



SPAETH AND COMPANY, INC.
ACCOUNTING AND TAX SERVICES

POST OFFICE BOX 3717, 194 MESA DRIVE
EAGLE, COLORADO 81631
970-328-2593, 970-328-1995 FAX
www.spaethandco.com

October 29, 2013

Sunridge at Avon II
P.O. Box 2621
Avon, CO 81620

Re: Financial Statements
For the Twelve Months Ended September 30, 2013

Dear Board of Directors:

I am enclosing your balance sheet, profit & loss, comparatives, monthly check report, a/r aging and general ledger detail for the period indicated above. The enclosed financial statements were prepared from your books and records without audit.

As of 9/30/13, the year-to-date net loss totaled \$51,884.08. Comparatively, the year-to-date net profit as of 9/30/12 was \$8,934.70. This is a negative difference of \$60,818.78. The difference is largely the result of increases in management fees, administrative, general repairs & maintenance, snow removal, trash removal, water & sewer, dryer vent (biennial), parking lot, irrigation, landscaping, plumbing and painting. There was also a significant decrease to finance charge and late fee income. These negative differences were partially offset by a significant decrease in electric, plumbing reconstruction, roof and bad debt expenses. Each year, the association budgets to have zero profit or loss.

Please contact me if you have any questions about the enclosed statements.

Sincerely yours,

Christine A. Spaeth, EA
Enrolled Agent

Enclosures

SUNRIDGE AT AVON II

Balance Sheet

As of September 30, 2013

	Sep 30, 13
ASSETS	
Current Assets	
Checking/Savings	
101 · Cash In Bank - Checking	
101.1 · Cash In ANB - Checking - 886	24,367.98
101.2 · Cash in US Bank - Checking ...	305.19
Total 101 · Cash In Bank - Checking	24,673.17
102 · Cash In Bank - Savings	
102.1 · Cash In ANB - Op. Savings - ...	73,475.33
Total 102 · Cash In Bank - Savings	73,475.33
103 · Cash In Bank - Reserves	
103.6 · Cash In ANB - Reserves - 683	201,525.97
103.8 · Cash in US Bank - MM Sav 5...	92,197.40
103.9 · Cash in Alpine - Reserve	105,269.21
Total 103 · Cash In Bank - Reserves	398,992.58
Total Checking/Savings	497,141.08
Accounts Receivable	
110 · Accounts Receivable	36,528.83
Total Accounts Receivable	36,528.83
Other Current Assets	
125 · A/R - Owner Reimbursables	
125.2 · Accounting - Bill To Owner	15.50
Total 125 · A/R - Owner Reimbursables	15.50
130 · Prepaid Insurance	4,655.04
131 · Prepaid Fire Alarm Monitoring	280.00
132 · Prepaid Income Tax	487.47
133 · Prepaid Expenses	18.59
Total Other Current Assets	5,456.60
Total Current Assets	539,126.51
Fixed Assets	
151 · Property and Equipment	4,012.39
155 · Accumulated Depreciation	(4,012.39)
Total Fixed Assets	0.00
TOTAL ASSETS	539,126.51
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	35,157.69
Total Accounts Payable	35,157.69
Other Current Liabilities	
203 · Unearned Assessments	19,102.64
Total Other Current Liabilities	19,102.64
Total Current Liabilities	54,260.33
Total Liabilities	54,260.33
Equity	
301 · Operating Equity Fund	116,218.45
302 · Improvement Fund Balance	378,118.45
303 · Improvement Fund Increases	58,623.00
304 · Improvement Fund Expenditures	(16,209.64)
Net Income	(51,884.08)
Total Equity	484,866.18
TOTAL LIABILITIES & EQUITY	539,126.51

