ACROSS AMERICA REAL ESTATE CORP
Form 10KSB
March 31, 2008

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-KSB
Annual Report Under Section 13 or 15(d) of
the Securities Exchange Act of 1934
For the Fiscal Year Ended: December 31, 2007
Commission File No. 0-50764
Across America Real Estate Corp.
(Exact Name of Small Business Issuer as specified in its charter)

Colorado	**20-0003432**
(State or other jurisdiction of incorporation)	*(IRS Employer File Number)*
700 17th Street, Suite 1200 **Denver, Colorado**	**80202**
(Address of principal executive offices)	*(zip code)*

(303) 893-1003
(Registrant s telephone number, including area code)
Securities to be Registered Pursuant to Section 12(b) of the Act: **None**
Securities to be Registered Pursuant to Section 12(g) of the Act:
Common Stock, $.0.001 per share par value

Check whether issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act o

Indicate by check mark whether the Registrant (1) has filed all Reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes: þ No: o

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form and no disclosure will be contained, to the best of Registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):
Yes o No þ

Registrant s revenues for its most recent fiscal year were $17,875,858. The aggregate market value of the voting stock of the Registrant held by non-affiliates as of March 27, 2008 was approximately $2,900,000. The number of shares outstanding of the Registrant s common stock, as of the latest practicable date, March 27, 2008, was 16,036,625.

FORM 10-KSB

Across America Real Estate Corp.

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ITEM 1. DESCRIPTION OF BUSINESS.

(a) RISK FACTORS

You should carefully consider the risks and uncertainties described below; and all of the other information included in this document. Any of the following risks could materially adversely affect our business, financial condition or operating results and could negatively impact the value of your investment.

THERE IS NO GUARANTEE THAT WE WILL BE PROFITABLE IN THE FUTURE. WE WERE UNPROFITABLE FOR OUR TWO MOST RECENT FISCAL YEAR ENDS.

Our revenues for the fiscal year ended December 31, 2007 were $17,875,858. We had a net loss of $3,959,059 for the fiscal year ended December 31, 2007. Our revenues for the fiscal year ended December 31, 2006 were $8,459,994. We had a net loss of $735,771 for the fiscal year ended December 31, 2006. We have only completed a limited number of transactions, so it continues to be difficult for us to accurately forecast our quarterly and annual revenue. However, we use our forecasted revenue to establish our expense budget. Most of our expenses are fixed in the short term or incurred in advance of anticipated revenue. As a result, we may not be able to decrease our expenses in a timely manner to offset any revenue shortfall. We attempt to keep revenues in line with expenses but cannot guarantee that we will be able to do so.

BECAUSE WE HAVE RECURRING LOSSES, HAVE USED SIGNIFICANT CASH IN SUPPORT OF OUR OPERATING ACTIVITIES, HAVE A LIMITED OPERATING HISTORY AND ARE RELIANT UPON FUNDING COMMITMENTS WITH TWO SIGNIFICANT SHAREHOLDERS, OUR ACCOUNTANTS HAVE EXPRESSED DOUBTS ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN.

For our audit dated December 31, 2007, our accountants have expressed doubt about our ability to continue as a going concern as a result of recurring losses, the use of significant cash in support of our operating activities, our limited operating history and our reliance upon funding commitments with two significant shareholders. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability. Our ability to achieve and maintain profitability and positive cash flow is dependent upon:

- our ability to find suitable real estate projects; and
- our ability to generate sufficient revenues from those projects.

We cannot guarantee that we will be successful in generating sufficient revenues or other funds in the future to cover these operating costs. Failure to generate sufficient revenues will cause us to go out of business.

WE WILL NEED ADDITIONAL FINANCING IN THE FUTURE BUT CANNOT GUARANTEE THAT IT WILL BE AVAILABLE TO US.

In order to expand our business, we will continue to need additional capital. To date, we have been successful in obtaining capital, but we cannot guarantee that additional capital will be available at all or under sufficient terms and conditions for us to utilize it. Because we have an ongoing need for capital, we may experience a lack of liquidity in our future operations. We will need additional financing of some type, which we do not now possess, to fully develop our business plan. We expect to rely principally upon our ability to raise additional financing, the success of which cannot be guaranteed. To the extent that we experience a substantial lack of liquidity, our development in accordance with our business plan may be delayed or indefinitely postponed, which would have a materially adverse impact on our operations and the investors investment.

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AS A COMPANY WITH LIMITED OPERATING HISTORY, WE ARE INHERENTLY A RISKY INVESTMENT. OUR OPERATIONS ARE SUBJECT TO OUR ABILITY TO FINANCE REAL ESTATE PROJECTS.

Because we are a company with a limited history, our operations, which consist of real estate financing of build-to-suite projects for specific national retailers, must be considered an extremely risky business, subject to numerous risks. Our operations will depend, among other things, upon our ability to finance real estate projects and for those projects to be sold. Further, there is the possibility that our proposed operations will not generate income sufficient to meet operating expenses or will generate income and capital appreciation, if any, at rates lower than those anticipated or necessary to sustain the investment. The value of our assets may become impaired by a variety of factors, which would make it unlikely, if not impossible to profit from the sale of our real estate. We have already experienced impairments to our assets and may do so in the future. Our operations may be affected by many factors, some of which are beyond our control. Any of these problems, or a combination thereof, could have a materially adverse effect on our viability as an entity.

WE HAVE A HEAVY RELIANCE ON OUR CURRENT FUNDING COMMITMENTS WITH TWO SIGNIFICANT SHAREHOLDERS.

We are currently dependent upon our relationships with GDBA Investments, LLLP,(GDBA), our largest shareholder, and BOCO Investments, LLC,(BOCO) a private Colorado limited liability company. Each has provided us with funding through a $10 million subordinated debt vehicle and a $3 million preferred convertible equity. In addition, BOCO has recently extended a $3,000,000 term loan to us to facilitate the timing of the origination and completion of our fourth quarter projects. We would be unable to fund any projects if we lose our current funding commitment from these shareholders. In addition, our senior credit facility with Vectra Bank Colorado, which is renewable annually, has been guaranteed by GDBA. In any case, we expect to rely upon both GDBA and BOCO for funding commitments for the foreseeable future.

OUR INDEBTEDNESS UNDER OUR VARIOUS CREDIT FACILITIES ARE SUBSTANTIAL AND COULD LIMIT OUR ABILITY TO GROW OUR BUSINESS.

As of December 31, 2007, we had total indebtedness under our various credit facilities of approximately $26.8 million. Our indebtedness could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness if we do not maintain specified financial ratios, thereby reducing the availability of our cash flow for other purposes; or
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, thereby placing us at a competitive disadvantage compared to our competitors that may have less indebtedness.

In addition, our credit facilities permit us to incur substantial additional indebtedness in the future. As of December 31, 2007, we had approximately $23.2 million available to us for additional borrowing under our $48 million various credit facilities. If we increase our indebtedness by borrowing under our various credit facilities or incur other new indebtedness, the risks described above would increase.

OUR VARIOUS CREDIT FACILITIES HAVE RESTRICTIVE TERMS AND OUR FAILURE TO COMPLY WITH ANY OF THESE TERMS COULD PUT US IN DEFAULT, WHICH WOULD HAVE AN ADVERSE EFFECT ON OUR BUSINESS AND PROSPECTS.

Our various credit facilities contain a number of significant covenants. These covenants limit our ability and the ability of our subsidiaries to, among other things:

- incur additional indebtedness;
- make capital expenditures and other investments above a certain level;
- merge, consolidate or dispose of our assets or the capital stock or assets of any subsidiary;
- pay dividends, make distributions or redeem capital stock in certain circumstances;
- enter into transactions with our affiliates;
- grant liens on our assets or the assets of our subsidiaries; and
- make or repay intercompany loans.

Our various credit facilities require us to maintain specified financial ratios. Our ability to meet these financial ratios and tests can be affected by events beyond our control, and we may not meet those ratios. A breach of any of these restrictive covenants or our inability to comply with the required financial ratios would result in a default under our various credit facilities or require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness. If the creditors accelerate amounts owing under our various credit facilities because of a default and we are unable to pay such amounts, the creditors have the right to foreclose on our assets.

WE PAY INTEREST ON ALL OF OUR CREDIT FACILITIES AT VARIABLE RATES, RATHER THAN FIXED RATES, WHICH COULD AFFECT OUR PROFITABILITY.

All of our credit facilities provide for the payment of interest at variable rates. None of our credit facilities provide for the payment of interest at fixed rates. We can potentially realize profitability to the extent that we can borrow at a lower rate of interest and charge a higher rate of interest in our operations. Because our credit facilities are at variable rates, our profit margins could be depressed or even eliminated by rising interest rates on funds we must borrow. Rising interest rates could have a materially adverse affect on our operations.

WE DO NOT HAVE A LONG HISTORY OF BEING ABLE TO SELL PROPERTIES AT A PROFIT

We have only been in business since 2003. We do not have a significant track record and may be unable to sell properties upon completion. We have already experienced impairments to our assets of approximately $3,046,196 in this fiscal year and may incur additional impairments in the future. We may be forced to sell properties at a loss. Furthermore, in order to sell properties for a profit, we may be forced to hold properties for longer periods that we plan, which may require the need for additional financing sources. Any of these conditions would likely result in reduced operating profits and could likely strain current funding agreements.

MANAGEMENT OF POTENTIAL GROWTH.

We hope to experience rapid growth which, if achieved, will place a significant strain on our managerial, operational, and financial systems resources. To accommodate our current size and manage growth, we must continue to implement and improve our financial strength and our operational systems, and expand. There is no guarantee that we will be able to effectively manage the expansion of our operations, or that our systems, procedures or controls will be adequate to support our expanded operations or that we will be able to obtain facilities to support our growth. Our inability to effectively manage our future growth would have a material adverse effect on us.

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THE MANNER IN WHICH WE FINANCE OUR PROJECTS CREATES THE POSSIBILITY OF A CONFLICT OF INTEREST.

We fund our projects with construction financing obtained through the efforts of our management and our shareholders, GDBA and BOCO. This arrangement could create a conflict of interest with respect to such financings. However, there may be an inherent conflict of interest in the arrangement until such time as we might seek such financings on a competitive basis.

LACK OF INDEPENDENT DIRECTORS.

We do not have a majority of independent directors on our board of directors and we cannot guarantee that our board of directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our executive officers, which are also principal stockholders and directors, could establish policies and enter into transactions without independent review and approval thereof. This could present the potential for a conflict of interest between our stockholders and us generally and the controlling officers, stockholders or directors.

INTENSE COMPETITION IN OUR MARKET COULD PREVENT US FROM DEVELOPING REVENUE AND PREVENT US FROM ACHIEVING ANNUAL PROFITABILITY.

We provide a defined service to finance real estate projects. The barriers to entry are not significant. Our service could be rendered noncompetitive or obsolete. Competition from larger and more established companies is a significant threat and expected to increase. Most of the companies with which we compete and expect to compete have far greater capital resources, and many of them have substantially greater experience in real estate development. Our ability to compete effectively may be adversely affected by the ability of these competitors to devote greater resources than we can.

POTENTIAL FLUCTUATIONS IN QUARTERLY OPERATING RESULTS.

Our quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, most of which are outside of our control, including: the demand for our products or services; seasonal trends in financing; the amount and timing of capital expenditures and other costs relating to the development of our properties; price competition or pricing changes in the industry; technical or regulatory difficulties; general economic conditions; and economic conditions specific to our industry. Our quarterly results may also be significantly impacted by the accounting treatment of acquisitions, financing transactions or other matters. Particularly at our early stage of development, such accounting treatment can have a material impact on the results for any quarter. Due to the foregoing factors, among others, it is likely that our operating results will fall below our expectations or those of investors in some future quarter.

OUR SUCCESS WILL BE DEPENDENT UPON OUR OPERATING PARTNERS   EFFORTS.

Our success will be dependent, to a large extent, upon the efforts of our operating partners in our various projects. To the extent that these partners, individually or collectively, fail to develop projects in a timely or cost-effective manner, our profit margins could be depressed or even eliminated. If we cannot or do not select appropriate partners for our projects, our profitability and viability will suffer. The absence of one or more partners who develop projects in a timely or cost-effective manner could have a material, adverse impact on our operations.

OUR SUCCESS WILL BE DEPENDENT UPON OUR MANAGEMENT   S EFFORTS.

Our success will be dependent upon the decision making of our directors and executive officers. These individuals intend to commit as much time as necessary to our business, but this commitment is no assurance of success. The loss of any or all of these individuals, particularly Mr. Peter Shepard, our President, and James W. Creamer, III, our Chief Financial Officer, could have a material, adverse impact on our operations. We have no written employment agreements with any officers and directors, including Mr. Shepard or Mr. Creamer. We have not obtained key man life insurance on the lives of any of these individuals.

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LIMITATION OF LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS.

Our officers and directors are required to exercise good faith and high integrity in our management affairs. Our articles of incorporation provides, however, that our officers and directors shall have no liability to our stockholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did engage in intentional misconduct or gross negligence. Our articles and bylaws also provide for the indemnification by us of the officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate our business or conduct the internal affairs.

OUR STOCK PRICE MAY BE VOLATILE, AND YOU MAY NOT BE ABLE TO RESELL YOUR SHARES AT OR ABOVE THE PUBLIC SALE PRICE.

