



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

November 4, 2014

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

Re: Financial Statements  
For the Twelve Months Ended September 30, 2014

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 9/30/14, the year-to-date operating net loss totaled \$23,447.14. Comparatively, the year-to-date net operating loss as of 9/30/13 was \$12,377.28. This is a negative difference of \$11,069.86. The difference is largely the result of increases in insurance, building repair, snow removal, water & sewer, landscaping and gutter repairs. These negative differences were partially offset by a significant decrease in chimney sweep & dryer vent, mowing & trim, light repair, plumbing and pest control. Each year, the association budgets to have zero operating profit or loss.

In addition, bad debt of \$13,656.22 was incurred. Also, \$214,232.18 has been spent on the painting project this fiscal year.

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, 2014

	Sep 30, 14
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101 · Cash In Bank - Checking	
101.1 · Cash In ANB - Checking - 886	7,260.73
101.2 · Cash in US Bank - Checking 7...	305.19
Total 101 · Cash In Bank - Checking	7,565.92
102 · Cash In Bank - Savings	
102.1 · Cash In ANB - Op. Savings - 6...	19,704.10
Total 102 · Cash In Bank - Savings	19,704.10
103 · Cash In Bank - Reserves	
103.6 · Cash In ANB - Reserves - 683	41,208.52
103.8 · Cash in US Bank - MM Sav 581	92,308.04
Total 103 · Cash In Bank - Reserves	133,516.56
Total Checking/Savings	160,786.58
Accounts Receivable	
110 · Accounts Receivable	(1,300.55)
Total Accounts Receivable	(1,300.55)
Other Current Assets	
125 · A/R - Owner Reimbursables	
125.2 · Accounting - Bill To Owner	31.50
125.3 · Satellite Dish Removal	(3,700.00)
125 · A/R - Owner Reimbursables - Ot...	307.47
Total 125 · A/R - Owner Reimbursables	(3,361.03)
127 · Due From (To) LiftView	(386.55)
130 · Prepaid Insurance	5,225.85
131 · Prepaid Fire Alarm Monitoring	280.00
132 · Prepaid Income Tax	487.47
133 · Prepaid Expenses	57.54
Total Other Current Assets	2,303.28
Total Current Assets	161,789.31
Fixed Assets	
151 · Property and Equipment	4,012.39
155 · Accumulated Depreciation	(4,012.39)
Total Fixed Assets	0.00
<b>TOTAL ASSETS</b>	<b>161,789.31</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	26,072.91
Total Accounts Payable	26,072.91
Total Current Liabilities	26,072.91
Total Liabilities	26,072.91
Equity	
301 · Operating Equity Fund	94,228.35
302 · Improvement Fund Balance	389,802.63
303 · Improvement Fund Increases	58,623.00
304 · Improvement Fund Expenditures	(155,602.04)
Net Income	(251,335.54)
Total Equity	135,716.40
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>161,789.31</b>

**SUNRIDGE AT AVON II**  
**Balance Sheet - Comparative**  
As of September 30, 2014

	Sep 30, 14	Sep 30, 13	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
101 · Cash In Bank - Checking	7,565.92	24,673.17	(17,107.25)
102 · Cash In Bank - Savings	19,704.10	73,475.33	(53,771.23)
103 · Cash In Bank - Reserves	133,516.56	398,992.58	(265,476.02)
Total Checking/Savings	160,786.58	497,141.08	(336,354.50)
Accounts Receivable			
110 · Accounts Receivable	(1,300.55)	36,528.83	(37,829.38)
Total Accounts Receivable	(1,300.55)	36,528.83	(37,829.38)
Other Current Assets			
125 · A/R - Owner Reimbursables	(3,361.03)	15.50	(3,376.53)
127 · Due From (To) LiftView	(386.55)	0.00	(386.55)
130 · Prepaid Insurance	5,225.85	4,655.04	570.81
131 · Prepaid Fire Alarm Monitoring	280.00	280.00	0.00
132 · Prepaid Income Tax	487.47	487.47	0.00
133 · Prepaid Expenses	57.54	18.59	38.95
Total Other Current Assets	2,303.28	5,456.60	(3,153.32)
Total Current Assets	161,789.31	539,126.51	(377,337.20)
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
<b>TOTAL ASSETS</b>	<b>161,789.31</b>	<b>539,126.51</b>	<b>(377,337.20)</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
200 · Accounts Payable	26,072.91	35,992.89	(9,919.98)
Total Accounts Payable	26,072.91	35,992.89	(9,919.98)
Other Current Liabilities			
203 · Unearned Assessments	0.00	19,102.64	(19,102.64)
Total Other Current Liabilities	0.00	19,102.64	(19,102.64)
Total Current Liabilities	26,072.91	55,095.53	(29,022.62)
Total Liabilities	26,072.91	55,095.53	(29,022.62)
Equity			
301 · Operating Equity Fund	94,228.35	116,218.45	(21,990.10)
302 · Improvement Fund Balance	389,802.63	378,118.45	11,684.18
303 · Improvement Fund Increases	58,623.00	58,623.00	0.00
304 · Improvement Fund Expenditures	(155,602.04)	(47,563.34)	(108,038.70)
Net Income	(251,335.54)	(21,365.58)	(229,969.96)
Total Equity	135,716.40	484,030.98	(348,314.58)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>161,789.31</b>	<b>539,126.51</b>	<b>(377,337.20)</b>

