

MASSANUTTEN PROPERTY OWNER'S ASSOCIATION, INC.

BALANCE SHEETS

December 31, 2006 and 2005

ASSETS	2006	2005
Current Assets		
Cash	\$ 331,806	\$ 193,112
Assessments receivable	21,958	8,876
Other receivables	7,183	63,065
Inventories	38,548	35,820
Prepays	58,925	41,815
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Total current assets	458,420	342,688
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Investments, at fair value	707,963	621,241
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Deferred Income Taxes	10,284	32,679
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Property and Equipment		
Land	168,790	38,258
Buildings and facilities	1,502,990	1,427,977
Improvements	78,955	22,138
Roads	1,850,572	1,625,992
Equipment	883,094	399,605
Automotive	317,562	294,480
Furniture and fixtures	57,392	53,099
Construction and equipment installation in progress	-	103,434
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	4,859,355	3,964,983
Less accumulated depreciation	2,757,580	2,550,687
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	2,101,775	1,414,296
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	\$ 3,278,442	\$ 2,410,904
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See Notes to Financial Statements.

LIABILITIES AND MEMBERS' EQUITY	2006	2005
Current Liabilities		
Note payable, line of credit	\$ 436,931	\$ 281,198
Notes payable, current portion	19,623	-
Accounts payable and accrued expenses	170,811	79,104
Rental income due to owners	125,825	138,926
Deposits	41,530	46,875
Accrued profit sharing contribution	-	6,476
Assessments collected in advance	-	3,785
Total current liabilities	794,720	556,364
Note Payable, long-term	477,245	-
Deferred Income Taxes	26,756	-
Total liabilities	1,298,721	556,364
Members' Equity		
Undesignated	1,309,283	1,256,350
Designated:		
Future major repairs and replacements	575,129	537,728
Accumulated other comprehensive income:		
Unrealized gains on investments	95,309	60,462
	1,979,721	1,854,540
	\$ 3,278,442	\$ 2,410,904

MASSANUTTEN PROPERTY OWNER'S ASSOCIATION, INC.

STATEMENTS OF REVENUE AND EXPENSES
 Years Ended December 31, 2006 and 2005

	2006	2005
Revenues		
Property owner assessments	\$ 1,015,829	\$ 937,472
Rental commissions and fees	320,821	305,039
Miniature golf fees	388,722	378,074
Go-cart fees	239,927	-
MPOA maintenance services	77,865	272,112
Trash collection	93,619	94,581
Developer contribution	70,229	66,635
Amenity income	49,433	37,664
Assessment penalties	16,310	9,413
Snack bar income, net	19,558	8,992
Miscellaneous fees	16,336	6,546
A & ECC review fees	3,600	8,465
Disclosure packet sales	4,600	6,800
	<u>2,316,849</u>	<u>2,131,793</u>
Expenses		
General and administrative	475,306	434,089
Maintenance	498,232	537,672
MPOA maintenance services	59,613	246,838
Police	530,676	523,684
Amenity	152,555	145,871
Amenity, miniature golf	135,246	108,975
Rental	207,766	230,335
Amenity, go-cart	103,552	-
Parking and paving	83,499	-
	<u>2,246,445</u>	<u>2,227,465</u>
Operating income (loss)	<u>70,404</u>	<u>(95,672)</u>
Other Income		
Interest, dividends, and capital gains from investment	42,806	29,000
Tower lease	10,560	9,600
Other interest income	540	6,303
Realized (loss) gain from redemption of investments	(1,996)	6,733
Miscellaneous income	2,843	-
	<u>54,753</u>	<u>51,636</u>
Income (loss) before income taxes	<u>125,157</u>	<u>(44,036)</u>
Provision for Income Taxes (Benefit)	<u>34,823</u>	<u>(12,715)</u>
Net income (loss)	<u>\$ 90,334</u>	<u>\$ (31,321)</u>

See Notes to Financial Statements.