There has been, and continues to be, a limited public market for our common stock. Our common stock trades on the NASD Bulletin Board. However, an active trading market for our shares has not, and may never develop or be sustained. If you purchase shares of common stock, you may not be able to resell those shares at or above the initial price you paid. The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, including the following:

* actual or anticipated fluctuations in our operating results;

* change in financial estimates by securities analysts or our failure to perform in line with such estimates;

* changes in market valuations of other real estate oriented companies, particularly those that market services such as ours;

* announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;

* introduction of technologies or product enhancements that reduce the need for our services;

* the loss of one or more key customers; and

* departures of key personnel.

Further, we cannot assure that an investor will be able to liquidate his investment without considerable delay, if at all. The factors which we have discussed in this document may have a significant impact on the market price of our common stock. It is also possible that the relatively low price of our common stock may keep many brokerage firms from engaging in transactions in our common stock.

As restrictions on the resale of our common stock end, the market price of our stock could drop significantly if the holders of restricted shares sell them or are perceived by the market as intending to sell them.

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BUYING A LOW-PRICED PENNY STOCK SUCH AS OURS IS RISKY AND SPECULATIVE.

Our shares are defined as a penny stock under the Securities and Exchange Act of 1934, and rules of the Commission. The Exchange Act and such penny stock rules generally impose additional sales practice and disclosure requirements on broker-dealers who sell our securities to persons other than certain accredited investors who are, generally, institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 jointly with spouse, or in transactions not recommended by a broker-dealer. For transactions covered by the penny stock rules, a broker-dealer must make a suitability determination for each purchaser and receive the purchaser s written agreement prior to the sale. In addition, the broker-dealer must make certain mandated disclosures in penny stock transactions, including the actual sale or purchase price and actual bid and offer quotations, the compensation to be received by the broker-dealer and certain associated persons, and deliver certain disclosures required by the SEC. Consequently, the penny stock rules may affect the ability of broker-dealers to make a market in or trade our common stock and may also affect your ability to sell any of our shares you may own in the public markets.

WE DO NOT EXPECT TO PAY CASH DIVIDENDS ON COMMON STOCK.

We have not paid any cash dividends with respect to our common stock, and it is unlikely that we will pay any cash dividends on our common stock in the foreseeable future. Earnings, if any, that we may realize will be retained in the business for further development and expansion.

(b) **NARRATIVE DESCRIPTION OF THE BUSINESS**

General

We have ongoing revenue-producing operations but were currently unprofitable as of our two most recent fiscal year ends. We act as a co-developer, principally as a financier, for built-to-suit real estate development projects for retailers who sign long-term leases for use of the property. We plan to create each project such that it will generate income from the placement of the construction loan, current income during the period in which the property is held, and the capital appreciation of the facility upon sale. Affiliates and management of ours will develop the construction and permanent financing for our benefit.

All of our operations are located in the United States. We plan to use our status as a public company to expand our operations. However, there can be no assurance that this objective will be achieved.

Organization

As of March 27, 2008 we are comprised of one corporation with thirty two subsidiaries. Because we create a separate subsidiary for each project we intend to develop, we continue to grow the number of subsidiaries we consolidate into the corporation.

On January 10, 2007, our directors approved, subject to the effectiveness of a registration with the Securities and Exchange Commission, a spin-off to our shareholders of record as of March 1, 2007 (the Record Date), on a pro rata basis, with one share each of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. to be issued for each ten shares issued and outstanding of our common stock or common stock upon conversion of our preferred stock owned by such shareholders as of the Record Date. The registration statements of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. became effective on February 21, 2007 and March 19, 2007, respectively. The new shares of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. were distributed to our shareholders on or about March 23, 2007.

We file under the Securities Exchange Act of 1934 (the 1934 Act)on a voluntary basis because we plan to engage in equity and/or debt financing in the foreseeable future and believe that our fund raising will be enhanced by having a record of regular disclosure under the 1934 Act. We have no plans in the foreseeable future, under any circumstances, to terminate our registration under the 1934 Act.

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(c) **OPERATIONS**

We act as a co-developer, including as a financier, to develop built-to-suit real estate projects for specific retailers and other tenants who sign long-term leases for use of the property. Our primary source of revenue is from profits we receive upon the sale of our projects upon completion; however we also receive revenue from preferred dividends on our invested capital in projects, management fees we charge to our projects and rental income from our completed projects before their disposition. In addition we may share in certain revenues directly related to our projects with our development partners such as development fees and leasing and sales commissions.

Our activities include raw land acquisition and facility construction. In such a situation, we provide construction and property management expertise in exchange for an equity interest in the property. We also develop projects with construction and permanent financing to be obtained through the efforts of our management and affiliates. To date, we have hired third party contractors to work on our projects but plan eventually to use our own staff as well.

We are currently focused on the development of build-to-suit single pad, small box retail projects for national and regional retailers throughout the United States. We operate primarily in the sale-leaseback market whereby the retailers sign long term leases prior to development and our majority-owned subsidiary constructs the project with the intent of selling the property to third party investors upon project completion. During 2007 we had activities ranging from the preliminary stage of the development process to completed projects in Arizona, California, Colorado, Florida, Georgia, Indiana, Kansas, South Carolina, Texas, Utah, Nevada and Washington. To date our projects have included Advanced Auto Parts, Starbuck s, Fed Ex Kinko s, Champps Americana, Boston Pizza, Goddard Schools, AT&T Wireless, Aspen Dental, IHOP Restaurant, Lone Star Steakhouse & Saloon, Grease Monkey, Family Dollar Stores, and Checker Auto Parts. We have generally acquired our projects through the relationships of our development partners. During 2007 our strategy on increasing our project pipeline centered on increasing the number of our development partners in addition to increasing the number of projects annually with our existing development partners.

In all of our transactions with affiliates, we examine current market conditions and attempt to develop terms and conditions no less favorable than could be negotiated in an arms-length transaction.

Management continues to assess our capital resources in relation to our ability to fund continued operations on an ongoing basis. As such, management may seek to access the capital markets to raise additional capital, which may include efforts to increase our senior and subordinated debt lines in addition to efforts to raise additional capital through a number of sources, including, but not limited to, equity or debt offerings, borrowings, or joint ventures.

In addition we may expand through acquisition. We may not only look at our present industry but we will reserve the right to investigate and, if warranted, could merge with or acquire the assets or common stock of an entity actively engaged in business which generates revenues. We will seek opportunities for long-term growth potential as opposed to short-term earnings. As of the date hereof, we have no business opportunities under investigation. None of our officers, directors, promoters or affiliates have engaged in any preliminary contact or discussions with any representative of any other company regarding the possibility of an acquisition or merger between us and such other company.

Funding:

We divide our funding sources into two general pools:

1) Equity and Subordinated Debt

2) Senior Debt

We utilize our Equity and Subordinated Debt to make initial land purchases, to fund pre-construction costs and to satisfy the equity requirements for our senior line. We utilize our Senior Debt to fund up to 75% of total development costs once certain conditions have been met and construction has begun.

Equity and Subordinated Debt:

On November 26, 2004 we entered into a three-year Agreement to Fund our real estate projects with GDBA Investments, LLLP (GDBA), our largest shareholder. Under this agreement, GDBA issued a Subordinated Debt Line, which allowed us to borrow up to $10 million to fund build-to-suit retail projects. This Agreement to Fund is no longer in effect.

On September 27, 2006, we completed a $10 million private placement with BOCO Investments, LLC consisting of 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share and $7 million in Senior Subordinated Debt, $3.5 million of which was drawn at closing and $3.5 million of which has a revolving feature and can be drawn as needed. Additionally Joseph Zimlich, BOCO Investments, LLC s CEO purchased 17,000 shares of Series A Convertible Preferred Stock at $12.00 per share in his own name.

On September 27, 2006, simultaneous to the BOCO Investment private placement, GDBA Investments replaced its prior Agreement to Fund with a new investment structure to mirror the BOCO investment that also included 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share, $7 million in Senior Subordinated Debt, $3.5 million of which was drawn at closing and $3.5 million of which has a revolving feature and can be drawn as needed. The revolving feature on the Revolving Notes expired on December 31, 2007. However, the Revolving Notes will remain fully drawn until their maturity.

The Series A Convertible Preferred Stock issued under these transactions pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price. The Senior Subordinated Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. The Revolving Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. The revolving feature on the Revolving Notes expired on December 31, 2007, but the notes remain outstanding and fully drawn until they mature on September 28, 2009.

On April 14, 2007 we completed an additional $6 million funding with both GDBA Investments and BOCO Investments consisting of $3 million each in Subordinated Revolving Notes. The Notes also carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. The notes had a maturity date of December 31, 2007; however, on December 18, 2007 both GDBA and BOCO agreed to extend the maturity date to June 30, 2008.

On October 25, 2007 we obtained a temporary line of credit from BOCO Investments to fund up to $3,000,000 on a revolving basis for a ninety day period. The temporary line helped facilitate the timing of the origination and completion of our fourth quarter projects. The line carried an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. We utilized $1,150,000 from this line which was repaid by the January 23, 2008 maturity date.

Senior Credit Facilities:

Vectra Bank:

On April 25, 2005, we received a $10,000,000 financing commitment under a Credit Agreement from Vectra Bank of Colorado (Vectra Bank). This commitment permits us to fund construction notes for build-to-suit real estate projects for national and regional chain retailers. The financing is facilitated through a series of promissory notes. Each note is issued for individual projects under the facility and must be underwritten and approved by Vectra Bank and has a term of 12 months with one (1) allowable extension not to exceed 6 months subject to approval. Interest is funded from an interest reserve established with each construction loan. Each note under the facility is for an amount, as determined by Vectra Bank, not to exceed the lesser of 75% of the appraised value of the real property under the approved appraisal for the project or 75% of the project costs. Principal on each note is due at maturity, with no prepayment penalty. Vectra Bank retains a First Deed of Trust on each property financed and the facility has the personal guarantees of GDBA and its owners.

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This financing commitment is annually renewable. On March 27, 2008, we executed the Third Amendment to our Credit Agreement extending the expiration of the facility to May 31, 2009. While the terms and conditions were modified slightly, they are not materially different than the original agreement from 2005. Any construction issued prior to the expiration date of the Credit Agreement, will survive the expiration of the facility and will be subject to its individual term as outlined in the Credit Agreement.

United Western Bank:

On May 7, 2007, we entered into a $25 million senior credit facility with United Western Bank. This commitment permits us to fund construction notes for build-to-suit real estate projects for national and regional chain retailers. The financing is facilitated through a series of promissory notes. Each note is issued for individual projects under the facility and must be underwritten and approved by United Western Bank and has a term of 12 months with one (1) allowable extension not to exceed 6 months subject to approval. Interest is funded from an interest reserve established with each construction loan. The interest rate on each note is equal to Prime rate minus 50 basis points Each note under the facility is for an amount, as determined by United Western Bank, not to exceed the lesser of 75% of the appraised value of the real property under the approved appraisal for the project or 75% of the project costs. Principal on each note is due at maturity, with no prepayment penalty. United Western Bank retains a First Deed of Trust on each property financed.

Largely due to the impairment charges we recognized in the second and fourth quarters of 2007, which totaled $3,046,196, we became subject to an Event of Default provision under our Senior Subordinate Notes and Revolving Notes. This Event of Default provision was triggered when we recognized a net loss under GAAP of greater than $1,000,000 in any calendar quarter, which we did in both the second and fourth quarters of 2007. Each of these Events of Default provisions have been waived by GDBA Investments, LLLP and BOCO Investments, LLC.

(d) **MARKETS**

We focus on pre-leased build-to-suit development for single pad, small box retail projects with development partners. Specifically we focus on well known name brand chain tenants, either with corporate leases or qualified franchisees. While we currently have activity in twelve states, our current addressable market is all throughout the United States.

(e) **RAW MATERIALS**

The use of raw materials is not a material factor in our operations at the present time. We do not expect raw materials to be a material factor in the future.

(f) **CUSTOMERS AND COMPETITION**

Our operational activities are in the business of financing build-to-suit real estate projects for specific retailers who sign long-term leases for use of the property. We believe that this is a potentially large market with no single company or groups of companies holding a dominant share. However, project development is related to being able to convince retailers and developers to use our services, as opposed to the services of others. We believe that there could potentially be a number of established competitors, many of whom could be larger and better capitalized than we are who have greater numbers of personnel, more resources and more extensive technical expertise. There can be no guarantee that we will be able to compete successfully in the future.

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(g) **BACKLOG**

At December 31, 2007, we had no backlogs.

(h) **EMPLOYEES**

We have approximately thirteen fulltime employees, nine of which are in our corporate headquarters in Denver, CO and include executives, accounting, project management, operations and support staff. Four of our employees are sales professionals in the field. None of our employees are represented by a collective bargaining agreement, nor have we ever experienced a work stoppage. None of our non-executive employees currently have employment contracts or post-employment non-competition agreements. We believe that our employee relations are good.

(i) **PROPRIETARY INFORMATION**

We own no proprietary information.

(j) **GOVERNMENT REGULATION**

Since we are in the real estate industry, all of our projects have and will require local governmental approval with respect to zoning and construction code compliance. We will only require government approval on a project-by-project basis and only when we have projects pending. The extent of the approval varies with the project and the jurisdiction and cannot be quantified except as it relates to specific projects.

We believe the effect of complying with existing or probable governmental regulations is a managed cost of our business operations but could be significant. Each real estate project requires prior government approval. However, the cost cannot be quantified except as it relates to specific projects.

We believe that the cost of compliance with federal, state and local environmental laws will not be significant because we do not plan to choose projects which are subject to significant environmental costs or regulations. In any case, we plan to choose our projects to minimize the effects of governmental regulations. At the present time, we have no current projects and are not awaiting any governmental approvals.

(k) **RESEARCH AND DEVELOPMENT**

We have never spent any amount in research and development activities.

(l) **ENVIRONMENTAL COMPLIANCE**

We are not subject to any material costs for compliance with any environmental laws.