SUNRIDGE AT AVON II
Balance Sheet - Comparative
As of September 30, 2013

	Sep 30, 13	Sep 30, 12	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
101 · Cash In Bank - Checking	24,673.17	14,311.86	10,361.31
102 · Cash In Bank - Savings	73,475.33	124,202.26	(50,726.93)
103 · Cash In Bank - Reserves	398,992.58	348,621.48	50,371.10
Total Checking/Savings	497,141.08	487,135.60	10,005.48
Accounts Receivable			
110 · Accounts Receivable	36,528.83	41,158.83	(4,630.00)
Total Accounts Receivable	36,528.83	41,158.83	(4,630.00)
Other Current Assets			
125 · A/R - Owner Reimbursables	15.50	181.00	(165.50)
130 · Prepaid Insurance	4,655.04	4,508.45	146.59
131 · Prepaid Fire Alarm Monitoring	280.00	280.00	0.00
132 · Prepaid Income Tax	487.47	487.47	0.00
133 · Prepaid Expenses	18.59	88.61	(70.02)
Total Other Current Assets	5,456.60	5,545.53	(88.93)
Total Current Assets	539,126.51	533,839.96	5,286.55
Fixed Assets			
151 · Property and Equipment	4,012.39	4,012.39	0.00
155 · Accumulated Depreciation	(4,012.39)	(4,012.39)	0.00
Total Fixed Assets	0.00	0.00	0.00
TOTAL ASSETS	539,126.51	533,839.96	5,286.55
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200 · Accounts Payable	35,157.69	21,704.55	13,453.14
Total Accounts Payable	35,157.69	21,704.55	13,453.14
Other Current Liabilities			
203 · Unearned Assessments	19,102.64	17,798.51	1,304.13
Total Other Current Liabilities	19,102.64	17,798.51	1,304.13
Total Current Liabilities	54,260.33	39,503.06	14,757.27
Total Liabilities	54,260.33	39,503.06	14,757.27
Equity			
301 · Operating Equity Fund	116,218.45	116,218.45	0.00
302 · Improvement Fund Balance	378,118.45	363,995.75	14,122.70
303 · Improvement Fund Increases	58,623.00	58,623.00	0.00
304 · Improvement Fund Expenditures	(16,209.64)	(53,435.00)	37,225.36
Net Income	(51,884.08)	8,934.70	(60,818.78)
Total Equity	484,866.18	494,336.90	(9,470.72)
TOTAL LIABILITIES & EQUITY	539,126.51	533,839.96	5,286.55

SUNRIDGE AT AVON II

Profit & Loss

September 2013

	Sep 13	Oct '12 - Sep 13	% of Income
Ordinary Income/Expense			
Income			
401 · Operating Assessments	43,966.93	527,603.16	88.9%
402 · Reserve Assessments	4,885.25	58,623.00	9.9%
403 · Finance Chgs. & Late Fees	540.73	2,077.47	1.1%
405 · Interest Income	56.09	845.52	0.1%
406 · Holy Cross Equity Refunds	0.00	740.42	0.0%
407 · Other Owner Income			
407.1 · Parking Pass Fees	0.00	2,400.00	0.0%
Total 407 · Other Owner Income	0.00	2,400.00	0.0%
Total Income	49,449.00	592,289.57	100.0%
Gross Profit	49,449.00	592,289.57	100.0%
Expense			
601 · Management Fees	4,583.33	54,529.56	9.3%
604 · Electric	390.04	5,020.60	0.8%
605 · Insurance Expense	3,103.36	35,601.36	6.3%
607 · Legal Fees	320.40	4,713.00	0.6%
608 · Accounting	1,329.17	16,505.34	2.7%
609 · Office & Administrative			
609.1 · Postage	3.42	827.65	0.0%
609.2 · Telephone	80.36	595.67	0.2%
609.3 · Fine Expenses	0.00	65.00	0.0%
609.4 · Website/Internet	4.64	145.79	0.0%
609 · Office & Administrative - Other	200.05	4,496.90	0.4%
Total 609 · Office & Administrative	288.47	6,131.01	0.6%
620 · Repair & Maint.-General			
620.1 · Pet Cleanup	373.59	1,609.21	0.8%
620 · Repair & Maint.-General - Ot...	1,455.85	17,846.15	2.9%
Total 620 · Repair & Maint.-General	1,829.44	19,455.36	3.7%
621 · Alarm Service - Phone	553.56	3,367.40	1.1%
622 · Alarm Service - Contract	979.50	6,939.50	2.0%
623 · Snow Removal			
623.1 · Snow Plowing	0.00	16,100.00	0.0%
623.2 · Snow Shoveling	0.00	4,235.00	0.0%
Total 623 · Snow Removal	0.00	20,335.00	0.0%
624 · Trash Removal	3,014.86	36,100.41	6.1%
625 · Water & Sewer	13,678.73	181,613.12	27.7%
628 · Security	0.00	320.00	0.0%
629 · Chimney Sweep & Dryer Vent	0.00	6,208.33	0.0%
630 · Parking Lot & Sidewalks			
610 · Towing	450.00	450.00	0.9%
630.1 · Asphalt & Concrete Repair	30,868.70	30,868.70	62.4%
630 · Parking Lot & Sidewalks - Ot...	485.00	485.00	1.0%
Total 630 · Parking Lot & Sidewalks	31,803.70	31,803.70	64.3%
632 · Lawn Sprinkler Repairs	746.75	7,657.25	1.5%
633 · Mowing & Trim Contract	2,600.00	14,300.00	5.3%
634 · Landscaping - Other	3,775.22	13,572.23	7.6%
635 · Flowers & Plants	0.00	207.50	0.0%
636 · Light Repair & Replace	0.00	4,011.68	0.0%
637 · Plumbing & Auguring	1,474.00	35,907.49	3.0%
637a · Reconstruction-Plumbing Issu...	0.00	5,510.51	0.0%
640 · Pest Control	1,313.64	33,146.67	2.7%
642 · Special Projects			
Gutters	0.00	7,823.50	0.0%
Trash Enclosures	0.00	52.50	0.0%
643 · Painting Expense	0.00	84.90	0.0%
Total 642 · Special Projects	0.00	7,960.90	0.0%
652 · Janitorial	2,183.97	25,729.33	4.4%
653 · Painting Expense	9,156.54	10,474.18	18.5%
Total Expense	83,124.68	587,121.43	168.1%
Net Ordinary Income	(33,675.68)	5,168.14	(68.1%)

