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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
San Juan River Resort POA  
Pagosa Springs, Colorado


We have compiled the accompanying Balance Sheet – cash basis of San Juan River Resort POA (POA) as of June 30, 2016, and the related Profit & Loss – cash basis for the month and six months then ended.

A preparation is limited to presenting in the form of financial statements, information that is the representation of management. We have compiled the information in accordance with Statements on Standards for Accounting and Review Services issued 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 on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the POA's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The management's budget information reported on the Profit & Loss – Budget vs Actual – cash basis for the six months then ended and the supplementary information contained in the schedules of deposits and cash disbursements for the month then ended and the Customer Balance Summary – accrual basis as of June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

We are not independent with respect to San Juan River Resort POA.

  
Peggy L. Cotton, PA

July 7, 2016

**San Juan River Resort POA  
Balance Sheet - Cash Basis**

As of June 30, 2016

|                                       | <u>Jun 30, 16</u>       |
|---------------------------------------|-------------------------|
| <b>ASSETS</b>                         |                         |
| Current Assets                        |                         |
| Checking/Savings                      |                         |
| Citizen's Bank                        | 26,771.00               |
| Total Checking/Savings                | 26,771.00               |
| Accounts Receivable                   |                         |
| Accounts Receivable                   | -120.00                 |
| Total Accounts Receivable             | -120.00                 |
| Total Current Assets                  | 26,651.00               |
| Fixed Assets                          |                         |
| Equipment                             | 3,420.80                |
| Signs                                 | 2,263.80                |
| Buildings                             | 25,848.31               |
| Accumulated Depreciation              | -4,309.80               |
| Total Fixed Assets                    | 27,223.11               |
| <b>TOTAL ASSETS</b>                   | <b><u>53,874.11</u></b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                         |
| Equity                                |                         |
| Retained Earnings                     | 35,279.60               |
| Net Income                            | 18,594.51               |
| Total Equity                          | 53,874.11               |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u>53,874.11</u></b> |

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**San Juan River Resort POA**  
**Profit & Loss - Cash Basis**  
June 2016

|                         | <u>Jun 16</u>         |
|-------------------------|-----------------------|
| Ordinary Income/Expense |                       |
| Income                  |                       |
| POA Dues                | 120.00                |
| Total Income            | <u>120.00</u>         |
| Expense                 |                       |
| Filing Fees             | 16.00                 |
| Professional Fees       | 457.10                |
| Utilities               | 35.19                 |
| Total Expense           | <u>508.29</u>         |
| Net Ordinary Income     | <u>-388.29</u>        |
| Net Income              | <u><u>-388.29</u></u> |

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**San Juan River Resort POA**  
**Profit & Loss Budget vs. Actual - Cash Basis**  
 January through June 2016

|                                | Jan - Jun 16     | Budget           | \$ Over Budget    | % of Budget    |
|--------------------------------|------------------|------------------|-------------------|----------------|
| <b>Ordinary Income/Expense</b> |                  |                  |                   |                |
| <b>Income</b>                  |                  |                  |                   |                |
| POA Dues                       | 26,695.00        | 29,160.00        | -2,465.00         | 91.5%          |
| Late Fees                      | 60.00            | 0.00             | 60.00             | 100.0%         |
| Bldg Plan Approval Permit      | 35.00            | 0.00             | 35.00             | 100.0%         |
| <b>Total Income</b>            | <b>26,790.00</b> | <b>29,160.00</b> | <b>-2,370.00</b>  | <b>91.9%</b>   |
| <b>Expense</b>                 |                  |                  |                   |                |
| Advertising                    | 0.00             | 50.00            | -50.00            | 0.0%           |
| Annual Picnic & Meeting        | 0.00             | 250.00           | -250.00           | 0.0%           |
| <b>Capital Purchase</b>        |                  |                  |                   |                |
| Mailbox/Kiosk Building         | 259.45           | 2,500.00         | -2,240.55         | 10.4%          |
| Electronic Voting              | 0.00             | 500.00           | -500.00           | 0.0%           |
| Entrance Signs                 | 0.00             | 200.00           | -200.00           | 0.0%           |
| Landscaping                    | 0.00             | 1,000.00         | -1,000.00         | 0.0%           |
| <b>Total Capital Purchase</b>  | <b>259.45</b>    | <b>4,200.00</b>  | <b>-3,940.55</b>  | <b>6.2%</b>    |
| Fencing                        | 0.00             | 500.00           | -500.00           | 0.0%           |
| Filing Fees                    | 16.00            | 150.00           | -134.00           | 10.7%          |
| Fish Stocking                  | 0.00             | 100.00           | -100.00           | 0.0%           |
| <b>Insurance</b>               |                  |                  |                   |                |
| Liability Insurance            | 6,128.50         | 6,740.00         | -611.50           | 90.9%          |
| <b>Total Insurance</b>         | <b>6,128.50</b>  | <b>6,740.00</b>  | <b>-611.50</b>    | <b>90.9%</b>   |
| Internet                       | 30.00            | 200.00           | -170.00           | 15.0%          |
| Licenses and Permits           | 0.00             | 150.00           | -150.00           | 0.0%           |
| Postage and Delivery           | 58.40            | 200.00           | -141.60           | 29.2%          |
| Printing and Reproduction      | 0.00             | 50.00            | -50.00            | 0.0%           |
| <b>Professional Fees</b>       |                  |                  |                   |                |
| Accounting                     | 1,362.00         | 3,000.00         | -1,638.00         | 45.4%          |
| Board Meeting Recorder         | 150.00           | 600.00           | -450.00           | 25.0%          |
| Legal Fees                     | 0.00             | 15,000.00        | -15,000.00        | 0.0%           |
| Survey                         | 0.00             | 350.00           | -350.00           | 0.0%           |
| <b>Total Professional Fees</b> | <b>1,512.00</b>  | <b>18,950.00</b> | <b>-17,438.00</b> | <b>8.0%</b>    |
| Property Owner Recognition     | 0.00             | 200.00           | -200.00           | 0.0%           |
| Rent                           | 80.00            | 200.00           | -120.00           | 40.0%          |
| Repairs & Maintenance          | 0.00             | 100.00           | -100.00           | 0.0%           |
| Security                       | 0.00             | 600.00           | -600.00           | 0.0%           |
| <b>Supplies</b>                |                  |                  |                   |                |
| Office                         | 0.00             | 200.00           | -200.00           | 0.0%           |
| <b>Total Supplies</b>          | <b>0.00</b>      | <b>200.00</b>    | <b>-200.00</b>    | <b>0.0%</b>    |
| <b>Utilities</b>               |                  |                  |                   |                |
| Electric                       |                  |                  |                   |                |
| Entrance Lights                | 211.14           | 400.00           | -188.86           | 52.8%          |
| <b>Total Electric</b>          | <b>211.14</b>    | <b>400.00</b>    | <b>-188.86</b>    | <b>52.8%</b>   |
| Waste Disposal                 | 0.00             | 650.00           | -650.00           | 0.0%           |
| <b>Total Utilities</b>         | <b>211.14</b>    | <b>1,050.00</b>  | <b>-838.86</b>    | <b>20.1%</b>   |
| <b>Total Expense</b>           | <b>8,295.49</b>  | <b>33,890.00</b> | <b>-25,594.51</b> | <b>24.5%</b>   |
| <b>Net Ordinary Income</b>     | <b>18,494.51</b> | <b>-4,730.00</b> | <b>23,224.51</b>  | <b>-391.0%</b> |