(m) **SUBSEQUENT EVENTS**

Effective February 27, 2008, Ms. Ann L. Schmitt resigned from all offices at our Company, including her position as a director. Our Board of Directors has appointed a replacement, Mr. Peter Shepard as our new President and Chief Executive Officer. He has been appointed on an interim basis until a suitable successor is qualified and elected. Prior to this position, Mr. Shepard was the Chief Financial Officer of GDBA Investments, LLLP, our largest shareholder. Mr. Shepard s compensation package is currently being determined by our Board of Directors.

On March 27, 2008, we executed the Third Amendment to our Credit Agreement with Vectra Bank extending the expiration of the facility to May 31, 2009. While the terms and conditions were modified slightly from the original agreement, they are not materially different than the original agreement from 2005. Any construction issued prior to the expiration date of the Credit Agreement, will survive the expiration of the facility and will be subject to its individual term as outlined in the Credit Agreement.

(n) **HOW TO OBTAIN OUR SEC FILINGS**

We file annual, quarterly, and special reports, proxy statements, and other information with the Securities Exchange Commission (SEC). Reports, proxy statements and other information filed with the SEC can be inspected and copied at the public reference facilities of the SEC at 100 F Street N.E., Washington, DC 20549. Such material may also be accessed electronically by means of the SEC s website at www.sec.gov.

Our investor relations department can be contacted at our principal executive office located at our principal office 700 17th Street, Suite 1200, Denver, Colorado 80202. Our phone number at our headquarters is (303) 893-1003 and our website is www.acrossamerica.com.

ITEM 2. DESCRIPTION OF PROPERTY.

Our executive offices are currently located at 700 17th Street, Suite 1200, Denver, Colorado 80202. We lease this office space from an unaffiliated third party.

ITEM 3. LEGAL PROCEEDINGS.

No legal proceedings to which we are a party were pending during the reporting period. We know of no legal proceedings of a material nature pending or threatened or judgments entered against any of our directors or officers in their capacity as such.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Effective October 5, 2007, a majority of our Shareholders, in a written consent as permitted under Colorado law, re-elected the four members of our Board of Directors: Ann L. Schmitt, G. Brent Backman, Eric Balzer, and Joseph C. Zimlich. Each will hold office until the 2008 Annual Meeting and until his or her successor is elected and qualified.

Also effective October 5, 2007, a majority of our Shareholders, in the same written consent, approved and ratified the appointment of Cordovano and Honeck, LLP as our independent auditors for the fiscal year ending December 31, 2007.

As of October 5, 2007, a total of 16,036,625 shares of common stock and 517,000 Series A Convertible Preferred Stock, which is the equivalent of an additional 2,068,000 common shares, were issued and outstanding, for a total of 18,104,625 voting shares.

The Consent has been approved by a total of 11,632,500 voting shares, or 64.25% of the total issued and outstanding.

Subsequently, On February 27, 2008 Ann Schmitt resigned as President and CEO and from the Board of Directors.

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(a) **PRINCIPAL MARKET OR MARKETS**

On June 29, 2005 our securities became listed and began trading on the NASD Bulletin Board under the symbol AARD.OB. Because we trade in the NASD Bulletin Board, a shareholder may find it difficult to dispose of or obtain accurate quotations as to price of our securities. In addition, The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure related to the market for penny stock and for trades in any stock defined as a penny stock.

The following table sets forth the high and low closing bid prices of our common stock on for the periods indicated in 2007 and 2006.

	Closing Bid Price	
2007	**High**	**Low**
First Quarter	$ 5.75	$ 1.76
Second Quarter	$ 3.00	$ 1.60
Third Quarter	$ 2.75	$ 1.55
Fourth Quarter	$ 1.75	$ 1.06

	Closing Bid Price	
2006	**High**	**Low**
First Quarter	$ 4.50	$ 2.00
Second Quarter	$ 3.15	$ 2.25
Third Quarter	$ 3.25	$ 2.00
Fourth Quarter	$ 6.15	$ 1.50

On March 27, 2008, the closing bid price of our common stock in the OTC Bulletin Board was $0.60 per share and our volume was 0 shares.

(b) **APPROXIMATE NUMBER OF HOLDERS OF COMMON STOCK**

As of the date hereof, a total of 16,036,625 of shares of our Common Stock were outstanding and the number of holders of record of our common stock at that date was 112.

(c) **DIVIDENDS**

Holders of common stock are entitled to receive such dividends as may be declared by our Board of Directors. No cash dividends on the common stock were paid by us during the periods reported herein nor do we anticipate paying dividends in the foreseeable future.

(d) **THE SECURITIES ENFORCEMENT AND PENNY STOCK REFORM ACT OF 1990**

The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure and documentation related to the market for penny stock and for trades in any stock defined as a penny stock. Unless we can acquire substantial assets and trade at over $5.00 per share on the bid, it is more likely than not that our securities, for some period of time, would be defined under that Act as a penny stock. As a result, those who trade in our securities may be required to provide additional information related to their fitness to trade our shares. These requirements present a substantial burden on any person or brokerage firm who plans to trade our securities and would thereby make it unlikely that any liquid trading market would ever result in our securities while the provisions of this Act might be applicable to those securities.

Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in us will be subject to Rules 15g-1 through 15g-10 of the Securities and Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the Commission, which:

- contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;

- contains a description of the broker s or dealer s duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of the Securities Act of 1934, as amended;

- contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading penny stocks; and
- contains such other information and is in such form (including language, type, size and format) as the Securities and Exchange Commission shall require by rule or regulation;

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, to the customer:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for our stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling their securities.

ITEM 6. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements regarding us, our business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause our actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include, without limitation our ability to successfully develop new products and services for new markets the impact of competition on our revenues, changes in law or regulatory requirements that adversely affect or preclude clients from using us for certain applications; delays our introduction of new products or services; and our failure to keep pace with our competitors.

When used in this discussion, words such as believes , anticipates , expects , intends and similar expressions intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business.

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General

Our results of operations will probably be subject to variations. The results for a particular period may vary as a result of a number of factors. These include:

- the overall state of the real estate segment of the economy,
- the development status of and demand for our services and products,
- economic conditions in our markets,
- the timing of expenditures in anticipation of future revenues,
- the mix of services and products sold by us,
- the introduction of new services and products,
- product enhancements by us or our competitors, and
- pricing and other competitive conditions.

Overview and Recent Developments

We act as a co-developer, including as a financier, to develop built-to-suit real estate projects for specific retailers and other tenants who sign long-term leases for use of the property. Our primary source of revenue is from profits we receive upon the sale of our projects upon completion; however we also receive revenue from preferred dividends on our invested capital in projects, management fees we charge to our projects and rental income from our completed projects before their disposition. In addition we may share in certain revenues directly related to our projects with our development partners such as development fees and leasing and sales commissions.

Our focus for 2007 was to significantly grow our revenue base over the previous year utilizing our distributed sales force implemented in late 2006. We created five regions in the high growth areas of the United States to increase our penetration in these areas. Regional vice presidents were hired to manage each of the regions, which encompass five to six states. Management focused on hiring people with significant experience and established contacts in real estate, specifically in the triple net small-box retail space. Each regional vice president is responsible for marketing Across America s services to retailers and developers throughout their regions, as well as hire and manage sales representatives and utilize independent contractors to cover the smaller markets in their regions.

In addition we invested in our operations infrastructure during 2007 in order to be able to effectively manage our increased deal volume. In April, 2007 we hired Mr. Terry Thompson as our Senior VP of Operations to oversee our underwriting, project management and disposition areas. In addition we continued to add key support staff in these areas.

Another area of focus over the past year has been seeking additional capital sources to ensure our ability to fund additional projects as we grow. In April, 2007 we added an additional $6 million of subordinated debt between our two existing major investors, GDBA Investments, LLLP and BOCO Investments, LLC, bringing our total subordinated debt capacity to $20 million divided evenly between the two investors. In May, 2007 we added a $25 million senior debt line with United Western Bank to our existing $10 million senior line with Vectra Bank, which we just renewed in March, 2008, giving us $35 million in senior debt capacity. In October, 2007 we received a $3 million temporary subordinated debt line for a period of 90 days, in order to help facilitate the timing of the origination and completion of our fourth quarter projects. This line was only partially utilized and was repaid and retired in January 2008.

On January 10, 2007, our directors approved, subject to the effectiveness of a registration with the Securities and Exchange Commission, a spin-off to our shareholders of record as of March 1, 2007 (the Record Date), on a pro rata basis, with one share each of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. to be issued for each ten shares issued and outstanding of our common stock or common stock upon conversion of our preferred stock owned by such shareholders as of the Record Date. The registration statements of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. became effective on February 21, 2007 and March 19, 2007, respectively. The new shares of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. were distributed to our shareholders on or about March 23, 2007.

On February 27, Ann Schmitt resigned as President and CEO and from the Board of Directors. Subsequently, the Board of Directors appointed Peter Shepard as Interim President and CEO.

Results of Operations

The following discussion involves our results of operations for the fiscal years ending December 31, 2007 and December 31, 2006. Our revenues for the twelve months ended December 31, 2007 were $17,875,858 compared to $8,459,994 for the twelve months ended December 31, 2006, which represents a year over year increase of 111.3%. Total project sales represented $17,171,469 for the period ended December 31, 2007 compared $7,833,000, including $5,050,000 of related party sales for the year ended December 31, 2006, representing a year over year increase of 119.2%.

We also generate revenues from rental income of properties that are completed and have not yet been sold, in addition to management fees we charge to the project at the time of the land acquisition. Rental income decreased to $232,408 for the year ended December 31, 2007 compared to $414,044 for the year ended December 31, 2006, due to shorter hold times on completed projects in 2007 compared to those in 2006. Management fees increased to $362,981 for the year ended December 31, 2007 compared to $212,950 for the year ended December 31, 2006. This increase was due to more projects entered into as a whole during 2007 compared to 2006.

Gross profits increased to $1,118,338 for the year ended December 31, 2007 compared to $616,112 for the year ended December 31, 2006; however, our gross margin decreased to 6.5% for the year ended December 31, 2007 compared to 7.9% for the year ended December 31, 2006. This margin compression is due to the fact that several of the projects that were sold in 2007 were impaired assets or were sold significantly below our target margins.

Selling, general and administrative costs were $3,393,436 for the year ended December 31, 2007 compared to $1,881,383 for the year ended December 31, 2006, representing an increase of approximately 80.4%. This increase was attributable to the substantial increase in staff over the past year in addition to increased sales and marketing activity to generate additional projects. Furthermore, included in selling, general and administrative costs for 2007 was $258,601 in bad debt expense for promissory notes associated with our impairment analysis. We believe that we can more efficiently allocate resources going forward and on a percentage basis, we believe that selling, general and administrative costs will decrease in the next year.

For the year ended December 31, 2007, we recognized impairment charges for eleven properties totaling $3,046,196. Of the total impairment charges, $1,257,531 related to projects that were disposed of in the year ended December 31, 2007 and $1,788,665 relates to properties we still own and are in the process of selling or are marketing for sale. While we believe we have adequately and conservatively impaired our portfolio and currently value our portfolio at its fair value, we will continue to impairment test our entire portfolio annually and may test all or part of it more frequently as market conditions or individual situations arise.

We had a net loss of $3,959,059 for the year ended December 31, 2007 compared to a net loss of $735,711 for the year ended December 31, 2006. While we had a substantial increase in revenues for the year ended 2007, we did not generate or close enough projects to support our increased operating costs. This combined with the magnitude of our impairment charges and bad debt write-offs for the year were the major factors that contributed to the significant increase of our net loss.

For our audit dated December 31, 2007, our accountants have expressed doubt about our ability to continue as a going concern as a result of recurring losses, the use of significant cash in support of our operating activities, our limited operating history and our reliance upon funding commitments with two significant shareholders. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability.

It is our goal to move back towards profitability over the next fiscal year. To do so, we are focusing on actively managing our operating costs while still being able to grow our business. Furthermore, we are focusing heavily on our project underwriting process and standards in order to minimize the risks of project impairments moving forward.

Liquidity and Capital Resources

Cash and cash equivalents, increased from $1,097,440 on December 31, 2006 to $2,035,620 on December 31, 2007.

Cash used in operating activities increased to $12,135,677 for the year ended December 31, 2007 compared to $5,610,641 for the prior year. This was primarily the result of the increase deal volume for the last year. Given the large proportion of projects classified as available for sale , we anticipate that the cash used in operating activities will decrease in first half of next year and increasing as the year progresses.

Cash used in investing activities increased to $686,310 for 2007 compared to $157,976 for the prior year. The primary cause was a significant increase in the issuance of notes receivable for earnest money given our increased activity for the year. As we look to mitigate risks moving forward, we would anticipate these activities decreasing as we look to alternative structures and methods.

Cash provided by financing activities increased to $13,760,167 for 2007 compared to $6,685,561 for 2006. We expect our cash from financing activities to mirror our cash used in operating activities over the next year. Total availability on Senior Subordinated Revolving Notes on December 31, 2007 was $1,850,000 and we had availability of $21,358,269 on our Senior Credit Facilities as of December 31, 2006.

Management continues to assess our capital resources in relation to our ability to fund continued operations on an ongoing basis. As such, management may seek to access the capital markets to raise additional capital through the issuance of additional equity, debt or a combination of both in order to fund our operations and continued growth.

Seasonality

Our revenues are not impacted by seasonal demands for our products or services.

Critical Accounting Policies

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions affect the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate estimates and assumptions based upon historical experience and various other factors and circumstances. We believe our estimates and assumptions are reasonable in the circumstances; however, actual results may differ from these estimates under different future conditions.

