



SPAETH AND COMPANY, INC.
ACCOUNTING AND TAX SERVICES

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October 25, 2012

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

Re: Financial Statements
For the Twelve Months Ended September 30, 2012

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 9/30/12, the year-to-date net profit totaled \$8,934.70. Comparatively, the year-to-date net profit as of 9/30/11 was \$39,365.37. This is a negative difference of \$30,430.67. The difference is largely the result of increases in insurance, landscaping, lighting, plumbing, roof, pest control, janitorial and bad debt. Finance charge and late fee income have also decreased. These negative differences were partially offset by a significant decrease in general repair & maintenance, snow removal, trash removal, security, chimney sweep & dryer vent, and parking lot & sidewalk expense. Each year, the association budgets to have no 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, 2012

	Sep 30, 12
ASSETS	
Current Assets	
Checking/Savings	
101 · Cash In Bank - Checking	
101.1 · Cash In ANB - Checking - 886	14,006.67
101.2 · Cash in US Bank - Checking 7...	305.19
Total 101 · Cash In Bank - Checking	14,311.86
102 · Cash In Bank - Savings	
102.1 · Cash In ANB - Op. Savings - 6...	124,202.26
Total 102 · Cash In Bank - Savings	124,202.26
103 · Cash In Bank - Reserves	
103.6 · Cash In ANB - Reserves - 683	151,461.31
103.8 · Cash in US Bank - MM Sav 581	92,048.21
103.9 · Cash in Alpine - Reserve	105,111.96
Total 103 · Cash In Bank - Reserves	348,621.48
Total Checking/Savings	487,135.60
Accounts Receivable	
110 · Accounts Receivable	41,158.83
Total Accounts Receivable	41,158.83
Other Current Assets	
125 · A/R - Owner Reimbursables	
125.2 · Accounting - Bill To Owner	30.00
125 · A/R - Owner Reimbursables - Ot...	151.00
Total 125 · A/R - Owner Reimbursables	181.00
130 · Prepaid Insurance	4,508.45
131 · Prepaid Fire Alarm Monitoring	280.00
132 · Prepaid Income Tax	487.47
133 · Prepaid Expenses	88.61
Total Other Current Assets	5,545.53
Total Current Assets	533,839.96
Fixed Assets	
151 · Property and Equipment	4,012.39
155 · Accumulated Depreciation	(4,012.39)
Total Fixed Assets	0.00
TOTAL ASSETS	533,839.96
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	21,704.55
Total Accounts Payable	21,704.55
Other Current Liabilities	
203 · Unearned Assessments	17,798.51
Total Other Current Liabilities	17,798.51
Total Current Liabilities	39,503.06
Total Liabilities	39,503.06
Equity	
301 · Operating Equity Fund	116,218.45
302 · Improvement Fund Balance	363,995.75
303 · Improvement Fund Increases	58,623.00
304 · Improvement Fund Expenditures	(53,435.00)
Net Income	8,934.70
Total Equity	494,336.90
TOTAL LIABILITIES & EQUITY	533,839.96

SUNRIDGE AT AVON II
Balance Sheet - Comparative
As of September 30, 2012

	Sep 30, 12	Sep 30, 11	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
101 · Cash In Bank - Checking	14,311.86	9,304.48	5,007.38
102 · Cash In Bank - Savings	124,202.26	134,097.92	(9,895.66)
103 · Cash In Bank - Reserves	348,621.48	311,563.01	37,058.47
Total Checking/Savings	487,135.60	454,965.41	32,170.19
Accounts Receivable			
110 · Accounts Receivable	41,158.83	62,970.17	(21,811.34)
Total Accounts Receivable	41,158.83	62,970.17	(21,811.34)
Other Current Assets			
125 · A/R - Owner Reimbursables	181.00	1,762.25	(1,581.25)
130 · Prepaid Insurance	4,508.45	3,860.46	647.99
131 · Prepaid Fire Alarm Monitoring	280.00	280.00	0.00
132 · Prepaid Income Tax	487.47	487.47	0.00
133 · Prepaid Expenses	88.61	17.72	70.89
Total Other Current Assets	5,545.53	6,407.90	(862.37)
Total Current Assets	533,839.96	524,343.48	9,496.48
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	533,839.96	524,343.48	9,496.48
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200 · Accounts Payable	21,704.55	29,996.69	(8,292.14)
Total Accounts Payable	21,704.55	29,996.69	(8,292.14)
Other Current Liabilities			
203 · Unearned Assessments	17,798.51	14,132.59	3,665.92
Total Other Current Liabilities	17,798.51	14,132.59	3,665.92
Total Current Liabilities	39,503.06	44,129.28	(4,626.22)
Total Liabilities	39,503.06	44,129.28	(4,626.22)
Equity			
301 · Operating Equity Fund	116,218.45	78,407.92	37,810.53
302 · Improvement Fund Balance	363,995.75	303,440.90	60,554.85
303 · Improvement Fund Increases	58,623.00	59,000.01	(377.01)
304 · Improvement Fund Expenditures	(53,435.00)	0.00	(53,435.00)
Net Income	8,934.70	39,365.37	(30,430.67)
Total Equity	494,336.90	480,214.20	14,122.70
TOTAL LIABILITIES & EQUITY	533,839.96	524,343.48	9,496.48