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San Juan River Resort POA  
**Profit & Loss Budget vs. Actual - Cash Basis**  
 January through June 2016

|                      | Jan - Jun 16 | Budget    | \$ Over Budget | % of Budget |
|----------------------|--------------|-----------|----------------|-------------|
| Other Income/Expense |              |           |                |             |
| Other Income         |              |           |                |             |
| Other Income*        | 100.00       | 0.00      | 100.00         | 100.0%      |
| Total Other Income   | 100.00       | 0.00      | 100.00         | 100.0%      |
| Net Other Income     | 100.00       | 0.00      | 100.00         | 100.0%      |
| Net Income           | 18,594.51    | -4,730.00 | 23,324.51      | -393.1%     |

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**San Juan River Resort POA**  
**Profit & Loss - YTD - Cash Basis**  
January through June 2016

|                           | <u>Jan - Jun 16</u>     |
|---------------------------|-------------------------|
| Ordinary Income/Expense   |                         |
| Income                    |                         |
| POA Dues                  | 26,695.00               |
| Late Fees                 | 60.00                   |
| Bldg Plan Approval Permit | 35.00                   |
| Total Income              | <u>26,790.00</u>        |
| Expense                   |                         |
| Capital Purchase          | 259.45                  |
| Filing Fees               | 16.00                   |
| Insurance                 | 6,128.50                |
| Internet                  | 30.00                   |
| Postage and Delivery      | 58.40                   |
| Professional Fees         | 1,512.00                |
| Rent                      | 80.00                   |
| Utilities                 | 211.14                  |
| Total Expense             | <u>8,295.49</u>         |
| Net Ordinary Income       | 18,494.51               |
| Other Income/Expense      |                         |
| Other Income              |                         |
| Other Income*             | 100.00                  |
| Total Other Income        | <u>100.00</u>           |
| Net Other Income          | <u>100.00</u>           |
| Net Income                | <u><u>18,594.51</u></u> |

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San Juan River Resort POA

Cash Disbursements

As of June 30, 2016

| Type                 | Date       | Num  | Name             | Paid Amount |
|----------------------|------------|------|------------------|-------------|
| Citizen's Bank       |            |      |                  |             |
| Check                | 06/02/2016 | 1527 | LaPlata Electric | -35.19      |
| Check                | 06/02/2016 | 1528 | Kathy Wadenpfohl | -50.00      |
| Check                | 06/02/2016 | 1529 | Steve Wilkins *  | -16.00      |
| Check                | 06/02/2016 | 1530 | Peggy L. Cotton  | -407.10     |
| Total Citizen's Bank |            |      |                  | -508.29     |
| TOTAL                |            |      |                  | -508.29     |

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San Juan River Resort POA

Deposits

As of June 30, 2016

| Type                      | Date       | Split           | Paid Amount   |
|---------------------------|------------|-----------------|---------------|
| Citizen's Bank<br>Deposit | 06/21/2016 | Undeposited ... | 120.00        |
| Total Citizen's Bank      |            |                 | 120.00        |
| <b>TOTAL</b>              |            |                 | <b>120.00</b> |

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