We believe that the estimates and assumptions that are most important to the portrayal of our financial condition and results of operations, in that they require subjective or complex judgments, form the basis for the accounting policies deemed to be most critical to us. These relate to bad debts, impairment of intangible assets and long lived assets, contractual adjustments to revenue, and contingencies and litigation. We believe estimates and assumptions related to these critical accounting policies are appropriate under the circumstances; however, should future events or occurrences result in unanticipated consequences, there could be a material impact on our future financial conditions or results of operations.

ITEM 7. FINANCIAL STATEMENTS

ACROSS AMERICA REAL ESTATE CORP.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders:
Across America Real Estate Corp.

We have audited the accompanying consolidated balance sheet of Across America Real Estate Corp. as of December 31, 2007, and the related consolidated statements of operations, changes in shareholders equity, and cash flows for the years ended December 31, 2007 and 2006. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over consolidated financial reporting. Our audit included consideration of internal control over consolidated financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over consolidated financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Across America Real Estate Corp. as of December 31, 2007, and the results of their operations and their cash flows for the years ended December 31, 2007 and 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses, has used significant cash in support of its operating activities, has a limited operating history and is reliant upon funding commitments from two significant shareholders. These conditions raise doubt about the Company s ability to continue as a going concern. Further information and management s plans in regard to this uncertainty are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Cordovano and Honeck LLP
Englewood, Colorado
March 25, 2008

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ITEM 1. FINANCIAL STATEMENTS
Across America Real Estate Corp.
Consolidated Balance Sheet
December 31, 2007

Assets	
Cash and Equivalents	$ 2,035,620
Deposits held by an affiliate (note 5)	940,880
Accounts Receivable, net	2,156,959
Property and equipment, net of accumulated depreciation (note 6)	112,918
Real estate held for sale (note 3, 15)	14,398,602
Construction in progress (note 2, 15)	2,484,179
Land held for development (note 2)	5,388,089
Deferred tax asset (note 8)	1,143,334
Current tax asset (note 8)	965,498
Deposits and prepaids	48,451
Total assets	$ 29,674,530
Liabilities and Shareholders Equity	
Liabilities	
Accounts payable	$ 262,209
Accrued liabilities	409,066
Dividends payable	78,187
Senior subordinated note payable, related parties (note 4)	7,000,000
Senior subordinated revolving note, related parties (note 4)	14,169,198
Note payable (note 12)	5,716,397
Capital lease obligations (note 13)	7,517
Unearned Revenue (note 1)	522,841
Total liabilities	28,165,415
Shareholders equity (note 7)	
Non controlling interest (note 9)	4,594
Convertible preferred stock, $.10 par value; 1,000,000 shares authorized, 517,000 shares issued and outstanding	51,700
Common stock, $.001 par value; 50,000,000 shares authorized, 16,036,625 shares issued and outstanding	16,037
Additional paid-in-capital	6,440,398
Retained earnings	(5,003,614)
Total shareholders equity	1,509,115
Total liabilities and shareholders equity	$ 29,674,530

See accompanying notes to consolidated financial statements

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Across America Real Estate Corp.
Consolidated Statements of Operations

	For the Year Ended December 31, 2007	2006
Revenue:		
Sales (note 2)	$ 17,171,469	$ 2,783,000
Sales, related parties (note 4)		5,050,000
Financing activities	109,000	
Rental income	232,408	414,044
Management fees	362,981	212,950
Total revenue	17,875,858	8,459,994
Operating expenses:		
Cost of sales (note 2)	16,053,131	2,449,266
Cost of sales, related parties (note 4)		4,767,622
Impairment loss on real estate (note 15)	3,046,196	
Selling, general and administrative (note 16)	3,393,436	1,881,383
Total operating expenses	22,492,763	9,098,271
Loss from operations	(4,616,905)	(638,277)
Non-operating expense:		
Interest income	16,592	13,227
Interest expense	(742,965)	(320,309)
Other income (expense)	(1,570)	(14,307)
Loss before income taxes and non controlling interest	(5,344,848)	(959,666)
Income tax provision (note 8)	(1,819,149)	(316,252)
Loss before non controlling interest	(3,525,699)	(643,414)
Non controlling interest in income of consolidated subsidiaries (note 9)	433,360	92,357
Net loss	$ (3,959,059)	$ (735,771)
Other comprehensive income Preferred stock dividends	(310,201)	(79,887)
Comprehensive loss applicable to common shareholders	$ (4,269,260)	$ (815,658)

Basic and diluted loss per common share	$	(0.27)	$	(0.05)
Basic and diluted weighted average common shares outstanding		16,036,625		16,036,625

See accompanying notes to consolidated financial statements

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Across America Real Estate Corp.
Consolidated Statement of Changes in Shareholders Equity
For the years ended December 31, 2007 and 2006

	Non controlling Interest	Preferred Stock Shares	Preferred Stock Par Value	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings (Deficit)	Tota
ce at December 31, 2005	$ (4,503)		$	16,036,625	$ 16,037	$ 161,938	$ 81,304	$ 254
ontrolling interest at December 31, 2006	21,449							21
sharing at December 31, 2006								
option compensation expense						20,372		20
ce of convertible preferred stock		517,000	51,700			6,131,451		6,183
ed preferred stock dividends paid							(79,887)	(79
ss, year ended December 31, 2006							(735,771)	(735
ce at December 31, 2006	16,946	517,000	51,700	16,036,625	16,037	6,313,761	(734,354)	5,664
ntrolling interest at December 31, 2007	(12,352)							(12
option compensation expense						126,637		126
ed preferred stock dividends declared							(310,201)	(310
ss, quarter ending December 31, 2007							(3,959,059)	(3,959
ce at December 31, 2007	$ 4,594	517,000	$ 51,700	16,036,625	$ 16,037	$ 6,440,398	$ (5,003,614)	$ 1,509

See accompanying notes to consolidated financial statements

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Across America Real Estate Corp.
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2007	2006
Cash flows from operating activities:		
Net loss	$ (3,959,059)	$ (735,771)
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation (note 6)	36,788	4,448
Impairment of assets (note 15)	3,046,196	
Allowance for bad debt (note 1)	258,601	
Stock option compensation expense (note 7)	126,637	20,372
Changes in operating assets and operating liabilities:		
Cash restricted to project development		258,818
Construction in progress (note 2)	(2,913,063)	(1,097,728)
Real estate held for sale (note 3)	(11,970,630)	2,076,049
Land held for development (note 2)	6,429,119	(6,822,790)
Accounts receivable	(2,125,129)	73,795
Deposits and prepaids	17,879	(47,471)
Accounts payable and accrued liabilities	356,727	89,574
Income tax assets and liabilities (note 8)	(1,812,564)	(339,301)
Unearned revenue (note 1)	385,173	137,668
Non-controlling interest (note 9)	(12,352)	16,946
Indebtedness to related party (note 4)		754,750
Net cash (used in) operating activities	(12,135,677)	(5,610,641)
Cash flows from investing activities:		
Cash collections on notes receivable (note 5)	1,348,513	932,260
Issuance of notes receivable (note 5)	(1,971,670)	(1,018,424)
Cash paid for property and equipment (note 6)	(63,153)	(61,812)
Security deposit		(10,000)
Net cash (used in) investing activities	(686,310)	(157,976)
Cash flows from financing activities:		
Proceeds from sale of convertible preferred stock		6,204,000
Preferred stock dividends paid	(311,900)	
Proceeds from issuance of related party loans (note 4)	19,558,482	5,214,340
Repayment of related party loans (note 4)	(10,987,381)	(8,967,864)
Proceeds from issuance of notes payable (note 12)	12,070,849	8,551,414
Repayment of notes payable (note 12)	(6,561,581)	(4,313,893)
Repayment of lease obligation (note 13)	(8,302)	(2,436)
Net cash provided by financing activities	13,760,167	6,685,561

Net change in cash	938,180	916,944
Cash and cash equivalents, beginning of the year	1,097,440	180,496
Cash and cash equivalents, end of the year	$ 2,035,620	$ 1,097,440
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes	$	$
Interest	$ 273,625	$ 1,155,680
Supplemental disclosure of non-cash investing and financing activities		
Preferred stock dividends declared but not paid	$ 78,187	$ 79,887

See accompanying notes to consolidated financial statements

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1) Nature of Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Across America Real Estate Corp. (AARD or the Company) was incorporated under the laws of Colorado on April 22, 2003. The Company is a co-developer, principally as a financier, for build-to-suit real estate development projects for retailers who sign long-term leases for use of the property. Land acquisition and project construction operations are conducted through the Company s subsidiaries. The Company creates each project such that it will generate income from the placement of the construction loan, rental income during the period in which the property is held, and the capital appreciation of the facility upon sale. Affiliates, subsidiaries and management of the Company will develop the construction and permanent financing for the benefit of the Company.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Across America Real Estate Corp. and the following subsidiaries, which were active at December 31, 2007:

Name of Subsidiary Ownership

Name of Subsidiary	Ownership
CCI Southeast, LLC (CCISE)	100.00%
Riverdale Carwash Lot 3A, LLC (Riverdale)	100.00%
AARD-Cypress Sound, LLC (Cypress Sound)	51.00%
AARD-TSD-CSK Firestone, LLC (Firestone)	51.00%
South Glen Eagles Drive, LLC (West Valley)	51.00%
119th and Ridgeview, LLC (Ridgeview)	51.00%
53rd and Baseline, LLC (Baseline)	51.00%
Hwy 278 and Hwy 170, LLC (Bluffton)	51.00%
State and 130th, LLC (American Fork)	51.00%
Clinton Keith and Hidden Springs, LLC (Murietta)	51.00%
Hwy 46 and Bluffton Pkwy, LLC (Bluffton 46)	51.00%
AARD Bader Family Dollar Flat Shoals, LLC (Flat Shoals)	51.00%
AARD Westminster OP7, LLC (Westminster OP7)	51.00%
Eagle Palm I, LLC (Eagle)	51.00%
AARD Econo Lube Stonegate, LLC (Econo Lube)	51.00%
AARD Bader Family Dollar MLK, LLC (MLK)	51.00%
AARD-Charmar Greeley, LLC (Starbucks)	51.00%
AARD-Charmar Greeley Firestone, LLC	51.00%
AARD 5020 Lloyd Expy, LLC (Evansville)	51.00%
AARD 2245 Main Street, LLC (Plainfield)	51.00%
AARD-Buckeye, LLC (Buckeye)	51.00%
AARD Esterra Mesa 1, LLC (Esterra Mesa 1)	51.00%
AARD Esterra Mesa 2, LLC (Esterra Mesa 2)	51.00%
AARD Esterra Mesa 3, LLC (Esterra Mesa 3)	51.00%
AARD Esterra Mesa 4, LLC (Esterra Mesa 4)	51.00%
AARD MDJ Goddard, LLC (Goddard)	51.00%
AARD Charmar Arlington Boston Pizza, LLC (Charmar Boston Pizza)	51.00%
AARD LECA LSS Lonestar LLC	51.00%
AARD LECA VL1 LLC	51.00%
AARD NOLA St claude LLC	51.00%
AARD ORFL FD Goldenrod LLC	51.00%
AARD SATX CHA LLC	51.00%
AARD JXFL UTC LLC	51.00%

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All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates have been made by management with respect to the fair values utilized for calculating the Company s impairments on real estate projects. During the years ended December 31, 2007 and 2006, the Company recorded impairment losses totaling $3,046,196 and $-0-, respectively. These estimates directly affect the Company s financial statements, and any changes to the estimates could materially affect the Company s reported assets and net income.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less when acquired, to be cash equivalents. The Company had no cash equivalents as of December 31, 2007.

Accounts Receivable

Accounts receivable consists of amounts due from the sale of real estate projects. The Company considers accounts more than 30 days old to be past due. The Company uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is written off against the allowance. As of December 31, 2007, management believes all receivables are collectible and no allowance for uncollectible accounts is necessary.

Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, ranging from three to seven years. Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing property and equipment, are capitalized and depreciated. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statements of operations.

Construction in Progress, Land Held for Development and Real Estate Held for Sale

Land acquisition costs are capitalized as Land Held for Development . Project costs that are clearly associated with the development and construction of a real estate project are capitalized as a cost of that project and are included in the accompanying consolidated financial statements as Construction in Progress . Costs are allocated to individual projects by the specific identification method. Interest costs are capitalized while development is in progress. When a project is completed it is reclassified as Real Estate Held for Sale until it is sold. Rental revenue is recognized and all operating and financing costs are expensed as they are incurred. Once a project is sold, the capitalized costs are reclassified as Cost of sales to offset real estate sales in the Statement of Operations.

For the year ended December 31, 2007 the Company has recognized $742,965 interest expense that is not related to capitalized projects and $1,404,549 capitalized interest expense that is included in either Construction in Progress or Real Estate Held for Sale on the balance sheet December 31, 2007, with the exception of projects that were sold during the year, which would have included the capitalized interest amount in our Cost of Sales.

Impairment and Disposal of Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets under the provisions of SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets . Statement No. 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets carrying amount. If such assets are impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, Accounting for Income Taxes . SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Revenue Recognition

The Company recognizes revenue from real estate sales under the full accrual method. Under the full accrual method, profit may be realized in full when real estate is sold, provided (1) the profit is determinable and (2) the earnings process is virtually complete (the Company is not obligated to perform significant activities after the sale to earn the profit). The Company recognizes revenue from its real estate sales transactions on the closing date.

The Company also generates minimal rental income and management fee income between the periods when a real estate project is occupied through the closing date on which the project is sold. Rental income and management fee income is recognized in the month earned.