SUNRIDGE AT AVON II

Profit & Loss

September 2012

	Sep 12	Oct '11 - Sep 12	% of Income
Ordinary Income/Expense			
Income			
401 · Operating Assessments	44,104.77	527,741.00	87.6%
402 · Reserve Assessments	4,885.25	58,623.00	9.7%
403 · Finance Chgs. & Late Fees	397.84	5,720.71	0.8%
405 · Interest Income	84.36	1,151.37	0.2%
406 · Holy Cross Equity Refunds	0.00	541.05	0.0%
407 · Other Owner Income			
407.1 · Parking Pass Fees	900.00	3,900.00	1.8%
Total 407 · Other Owner Income	900.00	3,900.00	1.8%
Total Income	50,372.22	597,677.13	100.0%
Gross Profit	50,372.22	597,677.13	100.0%
Expense			
601 · Management Fees	3,750.00	45,000.00	7.4%
604 · Electric	519.81	7,344.20	1.0%
605 · Insurance Expense	2,725.93	31,633.41	5.4%
607 · Legal Fees	0.00	3,245.03	0.0%
608 · Accounting	1,200.00	15,691.00	2.4%
609 · Office & Administrative			
609.1 · Postage	15.05	597.13	0.0%
609.2 · Telephone	0.06	0.26	0.0%
609 · Office & Administrative - Other	27.63	911.66	0.1%
Total 609 · Office & Administrative	42.74	1,509.05	0.1%
620 · Repair & Maint.-General			
620.1 · Pet Cleanup	0.00	550.04	0.0%
620 · Repair & Maint.-General - Other	52.02	5,491.16	0.1%
Total 620 · Repair & Maint.-General	52.02	6,041.20	0.1%
621 · Alarm Service - Phone	223.40	2,630.90	0.4%
622 · Alarm Service - Contract	360.00	6,782.05	0.7%
623 · Snow Removal			
623.1 · Snow Plowing	0.00	14,000.00	0.0%
623.2 · Snow Shoveling	0.00	2,100.00	0.0%
Total 623 · Snow Removal	0.00	16,100.00	0.0%
624 · Trash Removal	2,158.41	30,986.63	4.3%
625 · Water & Sewer	15,179.94	176,995.02	30.1%
628 · Security	0.00	10.85	0.0%
629 · Chimney Sweep & Dryer Vent	0.00	336.53	0.0%
630 · Parking Lot & Sidewalks			
630.1 · Asphalt & Concrete Repair	0.00	300.00	0.0%
630.2 · Ice Melt	0.00	460.95	0.0%
Total 630 · Parking Lot & Sidewalks	0.00	760.95	0.0%
632 · Lawn Sprinkler Repairs	0.00	3,319.50	0.0%
633 · Mowing & Trim Contract	2,600.00	12,350.00	5.2%
634 · Landscaping - Other	70.00	8,734.85	0.1%
636 · Light Repair & Replace	0.00	3,243.85	0.0%
637 · Plumbing & Auguring	930.00	30,881.25	1.8%
637a · Reconstruction-Plumbing Issues			
J102	0.00	385.00	0.0%
K203	0.00	345.68	0.0%
M103	0.00	8,774.94	0.0%
M104	0.00	2,044.18	0.0%
P101	0.00	20,881.17	0.0%
637a · Reconstruction-Plumbing Issues - O...	245.00	7,204.44	0.5%
Total 637a · Reconstruction-Plumbing Issues	245.00	39,635.41	0.5%
638 · Roof Expense	0.00	2,323.91	0.0%
640 · Pest Control	4,735.00	29,295.00	9.4%
642 · Special Projects			
Gutters	0.00	3,955.05	0.0%
Pack Block Asphalt	0.00	538.00	0.0%
Total 642 · Special Projects	0.00	4,493.05	0.0%