SUNRIDGE AT AVON II

Profit & Loss

September 2013

	<u>Sep 13</u>	<u>Oct '12 - Sep 13</u>	<u>% of Income</u>
Other Income/Expense			
Other Expense			
631 · Transfer/Allocation to Reserve	4,885.25	58,623.00	9.9%
649 · Bad Debt Expense	0.00	(1,570.78)	0.0%
Total Other Expense	<u>4,885.25</u>	<u>57,052.22</u>	<u>9.9%</u>
Net Other Income	<u>(4,885.25)</u>	<u>(57,052.22)</u>	<u>(9.9)%</u>
Net Income	<u>(38,560.93)</u>	<u>(51,884.08)</u>	<u>(78.0)%</u>

SUNRIDGE AT AVON II
Comparison To Budget - Year To Date
October 2012 through September 2013

	Oct '12 - Sep 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
401 · Operating Assessments	527,603.16	527,603.16	0.00
402 · Reserve Assessments	58,623.00	58,623.00	0.00
403 · Finance Chgs. & Late Fees	2,077.47	6,000.00	(3,922.53)
405 · Interest Income	845.52	3,500.00	(2,654.48)
406 · Holy Cross Equity Refunds	740.42	700.00	40.42
407 · Other Owner Income	2,400.00	500.00	1,900.00
Total Income	592,289.57	596,926.16	(4,636.59)
Gross Profit	592,289.57	596,926.16	(4,636.59)
Expense			
601 · Management Fees	54,529.56	45,000.00	9,529.56
604 · Electric	5,020.60	7,000.00	(1,979.40)
605 · Insurance Expense	35,601.36	35,000.00	601.36
606 · Interest Expense	0.00	45.00	(45.00)
607 · Legal Fees	4,713.00	2,000.00	2,713.00
608 · Accounting	16,505.34	16,400.00	105.34
609 · Office & Administrative	6,131.01	2,500.00	3,631.01
620 · Repair & Maint.-General	19,455.36	16,000.16	3,455.20
621 · Alarm Service - Phone	3,367.40	3,500.00	(132.60)
622 · Alarm Service - Contract	6,939.50	4,000.00	2,939.50
623 · Snow Removal	20,335.00	40,000.00	(19,665.00)
624 · Trash Removal	36,100.41	40,000.00	(3,899.59)
625 · Water & Sewer	181,613.12	175,000.00	6,613.12
628 · Security	320.00	135.00	185.00
629 · Chimney Sweep & Dryer Vent	6,208.33	7,000.00	(791.67)
630 · Parking Lot & Sidewalks	31,803.70	1,000.00	30,803.70
632 · Lawn Sprinkler Repairs	7,657.25	2,500.00	5,157.25
633 · Mowing & Trim Contract	14,300.00	17,000.00	(2,700.00)
634 · Landscaping - Other	13,572.23	1,000.00	12,572.23
635 · Flowers & Plants	207.50	0.00	207.50
636 · Light Repair & Replace	4,011.68	500.00	3,511.68
637 · Plumbing & Auguring	35,907.49	25,000.00	10,907.49
637a · Reconstruction-Plumbing Issues	5,510.51	25,000.00	(19,489.49)
640 · Pest Control	33,146.67	30,000.00	3,146.67
642 · Special Projects	7,960.90	14,723.00	(6,762.10)
652 · Janitorial	25,729.33	28,000.00	(2,270.67)
653 · Painting Expense	10,474.18	0.00	10,474.18
Total Expense	587,121.43	538,303.16	48,818.27
Net Ordinary Income	5,168.14	58,623.00	(53,454.86)
Other Income/Expense			
Other Expense			
631 · Transfer/Allocation to Reserve	58,623.00	58,623.00	0.00
649 · Bad Debt Expense	(1,570.78)	0.00	(1,570.78)