The subsidiary LLC members have agreed to pay a minimal interest increase over the cost of funds the Company accrues and pays for its subordinated debt. The subsidiary interest is accrued on a monthly basis based on the outstanding balance that is due the Company. The interest markup is recognized on the Company s consolidated balance sheet as unearned revenue. Upon the sale of a project, the interest increase is recognized as financing activities revenue on the Company consolidated statement of operations.

Non-controlling Interest in Consolidated Subsidiaries

The non-controlling interest in consolidated subsidiaries on the consolidated balance sheet represents the partners shares (other than AARD) of the net income of the subsidiaries since their inceptions. Non-controlling interest in net income of consolidated subsidiaries in the consolidated statements of operations represent those partners shares of the net income of the subsidiaries.

Earnings per Common Share

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At December 31, 2007, there was no variance between basic and diluted earnings per share because any potentially dilutive securities would have been anti-dilutive due to our net loss for the year. Had we not been in an anti-dilutive situation the potential dilution would have been an additional 2,068,000 shares, which relates to the conversion of our outstanding Convertible Preferred Stock and would give us a total 18,104,625 fully diluted common shares outstanding. Additionally, there were 96,250 exercisable options which were out-of-the-money on December 31, 2007, but could be dilutive in the future.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has incurred recurring losses, has used significant cash in support of its operating activities, has a limited operating history and is reliant upon funding commitments with two significant shareholders. These factors, among others, may indicate that the Company will be unable to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company s continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. The Company plans to generate the necessary cash flows with increased sales revenue over the next 12 months. However, should the Company s sales not provide sufficient cash flow, the Company has plans to raise additional working capital through debt and/or equity financings. There is no assurance the Company will be successful in producing increased sales revenues or obtaining additional funding through debt and equity financings.

The Company currently relies on its majority shareholder, GDBA Investments, LLLP (GDBA), and another significant shareholder, BOCO Investments, LLC (BOCO), to provide a substantial amount of its debt and equity financing. In addition, the Company s $10 million senior credit facility with Vectra Bank has been guaranteed by GDBA. The Company expects to rely upon both GDBA and BOCO for funding commitments in the foreseeable future.

Stock-Based Incentive Compensation Plans

On January 1, 2006, the Company adopted SFAS 123 (revised 2004), *Share-Based Payment* (SFAS 123(R)), which requires the measurement and recognition of compensation expense for all share-based awards made to employees and directors, including employee stock options and shares issued through its employee stock purchase plan, based on estimated fair values. In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin 107 (SAB 107) relating to SFAS 123(R). The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R). The Company adopted SFAS 123(R) using the modified prospective transition method, which requires the application of the accounting standard as of the beginning in 2006. The Company financial statements as of and for the year ended December 31, 2006 reflect the impact of SFAS 123(R). In accordance with the modified prospective transition method, The Company financial statements for prior periods do not include the impact of SFAS 123(R).

Stock compensation expense recognized during the period is based on the value of share-based awards that are expected to vest during the period. Stock compensation expense in 2006 includes compensation expense for the share-based awards granted subsequent to January 1, 2006 based on the grant date fair value estimated in accordance with the provisions of SFAS 123(R). The Company did not grant any share-based awards prior to January 1, 2006. As stock compensation expense recognized in the statement of operations is based on awards ultimately expected to vest, it has not been reduced for estimated forfeitures because they are estimated to be negligible. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company s determination of estimated fair value of share-based awards utilizes the Black-Scholes option-pricing model. The Black-Scholes model is affected by the Company stock price as well as assumptions regarding certain highly complex and subjective variables. These variables include, but are not limited to the Company s expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors.

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Prior to the adoption of SFAS 123(R), The Company accounted for stock-based awards to employees and directors using the intrinsic value method in accordance with Accounting Principles Board Opinion 25, *Accounting for Stock Issued to Employees* (APB 25). Under the intrinsic value method that was used to account for stock-based awards prior to January 1, 2006, which had been allowed under the original provisions of SFAS 123, compensation expense is recorded on the date of grant if the current market price of the underlying stock exceeded the exercise price. The Company did not recognize any stock-based compensation prior to January 1, 2006.

Recent Accounting Standards

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. FIN 48 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company is subject to the provisions of FIN 48 and has analyzed filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Company has identified its federal tax return and its state tax return in Colorado as major tax jurisdictions, as defined. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on the Company s financial condition, results of operations, or cash flow. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FIN 48. In addition, the Company did not record a cumulative effect adjustment related to the adoption of FIN 48.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurement , (FAS 157). This Standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. We have not determined the effect that the adoption of FAS 157 will have on our consolidated results of operations, financial condition or cash flows.

2) Current Development Projects

AARD Evansville

On December 5, 2006, we through our subsidiary, 5020 Lloyd Expressway, LLC (AARD Evansville) entered into an arrangement with Situs Development Corp (Situs) an unaffiliated builder and developer of Fed Ex Kinko s stores. We intended to develop a Fed Ex Kinko s in a location in Evansville, IN, but have changed our plans to develop a Cingular Wireless Store at this location. Situs owns 49%, and AARD owns 51% of AARD Evansville. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of AARD Evansville.

AARD Stonegate Econolube

On October 25, 2005 we through our subsidiary, AARD Stonegate Econolube, LLC Stonegate entered into an arrangement with Charmar Properties, an unaffiliated developer of commercial property. We originally intended to develop an Econolube located in Parker, CO; however, we were unable to negotiate a suitable lease, so we are in the process of negotiating a lease with a franchisee for Meineke. Charmar Properties owns 49%, and AARD owns 51% of Stonegate. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Stonegate. As of December 31, 2007, we had not yet begun construction on the project. If we are unable to negotiate a suitable lease with the Meineke franchisee, we may look to sell the undeveloped land as is.

AARD NOLA St. Claude

On June 20, 2007, we through our subsidiary, AARD NOLA St. Claude LLC, (NOLA) entered into an arrangement with Mainstream Development, LLC, (Mainstream) an unaffiliated builder and developer of Family Dollar Stores. We intend to develop a Family Dollar Store located in New Orleans, Louisiana. Mainstream owns 49% and AARD owns 51% of NOLA. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of NOLA.

AARD LECA LSS Lonestar LLC

On August 1, 2007, we through our subsidiary, AARD LECA LSS Lonestar LLC, (Lonestar) entered into an arrangement with Charmar Property Acquisitions (Charmar) an unaffiliated developer of commercial properties. We intend to develop a Lonestar Steakhouse located in Lake Elsinore, California. Charmar owns 49%, and AARD owns 51% of Lonestar. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Lonestar.

(3) Real Estate Held for Sale

West Valley

On November 21, 2005, we through our subsidiary, South Glen Eagles Drive, LLC (West Valley) entered into an arrangement with ADG, an unaffiliated builder and developer of Grease Monkey International automotive stores. We developed the property, located in West Valley, Utah, which was originally leased to Grease Monkey. ADG owns 49%, and AARD owns 51% of West Valley. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of West Valley. The project was completed in 2007; however, because of delays in the project, Grease Monkey cancelled their lease. We are currently marketing the building for lease to other lube center operations in order to enhance the potential sales value of the property. In June, 2007 we recognized a $442,925 impairment charge on the property to adjust our carrying value to fair value.

AARD Esterra Mesa 1,2,3 & 4, LLC s

In October 2006, we purchased approximately 3.75 acres of commercial property in Mesa, AZ, which are intended to be subdivided into four separate commercial sites. On March 19, 2007, through four subsidiaries, AARD Esterra Mesa 1, LLC, AARD Esterra Mesa 2, LLC, AARD Esterra Mesa 3, LLC and AARD Esterra Mesa 4, LLC (collectively, Esterra Mesa 1-4) , we entered into an arrangement with Esterra Development LLC (Esterra) an unaffiliated developer of commercial properties. We intend to obtain leases and develop the sites. Esterra owns 49%, and AARD owns 51% of Esterra Mesa 1-4. While our partner is still actively working on obtaining leases for the property, due to the time involved with this project, we have begun to review alternatives including selling our interest in the project.

Bader Family Dollar

On October 5, 2006, we through our subsidiary, Eagle Palm I, LLC (Bader Family Dollar) entered into an arrangement with WB Properties of Georgia/MLK, LLC (WB Properties) an unaffiliated developer of commercial property, to develop a Family Dollar Store in Atlanta, GA. WB Properties owns 49%, and AARD owns 51% of Bader Family Dollar. The project has been completed and in December 2007, the Company recognized $98,994 of impairment expense due to the market conditions in that market area. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Bader Family Dollar.

Cypress Sound

On March 22, 2005, we entered into an arrangement with Mr. Daniel S. Harper (Harper), an unaffiliated builder and developer of commercial property. We and Mr. Harper had intended to develop and construct a six unit, three-story condominium project located in Orlando, Florida. The parties formed a limited liability company for the development of the identified property. The name of the limited liability company is AARD-Cypress Sound LLC (Cypress Sound). Harper owns 49% of Cypress Sound and we own 51%. Because of the length of time of this project, and the fact that it is outside of our market niche, we have begun to review our alternatives and are actively marketing the property for sale.

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American Fork

On June 14, 2005, we through our subsidiary, State & 130th, LLC (American Fork) entered into an arrangement with ADG, an unaffiliated builder and developer of Grease Monkey International automotive stores. In September, 2005 we purchased property located in American Fork, UT, which was subsequently subdivided into two separate lots, each owned by State & 130th, LLC. We developed a Grease Monkey and a Fed Ex Kinko s on the two sites and both were completed and occupied in the fourth quarter of 2006. On December 13, 2006, we sold the Grease Monkey property to an unaffiliated third party for $1,060,000. In June, 2007 we recognized an impairment charge on the Fed Ex Kinko s property of $154,504 as an adjustment to the fair value of the property.

Bluffton 46

On April 1, 2006, we through our subsidiary, Hwy 46 and Bluffton Pkwy, LLC (Bluffton 46) entered into an arrangement with ADG, an unaffiliated builder and developer of Grease Monkey International automotive stores. We intended to develop a Grease Monkey located in Bluffton, South Carolina. ADG owns 49%, and AARD owns 51% of Bluffton 46. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Bluffton 46. In June, 2007 we recognized an impairment charge on the property of $127,494 to adjust our holding costs to fair value. As of December 31, 2007, we have made no progress towards developing the project. We are currently assessing alternatives to moving forward which include finding other retail uses for the property or selling the raw land in the open market.

AARD Greeley

On November 30, 2006, we through our subsidiary, AARD-Charmar Greeley, LLC (AARD Greeley) entered into an arrangement with Charmar Properties, an unaffiliated developer of commercial property. Charmar Properties owns 49%, and AARD owns 51% of AARD Greeley. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of AARD Greeley. We purchased two adjoining sites in Greeley, CO and intended to develop a Firestone Tire Center on one site and a Starbuck s and additional retail on the other. In 2007 the tenant, Firestone Tire Center, backed out of its lease. In December 2007 the project was impaired in the amount of $36,369. The property is currently listed for sale. The adjoining site has also been listed for sale. Currently 3 of the 5 available spaces have been leased out by Starbucks, Cricket Wireless, and Max Muscle.

AARD ORFL FD Goldenrod LLC

On August 3, 2007, we through our subsidiary, AARD ORFL FD Goldenrod LLC, (Goldenrod) entered into arrangement with Dorsey Development Companies, LLC (Dorsey) an unaffiliated developer of commercial properties. Dorsey owns 49%, and AARD owns 51% of Goldenrod. All profits or losses from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Goldenrod. The original intention was to build a Family Dollar store located in Orlando, Florida but due to early on development delays, construction has not started. In December, 2007 the project was impaired by $116,799 and is available for sale.

Buckeye

On November 8, 2006, we through our subsidiary, AARD Buckeye, LLC (Buckeye) entered into an arrangement with Simon Development Corp (Simon) an unaffiliated builder and developer and operator of convenience stores and gas stations. We developed a C Store, Gas Station and Carwash located in Buckeye, AZ. Simon owns 49%, and AARD owns 51% of Buckeye. All profits from the sale of the project will be distributed in accordance with the terms and conditions agreed upon by both parties in the operating agreement of Buckeye.

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(4) Related Party Transactions

GDBA Investments, LLLP

On November 26, 2004, we entered into a three-year Agreement to Fund our real estate projects with GDBA Investments, LLLP (GDBA), our largest shareholder. On September 28, 2006, GDBA Investments replaced the Agreement to Fund with a new investment structure that included 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share, a $3.5 million Senior Subordinated Note and a $3.5 million Senior Subordinated Revolving Note. This Agreement to Fund is no longer in effect.

The Series A Convertible Preferred Stock issued under these transactions pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price. Each share of Series A Convertible Preferred Stock is convertible, at the option of the holder, at any time after the issuance of such shares.

In the event the Company issues or sells additional shares of common stock for consideration less than the Series A conversion price in effect on the date of such issuance or sale (currently $3.00 per share), then the Series A conversion price will be reduced to a price equal to the consideration per share paid for such additional shares of common stock.

At any time following the one-year anniversary of the Series A original issuance date (September 28, 2006), the Company may cause the conversion of all, but not less than all, of the Series A Preferred Stock. However, the Company may not complete the mandatory conversion unless a registration statement under the Securities Act of 1933 is effective, registering for resale the shares of common stock to be issued upon conversion of the Series A Preferred Stock.

The Senior Subordinated Note and the Senior Subordinated Revolving Note both mature on September 28, 2009 and carry a floating interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which resets and is payable quarterly. Both the Senior Subordinated Notes and the Senior Subordinated Revolving Notes are subordinated to our Senior Credit Facilities.