# SUNRIDGE AT AVON II

## Profit & Loss

September 2014

	Sep 14	Oct '13 - Sep 14	% of Income
Ordinary Income/Expense			
Income			
401 · Operating Assessments	43,966.93	527,603.16	90.4%
402 · Reserve Assessments	4,885.25	58,623.00	10.0%
403 · Finance Chgs. & Late Fees	(219.44)	302.09	(0.5)%
405 · Interest Income	11.47	526.16	0.0%
406 · Holy Cross Equity Refunds	0.00	554.20	0.0%
407 · Other Owner Income			
407.1 · Parking Pass Fees	0.00	700.00	0.0%
407.2 · Fine Income	0.00	415.00	0.0%
Total 407 · Other Owner Income	0.00	1,115.00	0.0%
Total Income	48,644.21	588,723.61	100.0%
Gross Profit	48,644.21	588,723.61	100.0%
Expense			
601 · Management Fees	4,583.33	54,999.96	9.4%
604 · Electric	408.60	5,098.10	0.8%
605 · Insurance Expense	3,354.11	40,261.51	6.9%
607 · Legal Fees	480.40	4,570.00	1.0%
608 · Accounting	1,331.25	16,117.36	2.7%
609 · Office & Administrative			
609.1 · Postage	65.91	701.10	0.1%
609.2 · Telephone	171.20	1,802.92	0.4%
609.4 · Website/Internet	14.40	148.96	0.0%
609 · Office & Administrative - Other	138.76	2,325.41	0.3%
Total 609 · Office & Administrative	390.27	4,978.39	0.8%
620 · Repair & Maint.-General			
620.1 · Pet Cleanup	0.00	1,655.93	0.0%
620.2 · Building Repair	175.00	5,362.38	0.4%
620 · Repair & Maint.-General - Other	1,957.29	13,480.15	4.0%
Total 620 · Repair & Maint.-General	2,132.29	20,498.46	4.4%
621 · Alarm Service - Phone	480.87	4,857.75	1.0%
622 · Alarm Service - Contract	360.00	7,244.66	0.7%
623 · Snow Removal			
623.1 · Snow Plowing	0.00	19,840.00	0.0%
623.2 · Snow Shoveling	0.00	5,035.00	0.0%
623 · Snow Removal - Other	0.00	1,121.58	0.0%
Total 623 · Snow Removal	0.00	25,996.58	0.0%
624 · Trash Removal	3,699.00	36,528.50	7.6%
625 · Water & Sewer	16,575.04	185,272.71	34.1%
628 · Security	0.00	963.47	0.0%
629 · Chimney Sweep & Dryer Vent	0.00	547.50	0.0%
630 · Parking Lot & Sidewalks			
610 · Towing & Booting	0.00	50.00	0.0%
630.2 · Ice Melt	0.00	241.88	0.0%
630 · Parking Lot & Sidewalks - Other	0.00	50.00	0.0%
Total 630 · Parking Lot & Sidewalks	0.00	341.88	0.0%
631 · Transfer/Allocation to Reserve	4,885.25	58,623.00	10.0%
632 · Lawn Sprinkler Repairs	2,799.50	6,585.57	5.8%
633 · Mowing & Trim Contract	1,300.00	11,700.00	2.7%
634 · Landscaping - Other	5,672.82	51,516.77	11.7%
635 · Flowers & Plants	0.00	1,507.50	0.0%
636 · Light Repair & Replace	35.00	1,359.50	0.1%
637 · Plumbing & Auguring	1,345.00	12,978.96	2.8%
637a · Reconstruction-Plumbing Issues	0.00	4,625.69	0.0%
640 · Pest Control	800.00	12,944.25	1.6%
652 · Janitorial	1,890.00	25,173.14	3.9%
654 · Gutter Repair & Replace	14,286.12	16,879.54	29.4%
Total Expense	66,808.85	612,170.75	137.3%
Net Ordinary Income	(18,164.64)	(23,447.14)	(37.3)%
Other Income/Expense			
Other Expense			
643 · Painting Expense	48,734.90	214,232.18	100.2%
649 · Bad Debt Expense	0.00	13,656.22	0.0%
Total Other Expense	48,734.90	227,888.40	100.2%
Net Other Income	(48,734.90)	(227,888.40)	(100.2)%
Net Income	(66,899.54)	(251,335.54)	(137.5)%

