



To: TMVOA Board of Directors and Members

From: Erin Neer, Chief Operating and Financial Officer

Date: 6/25/2009

Re: Presentation of Un-Audited Balance Sheet through May 31st, 2009 and Update on Collection Efforts

TMVOA's balance sheet as of May 31, 2009 reflects a decrease in working capital of \$850,000 since the beginning of the year. This decrease was realized in a decrease in cash reserves of \$1.6 million, a decrease in other current assets of \$2.6 million both of which were somewhat offset by the relief of current liabilities of \$1.8 million. The decrease in current assets was the result of a significant reduction in RETA amounts due as well as the collection of approximately \$300,000 in pre-paid owner assessments due to our pre-payment discount offered.

Telluride Mountain Village Owners Association Comparative Balance Sheet			
	Un-Audited 05/31/2009	Audited 12/31/2008	Net Change
Current Assets			
Cash & Cash Equivalents	13,714,040	15,316,684	(1,602,644)
Accounts Receivable			
Accounts Receivable - Assessments	130,489	169,056	(38,568)
Allowance for Bad Debt	(89,493)	(162,000)	72,507
Pre-Paid Assessments	(308,425)	-	(308,425)
Misc. A/R	6,207	71,289	(65,081)
Total Accounts Receivable	(261,222)	78,345	(339,567)
Other Current Assets	152,236	816,485	(664,250)
Total Current Assets	13,605,054	16,211,515	(2,606,461)
Fixed Assets	6,462,691	6,462,691	-
Other Long Term Assets	1,502,724	1,562,986	(60,262)
Total Assets	21,570,468	24,237,191	(2,666,723)
Current Liabilities			
Accounts Payable	328,370	1,107,022	778,652
Other Current Liabilities	748,421	1,782,913	1,034,491
Total Current Liabilities	1,076,791	2,889,934	1,813,143
Long Term Liabilities			
Tenant Deposits	3,837	3,837	-
Gondola Bonds	846,864	846,864	-
Total Long Term Liabilities	850,701	850,701	-
Total Liabilities	1,927,492	3,740,636	1,813,143
Equity	19,642,976	20,496,556	(853,580)
Total Liabilities & Equity	21,570,468	24,237,191	959,564
Working Capital	12,528,262	13,321,580	(853,580)

Accounts Receivable

As reported throughout the past year, TMVOA is experiencing a historical high in delinquent accounts. We have been utilizing the collection procedures approved by the Board last fall in our efforts to secure payment on amounts due to TMVOA.

Within the past month alone, we have collected on 86 past due accounts, with total collections of over \$30,000 or 20% of the past due balance. The total amount of dues currently outstanding as of June 17th (updated beyond the above 5/31/09 balance sheet) is \$118,000, which represents 68 member accounts. Of those 68 accounts, we have filed 38 liens for the balances due, representing \$92,000 or 77% of the amount outstanding at this time.

We continue to monitor our receivables closely and will continue to diligently communicate through every means possible to ensure the least possible losses to TMVOA. However, in this environment of high foreclosure and bankruptcy, we will likely continue to experience bad debt losses as the year progresses. We are currently carrying a bad debt allowance of \$89,000 on our balance sheet, and have conservatively budgeted another \$60,000 to be expensed in 2009 if necessary which will hopefully be adequate to address any losses which do occur.