On September 28, 2006, the Company recognized $5,050,000 in revenue through a related party sale of its Riverdale and Stonegate properties to Aquatique Industries, Inc., a company controlled by GDBA.

On April 14, 2007 we completed an additional funding with GDBA Investments consisting of $3 million in Subordinated Revolving Notes. The Notes also carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which is payable and resets quarterly. The notes had a maturity date of December 31, 2007; however, on December 18, 2007 GDBA agreed to extend the maturity date to June 30, 2008.

On December 31, 2007, we owed dividends of $37,808 and interest of $274,488 due to GDBA Investments, LLLP.

BOCO Investments, LLC

On September 28, 2006, we completed a $10 million private placement with BOCO Investments, LLC consisting of 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share and $7 million in Senior Subordinated Debt, $3.5 million of which was drawn at closing and $3.5 million of which has a revolving feature and can be drawn as needed. Additionally Mr. Joseph Zimlich, BOCO Investments, LLC s Chief Executive Officer, purchased 17,000 shares of Series A Convertible Preferred Stock at $12.00 per share in his own name.

The Series A Convertible Preferred Stock issued under these transactions pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price. Each share of Series A Convertible Preferred Stock is convertible, at the option of the holder, at any time after the issuance of such shares.

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In the event the Company issues or sells additional shares of common stock for consideration less than the Series A conversion price in effect on the date of such issuance or sale (currently $3.00 per share), then the Series A conversion price will be reduced to a price equal to the consideration per share paid for such additional shares of common stock.

At any time following the one-year anniversary of the Series A original issuance date (September 28, 2006), the Company may cause the conversion of all, but not less than all, of the Series A Preferred Stock. However, the Company may not complete the mandatory conversion unless a registration statement under the Securities Act of 1933 is effective, registering for resale the shares of common stock to be issued upon conversion of the Series A Preferred Stock.

The Senior Subordinated Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. The Revolving Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. Both the Senior Subordinated Notes and the Senior Subordinated Revolving Notes are subordinated to our Senior Credit Facilities.

On April 14, 2007 we completed an additional funding with BOCO Investments consisting of $3 million in Subordinated Revolving Notes. The Notes also carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which is payable and resets quarterly. The notes had a maturity date of December 31, 2007; however, on December 18, 2007 BOCO agreed to extend the maturity date to June 30, 2008.

On October 25, 2007 we obtained a temporary line of credit from BOCO Investments to fund up to $3,000,000 on a revolving basis for a ninety day period. The temporary line helped facilitate the timing of the origination and completion of our fourth quarter projects. The line carried an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. We utilized $1,150,000 from this line which was repaid in January, 2008.

On December 31, 2007, we owed dividends of $37,808 and interest of $291,244 to BOCO Investments and dividends of $2,571 to Mr. Zimlich.

On December 31, 2007 our outstanding principal balances on our Senior Subordinated Notes and Senior Subordinated Revolving Notes are summarized below:

	GDBA Investments	BOCO Investments	Total
Senior subordinated notes payable related parties	3,500,000	3,500,000	7,000,000
Revolving Lines of Credit	6,226,733	7,376,733	13,603,466
Accrued Interest	274,488	291,244	565,732
Senior subordinated revolving notes related parties	6,501,221	7,667,977	14,169,198

Largely due to the impairment charges we recognized in the second and fourth quarters of 2007, which totaled $3,046,196 (please see footnote 15), we became subject to an Event of Default provision under our Senior Subordinate Notes and Revolving Notes. This Event of Default provision was triggered when we recognized a net loss under GAAP of greater than $1,000,000 in any calendar quarter, which we did in both the second and fourth quarters of 2007. Each of these Events of Default provisions have been waived by GDBA Investments, LLLP and BOCO Investments, LLC.

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(5) Notes Receivable and Development Deposits

During the course of acquiring properties for development, Across America Real Estate Corp, on behalf of its subsidiaries and development partners, typically is required to provide capital for earnest money deposits that may or may not be refundable in addition to investing in entitlements for properties before the actual land purchase. Because these activities represent a risk of our capital in the event the land purchase is not completed, it is our policy to require our development partners to personally sign promissory notes to Across America Real Estate Corp. for all proceeds expended before land is purchased. Once the land has been purchased and can collateralize the capital invested by us, the promissory note is cancelled. AARD had $ 940,880 in earnest money deposits outstanding at December 31, 2007. These deposits were held by development partners who have each secured them through promissory notes held by us. These promissory notes are callable on demand or due within a year and carry an interest rate between 12% and 12.5% per annum.

(6) Property and Equipment

The Company s property and equipment consisted of the following at December 31, 2007:

Equipment	$ 23,277
Furniture and fixtures	17,396
Computers and related equipment	34,018
Software and intangibles	81,963
	$ 156,654
less accumulated depreciation	(43,736)
	$ 112,918

Depreciation expense totaled $36,788 and $4,448 for the years ended December 31, 2007 and December 31, 2006 respectively. Depreciation expense for the year ended December 31, 2007 includes $2,570 related to the depreciation of equipment under capital lease.

(7) Shareholders Equity

Preferred Stock

The Board of Directors is authorized to issue shares of preferred stock in series and to fix the number of shares in such series as well as the designation, relative rights, powers, preferences, restrictions, and limitations of all such series.

Series A Convertible Preferred Stock

As of December 31, 2007 the Company has 517,000 shares of Series A Convertible Preferred Stock authorized and issued. Each share pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price.

Common Stock

As of December 31, 2007 the Company has 50,000,000 shares of common stock that are authorized, 16,036,625 shares that are issued and outstanding at a par value of $.001 per share.

Stock Based Compensation

On November 8, 2006 Across America Real Estate Corp s Board of Directors approved the issuance of options under the Corporation s 2006 Incentive Compensation Plan (the Plan). Under the Plan the Company is authorized issue shares or options to purchase shares up not to exceed 1,000,000 shares. Options granted shall not be exercisable more than ten years after the date of the grant. The exercise price of any option grant shall not be less than the fair market value of the stock price on the date of the grant.

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Under the Plan, three of the Company s officers were granted options to purchase a total of 385,000 shares of common stock at the closing stock price as of November 8, 2006, which was $1.65 per share. The options were granted with a five year term and a vesting schedule of 25% per year for four years on the anniversary date of employment beginning with the next anniversary date for each employee.

The fair value of the each option was calculated on the grant date of November 8, 2006 using the Black-Scholes model and was valued at $0.94 using the following assumptions and inputs:

Risk free interest rate		4.61%
Expected life		5.0
Dividend yield		0.00%
Expected volatility		62.69%
Fair Value	$	0.94

On March 6, 2007, three of the Company s directors were granted options under the Plan to purchase a total of 15,000 shares of common stock at the closing stock price as of March 6, 2007, which was $2.75 per share. The options were granted with a five year term and a vesting schedule of 25% per year for four years on the anniversary date of the grant.

The fair value of each option was calculated on the grant date of March 6, 2007 using the Black-Scholes model and was valued at $1.94 using the following assumptions and inputs:

Risk free interest rate		4.48%
Expected life		5.0
Dividend yield		0.00%
Expected volatility		86.87%
Fair Value	$	1.94

On April 2, 2007, employees were granted options under the Plan to purchase a total 55,000 shares of common stock at the closing stock price as of April 2, 2007, which was $1.90 per share. The options were granted with a five year term and a vesting schedule of 25% per year for four years on the anniversary date of the grant.

The fair value of each option was calculated on the grant date of April 2, 2007 using the Black-Scholes model and was value at $1.34 using the following assumptions and inputs:

Risk free interest rate		4.54%
Expected life		5.0
Dividend yield		0.00%
Expected volatility		86.87%
Fair Value	$	1.34

There are a number of assumptions and estimates used in calculating the fair value of options. These include the expected term of the option, the expected volatility and the risk free interest rate. These assumptions are included in the charts above. The basis for our expected volatility and expected term estimates is a combination of our historical information. The risk-free interest rate is based upon yields of U.S. Treasury strips with terms equal to the expected life of the option or award being valued. Across America Real Estate Corp does not currently pay a dividend nor does the Company expect to pay a dividend in the foreseeable future.

The total amount of compensation calculated for the full amount of options granted is $465,923. We accrue the stock based compensation expense in the periods in which the options vest. For the year ended December 31, 2007, we recognized $126,637 in expense related to stock based compensation.

Stock option activity for the year ended December 31, 2007 is summarized as follows:

	Options Outstanding				Options Exercisable			
	Number of Options	Weighted Average Exercise Price	Weighted Remaining Contractual Term	Aggregate Intrinsic Value	Shares Exercisable	Weighted Average Exercise Price	Weighted Remaining Contractual Term	Aggregate Intrinsic Value
Balance at December 31, 2005								
Activity during 2006:								
Granted	385,000	1.65	4.9					
Expired/Cancelled								
Forfeited								
Exercised								
Balance at December 31, 2006	385,000	1.65	4.9	1,732,500				
Activity during 2007:								
Granted	70,000	2.08	4.2		96,250	1.65	3.9	
Expired/Cancelled	(26,250)	1.65	3.9					
Forfeited								
Exercised								
Balance, at December 31, 2007	428,750	1.72	3.9		96,250	1.65	3.9	

(8) Income Taxes

The provision for income taxes consists of the following:

Income tax asset (liability):

Current tax asset:	
Federal	$ 844,384
State	121,114
Total current tax asset	$ 965,498

Significant components of the Company s deferred tax assets and liabilities are as follows:

Deferred tax assets:	
Impairment of asset	$ 697,579
Partnership income	345,265
Bad debt	100,854

Depreciation	(364)
Total deferred tax assets	$ 1,143,334

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for for income tax purposes.
Reconciliation of the income tax expense computed at U.S. federal statutory to the provision for income taxes is as follows:

Deferred tax benefit (expense):	
Federal	$ 744,209
State	109,442
Total net deferred tax benefit	$ 853,651

Tax at US federal statutory rates	$ 844,384
State income taxes, net of federal	121,114
Change in beginning deferred balance	853,651
Total income tax benefit	$ 1,819,149

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the realization of future taxable income during the periods in which those temporary differences become deductible. Management considers past history, the scheduled reversal of taxable temporary differences, projected future taxable income, and tax planning strategies in making this assessment. A valuation allowance for deferred tax assets is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. It is the full intention of the Company, that any carryback and carryforward amounts will be utilized against future taxable income. The vast majority of our NOL carryforwards will expire through the year 2027. As of December 31, 2007, the Company has a valuation allowance of $ -0-.

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(9) Noncontrolling Interests

Following is a summary of the noncontrolling interests in the equity of the Company s subsidiaries. The Company establishes a subsidiary for each real estate project. Ownership in the subsidiaries is allocated between the Company and the co-developer/contractor.

	Balance December 31, 2006	Earnings allocated to Noncontrolling Interest	Earnings disbursed/accrued for Noncontrolling Interest	Balance December 31, 2007
Cypress	$ 4,594	$	$	$ 4,594
5020 Lloyd		76,943	(76,943)	
Bluffton	2,502		(2,502)	
Bluffton 46	60		(60)	
Laveen	298		(298)	
West Valley	298		(298)	
American Fork	9,194		(9,194)	
OP7		(100,401)	100,401	
Rest Mgmt		(177,747)	177,747	
MDJ		(219,803)	219,803	
Total	$ 16,946	$ (421,008)	$ 408,656	$ 4,594

(10) Concentration of Credit Risk for Cash

The Company has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed the amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). The loss that would have resulted from that risk totaled $1,543,274 at December 31, 2007, for the excess of the deposit liabilities reported by the financial institution versus the amount that would have been covered by FDIC. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

(11) Operating Lease Commitments

Lessee

The Company entered into an office lease agreement on December 31, 2007, which commenced January 1, 2008 and expires December 31, 2008. The lease payment is $9,972 per month.

Combined future minimum lease payments under the leases are as follows:

December 31, 2008	$ 119,664

(12) Notes Payable

Vectra Bank Senior Credit Facility:

On April 25, 2005, we entered into a $10 million senior credit facility with Vectra Bank of Colorado (Vectra Bank). This commitment permits us to fund construction notes for build-to-suit real estate projects for national and regional chain retailers. The financing is facilitated through a series of promissory notes. Each note is issued for individual projects under the facility and must be underwritten and approved by Vectra Bank and has a term of 12 months with one (1) allowable extension not to exceed 6 months subject to approval. Interest is funded from an interest reserve established with each construction loan. The interest rate on each note is equal to the 30 day LIBOR plus 2.25%. Each note under the facility is for an amount, as determined by Vectra Bank, not to exceed the lesser of 75% of the appraised value of the real property under the approved appraisal for the project or 75% of the project costs. Principal on each note is due at maturity, with no prepayment penalty. Vectra Bank retains a First Deed of Trust on each property financed and the facility has the personal guarantees of GDBA and its principals.

On August 3, 2006 we executed a First Amendment to our Senior Credit Agreement with Vectra Bank extending the expiration date of the facility to October 21, 2007, which is renewable annually. The terms and conditions of each construction note issued under the facility remain unchanged, and any construction issued prior to the expiration date of the Credit Agreement, will survive the expiration of the facility and will be subject to its individual term as outlined in the Credit Agreement. On March 27, 2008 we renewed our facility with Vectra Bank (see note 17).

As of December 31, 2007, we had three outstanding notes under this facility with a principal amount totaling $ 1,981,363. Total interest accrued through December 31, 2007 was $93,303.

