\$9,000	\$8,795	\$10,800	\$4,988	46%
Architectural Review	\$200	\$100	\$200		
Interest Income	\$40	\$30	\$30	\$11	37%
Finance Charge				\$16	
Total Revenues	\$9,240	\$8,925	\$11,030	\$5,015	45%
Prior Year Capital Carryover	\$7,000	\$7,040		\$6,019	
Total Assets	\$16,240	\$15,965		\$11,034	
Expenses:					
Snow Removal	\$4,500	\$3,425	\$4,800	\$3,475	72%
Insurance	\$500	\$373	\$500	\$373	75%
Manager Services	\$2,000	\$1,992	\$2,100	\$700	33%
Accounting Services	\$400	\$324	\$400	\$329	82%
Legal Services	\$1,000	\$3,236	\$1,000		
Repair and Maintenance	\$500	\$0	\$500		
Postage, Office Supp/Services	\$200	\$372	\$300	\$10	3%
Annual Meeting Expenses	\$50	\$0	\$50		
Capital Reserve:					
Handicapped access sign					
Unbudgeted Expenses:	\$90		\$100	\$6	6%
Miscellaneous Labor					
Bank Charges					
Office Supplies					
Survey Work		\$225			
Total Expenses	\$9,240	\$9,947	\$9,750	\$4,893	50%
Account Balance	\$7,000				
Operating Account		\$992		\$1,104	
Capital Reserve Account		\$5,027	\$1,280	\$5,036	
Total in Bank Accounts		\$6,019	\$11,030	\$6,140	