Total Other Expense	57,052.22	58,623.00	(1,570.78)
Net Other Income	(57,052.22)	(58,623.00)	1,570.78
Net Income	(51,884.08)	0.00	(51,884.08)

SUNRIDGE AT AVON II
Comparison To Last Year - Year To Date
October 2012 through September 2013

	<u>Oct '12 - Sep 13</u>	<u>Oct '11 - Sep 12</u>	<u>\$ Change</u>
Ordinary Income/Expense			
Income			
401 · Operating Assessments	527,603.16	527,741.00	(137.84)
402 · Reserve Assessments	58,623.00	58,623.00	0.00
403 · Finance Chgs. & Late Fees	2,077.47	5,720.71	(3,643.24)
405 · Interest Income	845.52	1,151.37	(305.85)
406 · Holy Cross Equity Refunds	740.42	541.05	199.37
407 · Other Owner Income	2,400.00	3,900.00	(1,500.00)
Total Income	<u>592,289.57</u>	<u>597,677.13</u>	<u>(5,387.56)</u>
Gross Profit	592,289.57	597,677.13	(5,387.56)
Expense			
601 · Management Fees	54,529.56	45,000.00	9,529.56
604 · Electric	5,020.60	7,344.20	(2,323.60)
605 · Insurance Expense	35,601.36	31,633.41	3,967.95
607 · Legal Fees	4,713.00	3,245.03	1,467.97
608 · Accounting	16,505.34	15,691.00	814.34
609 · Office & Administrative	6,131.01	1,509.05	4,621.96
620 · Repair & Maint.-General	19,455.36	6,041.20	13,414.16
621 · Alarm Service - Phone	3,367.40	2,630.90	736.50
622 · Alarm Service - Contract	6,939.50	6,782.05	157.45
623 · Snow Removal	20,335.00	16,100.00	4,235.00
624 · Trash Removal	36,100.41	30,986.63	5,113.78
625 · Water & Sewer	181,613.12	176,995.02	4,618.10
628 · Security	320.00	10.85	309.15
629 · Chimney Sweep & Dryer Vent	6,208.33	336.53	5,871.80
630 · Parking Lot & Sidewalks	31,803.70	760.95	31,042.75
632 · Lawn Sprinkler Repairs	7,657.25	3,319.50	4,337.75
633 · Mowing & Trim Contract	14,300.00	12,350.00	1,950.00
634 · Landscaping - Other	13,572.23	8,734.85	4,837.38
635 · Flowers & Plants	207.50	0.00	207.50
636 · Light Repair & Replace	4,011.68	3,243.85	767.83
637 · Plumbing & Auguring	35,907.49	30,881.25	5,026.24
637a · Reconstruction-Plumbing Issues	5,510.51	39,635.41	(34,124.90)
638 · Roof Expense	0.00	2,323.91	(2,323.91)
640 · Pest Control	33,146.67	29,295.00	3,851.67
642 · Special Projects	7,960.90	4,493.05	3,467.85
652 · Janitorial	25,729.33	26,960.00	(1,230.67)
653 · Painting Expense	10,474.18	0.00	10,474.18
Total Expense	<u>587,121.43</u>	<u>506,303.64</u>	<u>80,817.79</u>
Net Ordinary Income	5,168.14	91,373.49	(86,205.35)
Other Income/Expense			
Other Expense			
631 · Transfer/Allocation to Reserve	58,623.00	58,623.00	0.00
649 · Bad Debt Expense	(1,570.78)	23,815.79	(25,386.57)
Total Other Expense	<u>57,052.22</u>	<u>82,438.79</u>	<u>(25,386.57)</u>
Net Other Income	<u>(57,052.22)</u>	<u>(82,438.79)</u>	<u>25,386.57</u>
Net Income	<u>(51,884.08)</u>	<u>8,934.70</u>	<u>(60,818.78)</u>