SUNRIDGE AT AVON II

Profit & Loss

September 2012

	Sep 12	Oct '11 - Sep 12	% of Income
652 · Janitorial	2,240.00	26,960.00	4.4%
Total Expense	37,032.25	506,303.64	73.5%
Net Ordinary Income	13,339.97	91,373.49	26.5%
Other Income/Expense			
Other Expense			
631 · Transfer/Allocation to Reserve	4,885.25	58,623.00	9.7%
649 · Bad Debt Expense	(242.67)	23,815.79	(0.5)%
Total Other Expense	4,642.58	82,438.79	9.2%
Net Other Income	(4,642.58)	(82,438.79)	(9.2)%
Net Income	8,697.39	8,934.70	17.3%

SUNRIDGE AT AVON II
Comparison To Budget - Year To Date
October 2011 through September 2012

	Oct '11 - Sep 12	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
401 · Operating Assessments	527,741.00	527,603.00	138.00
402 · Reserve Assessments	58,623.00	58,623.00	0.00
403 · Finance Chgs. & Late Fees	5,720.71	6,000.00	(279.29)
405 · Interest Income	1,151.37	3,500.00	(2,348.63)
406 · Holy Cross Equity Refunds	541.05	700.00	(158.95)
407 · Other Owner Income	3,900.00	500.00	3,400.00
Total Income	597,677.13	596,926.00	751.13
Gross Profit	597,677.13	596,926.00	751.13
Expense			
601 · Management Fees	45,000.00	45,000.00	0.00
604 · Electric	7,344.20	10,000.00	(2,655.80)
605 · Insurance Expense	31,633.41	31,000.00	633.41
606 · Interest Expense	0.00	45.00	(45.00)
607 · Legal Fees	3,245.03	2,000.00	1,245.03
608 · Accounting	15,691.00	16,400.00	(709.00)
609 · Office & Administrative	1,509.05	2,500.00	(990.95)
620 · Repair & Maint.-General	6,041.20	15,000.00	(8,958.80)
621 · Alarm Service - Phone	2,630.90	3,500.00	(869.10)
622 · Alarm Service - Contract	6,782.05	4,000.00	2,782.05
623 · Snow Removal	16,100.00	40,000.00	(23,900.00)
624 · Trash Removal	30,986.63	40,000.00	(9,013.37)
625 · Water & Sewer	176,995.02	189,723.00	(12,727.98)
626 · Income Tax Expense	0.00	1,000.00	(1,000.00)
628 · Security	10.85	135.00	(124.15)
629 · Chimney Sweep & Dryer Vent	336.53	7,000.00	(6,663.47)
630 · Parking Lot & Sidewalks	760.95	5,000.00	(4,239.05)
632 · Lawn Sprinkler Repairs	3,319.50	2,500.00	819.50
633 · Mowing & Trim Contract	12,350.00	17,000.00	(4,650.00)
634 · Landscaping - Other	8,734.85	5,000.00	3,734.85
636 · Light Repair & Replace	3,243.85	3,000.00	243.85
637 · Plumbing & Auguring	30,881.25	42,000.00	(11,118.75)
637a · Reconstruction-Plumbing Issues	39,635.41	0.00	39,635.41
638 · Roof Expense	2,323.91	0.00	2,323.91
640 · Pest Control	29,295.00	30,000.00	(705.00)
642 · Special Projects	4,493.05	6,500.00	(2,006.95)
652 · Janitorial	26,960.00	20,000.00	6,960.00
Total Expense	506,303.64	538,303.00	(31,999.36)
Net Ordinary Income	91,373.49	58,623.00	32,750.49
Other Income/Expense			
Other Expense			
631 · Transfer/Allocation to Reserve	58,623.00	58,623.00	0.00
649 · Bad Debt Expense	23,815.79	0.00	23,815.79
Total Other Expense	82,438.79	58,623.00	23,815.79
Net Other Income	(82,438.79)	(58,623.00)	(23,815.79)
Net Income	8,934.70	0.00	8,934.70

SUNRIDGE AT AVON II
Comparison To Last Year - Year To Date
October 2011 through September 2012

