

D.C. Holzworth Accounting Services, Inc.

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February 15, 2008

Blue Heron Resort Condominium Association
c/o Granville Management
521 S. Union Street
Traverse City, Michigan 49684

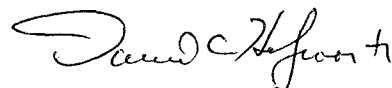
Association Members,

Per the request of the Board of Directors, my firm has prepared the attached Statement of Cash Receipts and Cash Disbursements based on the association records for the year ended December 31, 2007. We have converted the accrual basis statement prepared by your management firm, to the cash basis of accounting to reflect actual bank account activity and balances. Conventional auditing standards and or review procedures have not been used in the preparation of this statement. Beginning and ending bank balances have been verified, but individual receipts and invoices have not.

Beginning Balance	\$ 3,562.94
Receipts	28,784.28
Disbursements	<u>29,963.15</u>
Ending Balance	\$ 2,384.07 =====

We have completed a proof of cash, Statement of Cash Receipts and Cash Disbursements, as well as a Corporate Tax Return for Homeowner Associations. Distribution of receipts and disbursements within the respective categories as indicated on the attached Statement of Cash Receipts and Cash Disbursements were the responsibility of the management company.

Sincerely yours,



David C. Holzworth
President

BLUE HERON RESORT CONDOMINIUM ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2007
(Unaudited)

Beginning Balances - 1/1/07		\$3,562.94
Receipts:		
Association Fees	28,421.13	
Late Fees	<u>363.15</u>	
Total Receipts		<u>28,784.28</u>
Total Cash Available		32,347.22
Disbursements:		
Snow Removal	5,363.28	
Spring/Fall Cleanup	500.00	
Lawn	2,750.00	
Lake Maintenance	13,775.00	
Professional Accounting	350.00	
Property Management	2,110.00	
Administration	1,990.66	
Utilities	1,231.74	
Insurance	725.00	
Maintenance	<u>1,167.47</u>	
Total Disbursements		<u>29,963.15</u>
Total Ending Balance - 12/31/07		<u><u>2,384.07</u></u>