United Western Bank Senior Credit Facility

On May 7, 2007, we entered into a $25 million senior credit facility with United Western Bank. This commitment permits us to fund construction notes for build-to-suit real estate projects for national and regional chain retailers. The financing is facilitated through a series of promissory notes. Each note is issued for individual projects under the facility and must be underwritten and approved by United Western Bank and has a term of 12 months with one (1) allowable extension not to exceed 6 months subject to approval. Interest is funded from an interest reserve established with each construction loan. The interest rate on each note is equal to Prime rate minus 50 basis points Each note under the facility is for an amount, as determined by United Western Bank, not to exceed the lesser of 75% of the appraised value of the real property under the approved appraisal for the project or 75% of the project costs. Principal on each note is due at maturity, with no prepayment penalty. United Western Bank retains a First Deed of Trust on each property financed.

As of December 31, 2007, we had three outstanding notes under this facility with a principal amount totaling $ 3,571,621. Total interest accrued through December 31, 2007 was $70,110.

As of December 31, 2007 our total outstanding principal and interest due on all outstanding notes payable and our annual schedule of repayment is as follows:

	Vectra	United Western	Total
Principal	$ 1,981,363	$ 3,571,621	$ 5,552,984
Accrued interest	93,303	70,110	163,413
	$ 2,074,665	$ 3,641,731	$ 5,716,397

(13) Capital Lease Obligations

The Company entered into a capital equipment lease on October 4, 2005. The lease commenced on October 4, 2005 and expires September 26, 2010. The lease payment is $231 per month.

The Company entered into a sublease agreement with Matrix Tower Holdings, LLC on October 28, 2006. As part of the agreement, the Company has agreed to pay $500 per month for the use of the existing furniture at the premise. On December 1, 2007 AARD purchased the furniture for $10.

The future minimum lease payments under the leases are as follows:

2008	$ 2,772
2009	2,772
2010	2,079
	$ 7,623
less imputed interest	106
	$ 7,517

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Assets held under capital leases are recorded at the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease.

(14) Spin Off of Subsidiaries

On January 10, 2007, the Company s directors approved, subject to the effectiveness of a registration with the Securities and Exchange Commission, a spin-off to Company shareholders of record as of March 1, 2007 (the Record Date), on a pro rata basis, with one share each of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. to be issued for each ten shares issued and outstanding of Company common stock or common stock upon conversion of Company preferred stock owned by such shareholders as of the Record Date. The registration statements of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. became effective on February 21, 2007 and March 19, 2007, respectively. The new shares of Across America Real Estate Exchange, Inc. and Across America Financial Services, Inc. were distributed to Company shareholders on or about March 23, 2007.

(15) Impairment of Assets

We invest significantly in real estate assets. Accordingly, our policy on asset impairment is considered a critical accounting estimate. Management periodically evaluates the Company s property and equipment to determine whether events or changes in circumstances indicate that a possible impairment in the carrying values of the assets has occurred. As part of this evaluation, and in accordance with Statement of Financial Accounting Standard No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), the Company records the carrying value of the property at the lower of its carrying value or its estimated fair value, less estimated selling costs. The amount the Company will ultimately realize on these asset sales could differ from the amount recorded in the financial statements. The Company engages real estate brokers to assist in determining the estimated selling price or when external opinions are not available uses their own market knowledge. The estimated selling costs are based on the Company s experience with similar asset sales. The Company records an impairment charge and writes down an asset s carrying value if the carrying value exceeds the estimated selling price less costs to sell.

For the year ending December 31, 2007, we recorded a $ 40,868 recovery of an impairment loss on the final sale of the Hwy 278 & Hwy 170, LLC (Bluffton 278).

For the year ending December 31, 2007, we recorded a $3,046,196 impairment loss on various real estate assets, as detailed below.

Property	Impairment Amount	Status
119th & Ridgeview	$ 898,046	Sold
Bluffton 46	127,494	Available for sale
Bluffton 278	247,192	Sold
West Valley FED X Kinkos	442,925	Available for sale
American Fork	154,504	Available for sale
Cypress Sound	459,812	Available for sale
MLK Family Dollar	98,994	Available for sale
2245 Main Street	112,292	Sold
Goldenrod Family Dollar	116,799	Available for sale
Greeley Lot B	36,369	

		Available for sale
Esterra Mesa	351,769	Available for sale
	$ 3,046,196	

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(16) Selling, General and Administrative Expense

The Company s selling, general and administrative expense for the year ended December 31, 2007 was $3,393,436 compared to $1,881,383 for the year ended December 31, 2006. The major components of selling, general and administrative expense are as follows:

Expense Type	For the year ended December 2007	December 2006
Payroll	$ 1,881,440	$ 1,004,431
Professional fees	385,199	477,721
Other employee expense	203,945	108,836
Stock option compensation expense	126,637	20,372
Marketing	98,258	66,460
Depreciation	55,244	6,215
Bad Debt	258,601	0
Other	384,112	197,348
Total Selling, general and administrative	$ 3,393,436	$ 1,881,383

(17) Subsequent Event

Effective February 27, 2008, Ms. Ann L. Schmitt resigned from all offices at our Company, including her position as a director. Our Board of Directors has appointed a replacement, Mr. Peter Shepard as our new President and Chief Executive Officer. He has been appointed on an interim basis until a suitable successor is qualified and elected. Prior to this position, Mr. Shepard was the Chief Financial Officer of GDBA Investments, LLLP, our largest shareholder. Mr. Shepard s compensation package is currently being determined by our Board of Directors.

On March 27, 2008, we executed the Third Amendment to our Credit Agreement with Vectra Bank extending the expiration of our $10 million facility to May 31, 2009. While the terms and conditions were modified slightly from the original agreement, they are not materially different than the original agreement from 2005. Any construction issued prior to the expiration date of the Credit Agreement, will survive the expiration of the facility and will be subject to its individual term as outlined in the Credit Agreement.

ITEM 8. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

We did not have any disagreements on accounting and financial disclosures with our present accounting firm during the reporting period.

ITEM 8A. CONTROLS AND PROCEDURES.

Management s Annual Report on Internal Control over Financial Reporting

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the Exchange Act), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures and our internal control over financial reporting as of December 31, 2007, being the date of our most recently completed fiscal year end. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures and our internal control over financial reporting are effective to ensure, among other things, that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated, recorded, processed, communicated, and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission.

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of assets;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Changes in Internal Control over Financial Reporting

During our most recently completed fiscal year ended December 31, 2007, there were no changes that had a material effect on, or are reasonably likely to affect, our internal control over financial reporting.

ITEM 8B. OTHER INFORMATION.

Nothing to report.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Our Directors and Executive Officers, their ages and positions held with us as of March 27, 2008 are as follows:

NAME	AGE	POSITION HELD
Peter Shepard	38	President and Chief Executive Officer
James W Creamer III	43	Vice President, Treasurer and Chief Financial Officer
Terry W Thompson	50	Senior Vice President and Secretary
G. Brent Backman	67	Director
Eric Balzer	59	Director
Joseph C. Zimlich	48	Director

Our Directors will serve in such capacity until our next annual meeting of shareholders and until their successors have been elected and qualified. The officers serve at the discretion of our Directors. There are no family relationships among our officers and directors, nor are there any arrangements or understandings between any of our directors or officers or any other person pursuant to which any officer or director was or is to be selected as an officer or director.

Mr. Shepard was named interim President and Chief Executive Officer on February 27, 2008. Mr. Shepard is the former Chief Financial Officer of GDBA Investments, LLLP, a position he assumed in 2007. GDBA Investments, LLLP is one of our major shareholders. From 2005 to 2007, Mr. Shepard was Senior Vice President & CFO of Millennium Venture Group, a Denver-based, retail real estate development company.

From 2001 to 2005, he was employed by Constellation Real Technologies, a real estate-focused venture capital fund whose investors included fifteen of the largest REIT s and other institutional real estate owners. At Constellation Real Technologies, he assumed the role of Executive Director with overall responsibilities for the Fund. Earlier in his career, he was engaged in investing over $150 million in real estate debt and equity with GE Capital Real Estate, AMRESCO, and Boston Financial Group. Mr. Shepard has a Masters in Real Estate Development from MIT, a Juris Doctor from Cornell Law School, and a Bachelor of Arts from New York University.

Mr. Creamer has been Vice President, Treasurer and Chief Financial Officer since joining Across America Real Estate Corp. in July, 2005. He joined our Company from Vectra Bank Colorado, where he was a Vice President in Commercial Banking, focusing largely on commercial real estate lending. Prior to commercial banking Mr. Creamer was an Investment Banker for J.P. Turner & Co. where he worked from 2001 to 2004. He was an Equities Analyst at Global Capital Securities Corp from 1999 to 2001 where he served as Director of Research for the last year of his tenure. From 1992 to 1998 Mr. Creamer was a Vice President of Institutional Fixed Income Sales at Hanifen, Imhoff Inc. Mr. Creamer holds a finance degree from Arizona State University and is a CFA Charterholder.

Mr. Thompson joined Across America Real Estate in April, 2007 as Senior Vice President of Operations. Prior to joining us, Mr. Thompson was Vice President, Director of Management Services for Grubb & Ellis, where he oversaw all operations within the state of Texas. Prior to Grubb & Ellis, he was Managing Director with Kennedy-Wilson where he oversaw all aspects of operations and leasing programs. He has also held senior positions with Senterra Development, Horizon Group, and Famco Services, Inc. He has more than twenty years experience in the commercial real estate arena, and most recently He is a graduate of Letourneau University and member of IREM, BOMA, IFMA, and ICSC.

Mr. Backman joined our Board of Directors in March, 2006. Mr. Backman co-founded Advanced Energy Industries (NASDAQ: AEIS) in 1981 and had been Vice President of Advanced Energy and a Director since its incorporation until December, 1998 when he retired as an officer of the Company. He later retired from Advanced Energy s Board of Directors in 2003. Mr. Backman helped Advanced Energy differentiate itself by growing to in excess of $100 million in revenues without any outside capital until the Company went public in 1995. He helped lead the Company to $360 million in annual revenue with 1,498 employees and a market cap of $2.3 billion in the fiscal year 2000. Mr. Backman started his career at Hughes Aircraft Company, where he rose to the position of Business Manager of a $400 million research lab. He left Hughes Aircraft Company to help found Ion Tech, which was acquired by Veeco Instruments. Mr. Backman has a degree from California State University, Fullerton.

Mr. Balzer has been a Director of ours since our inception. He also has served as a member of the Board of Directors and Chairman of the Audit Committee of Ramtron International Corporation (NASDAQ: RMTR), which designs specialized semiconductor products, from September, 1998 to 2004. In 2004, he became its Chief Financial Officer. Mr. Balzer was Senior Vice-President of Operations at Advanced Energy Industries (NASDAQ: AEIS) from 1990 to 1999. Prior to joining Advanced Energy, Mr. Balzer was the Controller and, later, the Material and Manufacturing Manager of the Colorado Springs facility for International Business Machines (IBM). In addition to Advanced Energy, he has been a senior manager in one other successful start-up company, Colorado Manufacturing Technology, Inc., which was subsequently sold. His experience also includes financial oversight responsibilities for $1.5 Billion of cost plus construction programs with Shell Oil Company.

Mr. Zimlich has been a Director since October, 2006 and is the Chief Executive Officer Bohemian Companies, a group of family-owned real estate and private equity holdings. Bohemian Companies also manages a family office and the Bohemian Foundation, a family foundation. Mr. Zimlich served previously as a manager in mergers and acquisitions and as a specialist in the not-for-profit and banking industries for an international accounting firm. Mr. Zimlich has served at the director level for Fortune 500 companies in both the technology and food products industries. He has also served at the executive level for privately-held companies in the technology industry as well as for a number of start-up businesses. Mr. Zimlich has experience at the board of director level in a variety of industries, including: technology, semi-conductors, water filtration, banking, restaurant, and venture-capital funds. He is also currently active on several Boards including: (1) Colorado State University s Global Leadership Council, (2) First Western Trust Bank, (3) EnviroFit - a non-profit working to reduce the Asian brown cloud and (4) Solix Biofuels - founded to commercialize low-cost production of biodiesel from algae.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers, and persons who own more than 10% of a registered class of our outstanding equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of ours. Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on our review of the copies of such reports furnished to us and representations that no other reports were required during the fiscal year ended December 31, 2007, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were timely complied with except for Mr. Terry W. Thompson, who did not timely file for the fiscal year ended December 31, 2007 either his From 3 or Form 5 but has since filed both documents.

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ITEM 10. EXECUTIVE COMPENSATION

The following table discloses, for the years indicated, the compensation for our Chief Executive Officer and each executive officer that earned over $100,000 during the year ended December 31, 2007.

Name & Principal Position		Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Ann L. Schmitt (1)	2007	235,000	80,000						315,000
Chief Executive Officer	2006	91,733			235,820				327,553
James W. Creamer, III (2)	2007	120,000							120,000
Chief Financial Officer	2006	101,667			94,328				195,995
	2005	100,000	2,855						102,855
Terry W. Thompson (3)	2007	127,500			53,594				181,094
Senior VP Operations									

(1) Ms. Schmitt became our President and CEO on August 7, 2006 and receives a salary of $235,000 per year and is eligible for an annual bonus by our Board of Directors. On November 8, 2006, Ms Schmitt was granted options to purchase 250,000 shares of common stock at $1.65 per share. The options have a five year term and a vesting schedule of 25% per year over the next four years. In

addition as part of her employment agreement, Ms. Schmitt received an $80,000 bonus on March 30, 2007. Ms. Schmitt resigned on February 27, 2008

(2) Mr. Creamer, our Vice President, Treasurer and Chief Financial Officer receives a salary of $120,000 per year and is eligible for an annual bonus by our Board of Directors. On November 8, 2006, Mr. Creamer was granted options to purchase 100,000 shares of common stock at $1.65 per share. The options have a five year term and a vesting schedule of 25% per year over the next five years.