SUNRIDGE AT AVON II
CHECKS WRITTEN THIS MONTH
September 2013

Date	Num	Name	Memo	Amount
101 - Cash In Bank - Checking				
101.1 - Cash In ANB - Checking - 886				
9/2/2013	Draft 0713	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-83.79
9/2/2013	Draft 0730	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-83.79
9/2/2013	Draft 0741	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.94
9/2/2013	Draft 0760	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.94
9/5/2013	9823	Avon Property Management, ...		-4,847.78
9/5/2013	9824	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-83.01
9/5/2013	9825	D and A Cleaning, LLC	Trash pick- up 8/19-8/30 plus Dog station labor/materi...	-1,261.99
9/5/2013	9826	Eric's Plumbing & Heating Inc.		-557.00
9/5/2013	9827	Garfield & Hecht, P.C.	Prep of Restrictive Covenant/Gas line for owners	-940.20
9/5/2013	9828	Land Title - Vail	VLD50036855 - M102 Archuleta	-511.00
9/5/2013	9829	Merritt Services		-3,070.52
9/5/2013	9830	Shearon Electric, LLC		-550.55
9/5/2013	9831	Spaeth and Company, Inc.	August	-1,587.31
9/5/2013	9832	Terminix (Inc.)		-1,075.00
9/5/2013	Auto-pay	Mountain Roll Offs, Inc		-1,020.00
9/11/2013	Draft 0469	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-89.54
9/11/2013	Draft 1897	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-90.24
9/11/2013	9833	JD Improvements Inc.	Repaired wood in breezeways; paint and replace trim ...	-974.68
9/20/2013	9834	Aaron Burwell	9/16-9/18 20hrs@\$25/hr	-500.00
9/20/2013	9835	Avon Property Management, ...	Reimbursements - Receipts provided	-1,481.28
9/20/2013	9836	D and A Cleaning, LLC	Trash pick- up 9/2-9/13	-980.00
9/20/2013	9837	Eagle River Water	7/31-8/29	-19,424.31
9/20/2013	9838	Eric's Plumbing & Heating Inc.		-497.00
9/20/2013	9839	JD Improvements Inc.	Built fence beside dumpster enclosure	-275.77
9/20/2013	9840	George Trujillo	9/19,9/20 - 7hrs@\$25/hr	-175.00
9/20/2013	9841	Merritt Services		-3,197.62
9/20/2013	9842	Terminix (Inc.)		-650.00
9/20/2013	9843	Property Imaging, LLC	Seal coat and crack seal services	-30,868.70
9/24/2013	Draft 7058	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-98.90
9/24/2013	Draft 7063	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-45.93
9/24/2013	Draft 7207	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-98.17
Total 101.1 - Cash In ANB - Checking - 886				-75,164.96
Total 101 - Cash In Bank - Checking				-75,164.96
TOTAL				-75,164.96