**SUNRIDGE AT AVON II**  
**Comparison To Budget - Year To Date**  
**October 2013 through September 2014**

	Oct '13 - Sep 14	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	302.09	3,000.00	(2,697.91)
405 · Interest Income	526.16	1,000.00	(473.84)
406 · Holy Cross Equity Refunds	554.20	800.00	(245.80)
407 · Other Owner Income	1,115.00	3,000.00	(1,885.00)
Total Income	588,723.61	594,026.16	(5,302.55)
Gross Profit	588,723.61	594,026.16	(5,302.55)
Expense			
601 · Management Fees	54,999.96	57,000.00	(2,000.04)
604 · Electric	5,098.10	4,000.00	1,098.10
605 · Insurance Expense	40,261.51	36,000.00	4,261.51
606 · Interest Expense	0.00	45.00	(45.00)
607 · Legal Fees	4,570.00	2,000.00	2,570.00
608 · Accounting	16,117.36	16,400.00	(282.64)
609 · Office & Administrative	4,978.39	2,500.00	2,478.39
620 · Repair & Maint.-General	20,498.46	11,862.16	8,636.30
621 · Alarm Service - Phone	4,857.75	5,000.00	(142.25)
622 · Alarm Service - Contract	7,244.66	4,000.00	3,244.66
623 · Snow Removal	25,996.58	40,000.00	(14,003.42)
624 · Trash Removal	36,528.50	35,000.00	1,528.50
625 · Water & Sewer	185,272.71	185,000.00	272.71
626 · Income Tax Expense	0.00	1,000.00	(1,000.00)
628 · Security	963.47	350.00	613.47
629 · Chimney Sweep & Dryer Vent	547.50	7,000.00	(6,452.50)
630 · Parking Lot & Sidewalks	341.88	1,000.00	(658.12)
631 · Transfer/Allocation to Reserve	58,623.00	58,623.00	0.00
632 · Lawn Sprinkler Repairs	6,585.57	2,500.00	4,085.57
633 · Mowing & Trim Contract	11,700.00	17,000.00	(5,300.00)
634 · Landscaping - Other	51,516.77	3,523.00	47,993.77
635 · Flowers & Plants	1,507.50	0.00	1,507.50
636 · Light Repair & Replace	1,359.50	500.00	859.50
637 · Plumbing & Auguring	12,978.96	25,000.00	(12,021.04)
637a · Reconstruction-Plumbing Issues	4,625.69	15,000.00	(10,374.31)
640 · Pest Control	12,944.25	21,000.00	(8,055.75)
652 · Janitorial	25,173.14	28,000.00	(2,826.86)
654 · Gutter Repair & Replace	16,879.54	14,723.00	2,156.54
Total Expense	612,170.75	594,026.16	18,144.59
Net Ordinary Income	(23,447.14)	0.00	(23,447.14)
Other Income/Expense			
Other Expense			
643 · Painting Expense	214,232.18	0.00	214,232.18
649 · Bad Debt Expense	13,656.22	0.00	13,656.22
Total Other Expense	227,888.40	0.00	227,888.40
Net Other Income	(227,888.40)	0.00	(227,888.40)
Net Income	(251,335.54)	0.00	(251,335.54)