(3) Mr. Thompson our Senior Vice President of Operations, receives a salary of $170,000 per

year and is eligible for an annual bonus by our Board of Directors. At the time he joined the Company, Mr. Thompson was also granted options to purchase 40,000 shares of common stock at $1.90 per share. The options have a five year term and a vesting schedule of 25% per year over the next five years.

Effective February 27, 2008, Ms. Ann L. Schmitt resigned from all offices at our Company, including her position as a director. Our Board of Directors has appointed a replacement, Mr. Peter Shepard as our new President and Chief Executive Officer. He has been appointed on an interim basis until a suitable successor is qualified and elected. Prior to this position, Mr. Shepard was the Chief Financial Officer of GDBA Investments, LLLP, our largest shareholder. Mr. Shepard s compensation package is currently being determined by our Board of Directors.

We reimburse our executives for all necessary and customary business related expenses. We have no plans or agreements which provide health care, insurance or compensation on the event of termination of employment or change in our control.

Through December 31, 2007 we paid our non-management Directors $1,500 for each Board meeting and $250 for each Board conference call they attended. In addition, on March 6, 2007 each Director was granted options to purchase 5,000 shares of common stock at $2.75 per share. The options have a five year term and a vesting schedule of 25% per year over the next five years. We reimburse our Directors for any out-of-pocket expenses incurred by them in connection with our business. Our other officer and directors have agreed to allocate a portion of their time to our activities, without compensation. These officers and directors anticipate that our business plan can be implemented by their collectively devoting approximately twenty hours per month to our business affairs. Consequently, conflicts of interest may arise with respect to the limited time commitment of such directors. These officers will use their best judgments to resolve all such conflicts.

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Total compensation paid to our directors during 2007 was:
DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
G. Brent Backman	8,000		9,690				17,690
Eric Balzer	6,500		9,690				16,190
Joseph Zimlich	8,000		9,690				17,690

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following sets forth the number of shares of our $.0.001 par value common stock beneficially owned by (i) each person who, as of December 31, 2007, was known by us to own beneficially more than five percent (5%) of our common stock; (ii) our individual Directors and (iii) our Officers and Directors as a group. A total of 16,036,625 common shares were issued and outstanding as of December 31, 2007.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership (1)(2)**	**Percent of Class**
G. Brent Backman (3) 700 Seventeenth Street, Suite 1200 Denver, Colorado 80202	10,781,435	67.2%
BOCO Investments, LLC (4) 103 West Mountain Ave. Fort Collins, Colorado, 80524	-0-	
Sarmat, LLC (5) 103 West Mountain Ave. Fort Collins, Colorado, 80524	3,291,500	20.5%
Ann L. Schmitt (6) 700 Seventeenth Street, Suite 1200 Denver, Colorado 80202	64,110	0.4%
James W Creamer III (7) 700 Seventeenth Street, Suite 1200 Denver, Colorado 80202	50,800	0.3%
Joseph Zimlich (8) 103 West Mountain Ave. Fort Collins, Colorado, 80524	56,550	0.4%
	225,000	1.4%

Eric Balzer (9) 700 Seventeenth Street, Suite 1200 Denver, Colorado 80202		
Terry Thompson (10) 700 Seventeenth Street, Suite 1200 Denver, Colorado 80202	-0-	0.0%
All Officers and Directors As a Group (six persons)	11,177,895	70%

(1) All ownership is beneficial and of record, unless indicated otherwise.

(2) Beneficial owners listed above have sole voting and investment power with respect to the shares shown, unless otherwise indicated.

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(3) A total 10,781,435 shares are owned of record by GDBA Investments, LLLP, which is controlled by Mr. Backman. A total of 10,000 shares are owned in the name of adult children of the Mr. Backman, for which GDBA and Mr. Backman disclaim beneficial ownership. A total of 29,450 shares are owned in the name of AARD Share Acquisition, LLC., of which GDBA is a member. A total of 80,000 shares are owned in the name of AARD Share Acquisition, LLC., of which the adult children of Mr. Backman are members and for which GDBA and Mr. Backman disclaim any beneficial ownership.

(4)

On September 28, 2006, GDBA Investments, LLLP and BOCO Investments, LLC each acquired 250,000 shares of Series A Convertible Preferred Stock. Each share of Series A Convertible Preferred Stock is the equivalent of four common shares for conversion purposes. As a result, GDBA Investments, LLLP and BOCO Investments, LLC could each receive an additional 1,000,000 common shares in us upon conversion of the Series A Convertible Preferred Stock, in addition to any ownership of common shares. These additional shares are not reflected in the total number of common shares owned by each entity in us in the chart.

(5)

A total of 2,090,000 of these shares are owned of record. A total of 1,201,000 shares are owned in the name of family members of the affiliate of this entity.

(6) The shares are owned in the name of AARD Share Acquisition, LLC., of which Ms. Schmitt is a member. In addition, Ms. Schmitt has an option to acquire 250,000 shares at a price of $1.65 per share. A total of 25% of the total option vests each year.

(7) The shares are owned in the name of AARD Share Acquisition, LLC., of which Mr. Creamer is a member. In addition, Mr. Creamer has an option to acquire 100,000 shares at a price of $1.65 per share. A total of 25% of the total option vests each year.

(8) The shares are owned in the name of AARD Share Acquisition, LLC., of which Mr. Zimlich is a member. In addition, Mr. Zimlich owns 17,000 shares of Series A Convertible Preferred Stock. Each share of Series A Convertible Preferred Stock is the equivalent of four common shares for conversion purposes. As a result, Mr. Zimlich could each receive an additional 68,000 common shares in us upon conversion of the Series A Convertible Preferred Stock, in addition to any ownership of common shares. These additional shares are not reflected in the total number of common shares owned by each entity in us in the chart. Mr. Zimlich is affiliated with BOCO Investments,

LLC. and serves as its representative to our Board.

(9) A total of 150,000 shares are owned in the name of an affiliated entity. A total of 75,000 shares are owned in the name of Mr. Balzer s son. A total of 15,000 shares are owned in the name of AARD Share Acquisition, LLC., of which Mr. Balzer is a member.

(10) Mr. Thompson has an option to acquire 40,000 shares at a price of $1.90 per share. A total of 25% of the option vests each year.

None of the minority members of our subsidiaries own five percent or more of us.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

GDBA Investments, LLLP

On November 26, 2004, we entered into a three-year Agreement to Fund our real estate projects with GDBA Investments, LLLP (GDBA), our largest shareholder. On September 28, 2006, GDBA Investments replaced the Agreement to Fund with a new investment structure that included 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share, a $3.5 million Senior Subordinated Note and a $3.5 million Senior Subordinated Revolving Note. This Agreement to Fund is no longer in effect.

The Series A Convertible Preferred Stock issued under these transactions pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price. Each share of Series A Convertible Preferred Stock is convertible, at the option of the holder, at any time after the issuance of such shares.

In the event the Company issues or sells additional shares of common stock for consideration less than the Series A conversion price in effect on the date of such issuance or sale (currently $3.00 per share), then the Series A conversion price will be reduced to a price equal to the consideration per share paid for such additional shares of common stock.

At any time following the one-year anniversary of the Series A original issuance date (September 28, 2006), the Company may cause the conversion of all, but not less than all, of the Series A Preferred Stock. However, the Company may not complete the mandatory conversion unless a registration statement under the Securities Act of 1933 is effective, registering for resale the shares of common stock to be issued upon conversion of the Series A Preferred Stock.

The Senior Subordinated Note and the Senior Subordinated Revolving Note both mature on September 28, 2009 and carry a floating interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which resets and is payable quarterly. Both the Senior Subordinated Notes and the Senior Subordinated Revolving Notes are subordinated to our Senior Credit Facilities.

On September 28, 2006, the Company recognized $5,050,000 in revenue through a related party sale of its Riverdale and Stonegate properties to Aquatique Industries, Inc., a company controlled by GDBA.

On April 14, 2007 we completed an additional funding with GDBA Investments consisting of $3 million in Subordinated Revolving Notes. The Notes also carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which is payable and resets quarterly. The notes had a maturity date of December 31, 2007; however, on December 18, 2007 GDBA agreed to extend the maturity date to June 30, 2008.

On December 31, 2007, we owed dividends of $37,808 and interest of $274,488 due to GDBA Investments, LLLP.

BOCO Investments, LLC

On September 28, 2006, we completed a $10 million private placement with BOCO Investments, LLC consisting of 250,000 shares of Series A Convertible Preferred Stock at $12.00 per share and $7 million in Senior Subordinated Debt, $3.5 million of which was drawn at closing and $3.5 million of which has a revolving feature and can be drawn as needed. Additionally Mr. Joseph Zimlich, BOCO Investments, LLC s Chief Executive Officer, purchased 17,000 shares of Series A Convertible Preferred Stock at $12.00 per share in his own name.

The Series A Convertible Preferred Stock issued under these transactions pays a 5% annual dividend on the Original Issue Price of $12.00, payable quarterly and is convertible to common stock at a $3.00 conversion price. Each share of Series A Convertible Preferred Stock is convertible, at the option of the holder, at any time after the issuance of such shares.

In the event the Company issues or sells additional shares of common stock for consideration less than the Series A conversion price in effect on the date of such issuance or sale (currently $3.00 per share), then the Series A conversion price will be reduced to a price equal to the consideration per share paid for such additional shares of common stock.

At any time following the one-year anniversary of the Series A original issuance date (September 28, 2006), the Company may cause the conversion of all, but not less than all, of the Series A Preferred Stock. However, the Company may not complete the mandatory conversion unless a registration statement under the Securities Act of 1933 is effective, registering for resale the shares of common stock to be issued upon conversion of the Series A Preferred Stock.

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The Senior Subordinated Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. The Revolving Notes mature on September 28, 2009 and carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. Both the Senior Subordinated Notes and the Senior Subordinated Revolving Notes are subordinated to our Senior Credit Facilities.

On April 14, 2007 we completed an additional funding with BOCO Investments consisting of $3 million in Subordinated Revolving Notes. The Notes also carry an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points, which is payable and resets quarterly. The notes had a maturity date of December 31, 2007; however, on December 18, 2007 BOCO agreed to extend the maturity date to June 30, 2008.

On October 25, 2007 we obtained a temporary line of credit from BOCO Investments to fund up to $3,000,000 on a revolving basis for a ninety day period. The temporary line helped facilitate the timing of the origination and completion of our fourth quarter projects. The line carried an interest rate equal to the higher of 11% or the 90 day average of the 10 year U.S. Treasury Note plus 650 basis points. We utilized $1,150,000 from this line which was repaid by the January 23, 2008 maturity.

On December 31, 2007, we owed dividends of $37,808 and interest of $291,244 to BOCO Investments and dividends of $2,571 to Mr. Zimlich.

Largely due to the impairment charges we recognized in the second and fourth quarters of 2007, which totaled $3,046,196, we became subject to an Event of Default provision under our Senior Subordinate Notes and Revolving Notes. This Event of Default provision was triggered when we recognized a net loss under GAAP of greater than $1,000,000 in any calendar quarter, which we did in both the second and fourth quarters of 2007. Each of these Events of Default provisions have been waived by GDBA Investments, LLLP and BOCO Investments, LLC.

Effective February 27, 2008, Ms. Ann L. Schmitt resigned from all offices at our Company, including her position as a director. Our Board of Directors has appointed a replacement, Mr. Peter Shepard as our new President and Chief Executive Officer. He has been appointed on an interim basis until a suitable successor is qualified and elected. Prior to this position, Mr. Shepard was the Chief Financial Officer of GDBA Investments, LLLP, our largest shareholder. Mr. Shepard s compensation package is currently being determined by our Board of Directors.

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ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.

The following financial information is filed as part of this report:

(a) (1) **FINANCIAL STATEMENTS**

(2) **SCHEDULES**

(3) **EXHIBITS.** The following exhibits required by Item 601 to be filed herewith are incorporated by reference to previously filed documents:

Exhibit Number	Description
3.1*	Articles of Incorporation
3.2*	Bylaws
3.3*	Articles of Amendment to Articles of Incorporation
10.26	Amendment to Subordinated Note, GDBA, Dated March 25, 2008
10.27	Amendment to Revolving Note, GDBA, Dated March 25, 2008
10.28	Amendment to Subordinated Note, BOCO, Dated March 25, 2008
10.29	Amendment to Revolving Note, BOCO, Dated March 25, 2008
21	List of Subsidiaries.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Previously filed

(b) Reports on Form 8-K.

We filed three reports on Form 8-K during the fourth quarter of the fiscal year ended December 31, 2007. The reports were filed on 10/11/2007; 10/31/2007; and 12/27/2007.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent auditor, Cordovano and Honeck, P.C., Certified Public Accountants, billed an aggregate of $67,415 for the year ended December 31, 2007 and an aggregate of $51,497 for the year ended December 31, 2006 for professional services rendered for the audit of the Company s annual financial statements and review of the financial statements included in its quarterly reports.

Our audit committee of the board of directors evaluates the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services.

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SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	ACROSS AMERICA REAL ESTATE CORP.
Dated: MARCH 28, 2008	By: /s/ Peter Shepard Peter Shepard President, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Dated: MARCH 28, 2008	By: /s/ James W Creamer III James W Creamer III Treasurer, Chief Financial Officer
Dated: MARCH 28, 2008	By: /s/ Eric Balzer Eric Balzer Director
Dated: MARCH 28, 2008	By: /s/ G. Brent Backman G. Brent Backman Director
Dated: MARCH 28, 2008	By: /s/ Joseph Zimlich Joseph Zimlich Director

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