	Oct '11 - Sep 12	Oct '10 - Sep 11	\$ Change
Ordinary Income/Expense			
Income			
401 · Operating Assessments	527,741.00	527,226.15	514.85
402 · Reserve Assessments	58,623.00	59,000.01	(377.01)
403 · Finance Chgs. & Late Fees	5,720.71	15,060.03	(9,339.32)
405 · Interest Income	1,151.37	1,978.30	(826.93)
406 · Holy Cross Equity Refunds	541.05	513.71	27.34
407 · Other Owner Income	3,900.00	2,200.00	1,700.00
Total Income	597,677.13	605,978.20	(8,301.07)
Gross Profit	597,677.13	605,978.20	(8,301.07)
Expense			
601 · Management Fees	45,000.00	45,000.00	0.00
604 · Electric	7,344.20	8,556.75	(1,212.55)
605 · Insurance Expense	31,633.41	29,383.98	2,249.43
607 · Legal Fees	3,245.03	2,137.89	1,107.14
608 · Accounting	15,691.00	15,510.17	180.83
609 · Office & Administrative	1,509.05	1,279.94	229.11
620 · Repair & Maint.-General	6,041.20	10,224.63	(4,183.43)
621 · Alarm Service - Phone	2,630.90	2,591.95	38.95
622 · Alarm Service - Contract	6,782.05	7,784.50	(1,002.45)
623 · Snow Removal	16,100.00	22,177.50	(6,077.50)
624 · Trash Removal	30,986.63	34,900.60	(3,913.97)
625 · Water & Sewer	176,995.02	177,753.47	(758.45)
626 · Income Tax Expense	0.00	130.00	(130.00)
628 · Security	10.85	2,398.62	(2,387.77)
629 · Chimney Sweep & Dryer Vent	336.53	5,940.00	(5,603.47)
630 · Parking Lot & Sidewalks	760.95	30,738.00	(29,977.05)
632 · Lawn Sprinkler Repairs	3,319.50	5,210.00	(1,890.50)
633 · Mowing & Trim Contract	12,350.00	11,700.00	650.00
634 · Landscaping - Other	8,734.85	6,199.07	2,535.78
636 · Light Repair & Replace	3,243.85	284.45	2,959.40
637 · Plumbing & Auguring	30,881.25	49,528.00	(18,646.75)
637a · Reconstruction-Plumbing Issues	39,635.41	0.00	39,635.41
638 · Roof Expense	2,323.91	0.00	2,323.91
640 · Pest Control	29,295.00	19,145.00	10,150.00
642 · Special Projects	4,493.05	2,629.17	1,863.88
652 · Janitorial	26,960.00	15,305.00	11,655.00
Total Expense	506,303.64	506,508.69	(205.05)
Net Ordinary Income	91,373.49	99,469.51	(8,096.02)
Other Income/Expense			
Other Income			
647 · Qwest Commission Income	0.00	620.92	(620.92)
Total Other Income	0.00	620.92	(620.92)
Other Expense			
631 · Transfer/Allocation to Reserve	58,623.00	59,000.01	(377.01)
649 · Bad Debt Expense	23,815.79	1,725.05	22,090.74
Total Other Expense	82,438.79	60,725.06	21,713.73
Net Other Income	(82,438.79)	(60,104.14)	(22,334.65)
Net Income	8,934.70	39,365.37	(30,430.67)

SUNRIDGE AT AVON II
CHECKS WRITTEN THIS MONTH
September 2012

Date	Num	Name	Memo	Amount
101 · Cash In Bank - Checking				
101.1 · Cash In ANB - Checking - 886				
9/1/2012	9600	Silver Eagle Management, LLC	Monthly Management Fee	-3,750.00
9/4/2012	9603	D and A Cleaning, LLC	Trash pick- up 8/16-8/31	-1,360.00
9/4/2012	9604	Spaeth and Company, Inc.	August	-1,268.88
9/4/2012	9605	Terminix (Inc.)	R301 Bedbugs	-725.00
9/5/2012	9606	JD Improvements Inc.		-935.00
9/5/2012	9607	Silver Eagle Management, LLC	Home Depot receipts for paint supp for dumpsters	-507.43
9/11/2012	Draft 0469	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.34
9/11/2012	Draft 1897	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.34
9/18/2012	9608	D and A Cleaning, LLC	Trash pick- up 9/3-9/14	-1,120.00
9/18/2012	9609	Eagle River Water	7/31 - 8/31	-16,227.10
9/18/2012	9610	Eric's Plumbing & Heating Inc.		-1,010.00
9/18/2012	9611	JD Improvements Inc.		-465.37
9/18/2012	9612	Merritt Services		-2,670.00
9/18/2012	9613	Nicholas Antuna	G102 Carpet repair	-75.00
9/18/2012	9614	Terminix (Inc.)		-1,610.00
9/24/2012	Draft 7058	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.34
9/24/2012	Draft 7063	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-44.68
9/24/2012	Draft 7207	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-22.34
Total 101.1 · Cash In ANB - Checking - 886				<u>-31,857.82</u>
Total 101 · Cash In Bank - Checking				<u>-31,857.82</u>
TOTAL				<u><u>-31,857.82</u></u>