**SUNRIDGE AT AVON II**  
**Comparison To Last Year - Year To Date**  
**October 2013 through September 2014**

	Oct '13 - Sep 14	Oct '12 - Sep 13	\$ Change
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	302.09	2,077.47	(1,775.38)
405 · Interest Income	526.16	845.52	(319.36)
406 · Holy Cross Equity Refunds	554.20	740.42	(186.22)
407 · Other Owner Income	1,115.00	2,400.00	(1,285.00)
Total Income	588,723.61	592,289.57	(3,565.96)
Gross Profit	588,723.61	592,289.57	(3,565.96)
Expense			
601 · Management Fees	54,999.96	54,529.56	470.40
604 · Electric	5,098.10	5,020.60	77.50
605 · Insurance Expense	40,261.51	35,601.36	4,660.15
607 · Legal Fees	4,570.00	4,713.00	(143.00)
608 · Accounting	16,117.36	16,505.34	(387.98)
609 · Office & Administrative	4,978.39	6,131.01	(1,152.62)
620 · Repair & Maint.-General	20,498.46	19,455.36	1,043.10
621 · Alarm Service - Phone	4,857.75	3,367.40	1,490.35
622 · Alarm Service - Contract	7,244.66	6,939.50	305.16
623 · Snow Removal	25,996.58	20,335.00	5,661.58
624 · Trash Removal	36,528.50	36,100.41	428.09
625 · Water & Sewer	185,272.71	181,613.12	3,659.59
628 · Security	963.47	320.00	643.47
629 · Chimney Sweep & Dryer Vent	547.50	6,208.33	(5,660.83)
630 · Parking Lot & Sidewalks	341.88	450.00	(108.12)
631 · Transfer/Allocation to Reserve	58,623.00	58,623.00	0.00
632 · Lawn Sprinkler Repairs	6,585.57	7,657.25	(1,071.68)
633 · Mowing & Trim Contract	11,700.00	14,300.00	(2,600.00)
634 · Landscaping - Other	51,516.77	14,407.43	37,109.34
635 · Flowers & Plants	1,507.50	207.50	1,300.00
636 · Light Repair & Replace	1,359.50	4,011.68	(2,652.18)
637 · Plumbing & Auguring	12,978.96	35,907.49	(22,928.53)
637a · Reconstruction-Plumbing Issues	4,625.69	5,510.51	(884.82)
640 · Pest Control	12,944.25	33,146.67	(20,202.42)
652 · Janitorial	25,173.14	25,729.33	(556.19)
653 · Trash Enclosures	0.00	52.50	(52.50)
654 · Gutter Repair & Replace	16,879.54	7,823.50	9,056.04
Total Expense	612,170.75	604,666.85	7,503.90
Net Ordinary Income	(23,447.14)	(12,377.28)	(11,069.86)
Other Income/Expense			
Other Expense			
643 · Painting Expense	214,232.18	10,559.08	203,673.10
649 · Bad Debt Expense	13,656.22	(1,570.78)	15,227.00
Total Other Expense	227,888.40	8,988.30	218,900.10
Net Other Income	(227,888.40)	(8,988.30)	(218,900.10)
Net Income	(251,335.54)	(21,365.58)	(229,969.96)

**SUNRIDGE AT AVON II**  
**CHECKS WRITTEN THIS MONTH**  
September 2014

Date	Num	Name	Memo	Amount
101 - Cash In Bank - Checking				
101.1 - Cash In ANB - Checking - 886				
9/2/2014	Draft 0713	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/2/2014	Draft 0730	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/2/2014	Draft 0741	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-23.17
9/2/2014	Draft 0760	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/5/2014	10100	A Greene Lawn Inc.	Irrigation repairs	-1,348.50
9/5/2014	10101	Alpine Building & Developmen...	Siding 8/12-9/3	-28,353.18
9/5/2014	10102	Avon Property Management, ...		-16,414.56
9/5/2014	10103	D and A Cleaning, LLC	VOID: 8/18-9/1	0.00
9/5/2014	10104	Engineered Fire & Security Eq...	8/1-11/1	-840.00
9/5/2014	10105	Eric's Plumbing & Heating Inc.	R103 Kitchen stoppage, snake - food & grease from u...	-110.00
9/5/2014	10106	Francisco Bastardo	Q201 BTO - clogged sink	-75.00
9/5/2014	10107	J & M Trucking	23.5 hrs @ \$50	-1,175.00
9/5/2014	10108	JD Improvements Inc.		-281.16
9/5/2014	10109	Merritt Services		-3,382.82
9/5/2014	10110	Orkin Pest Control		-525.00
9/5/2014	10111	Spaeth and Company, Inc.	August	-1,606.87
9/5/2014	10112	The Law Office of Christian C...	Legal fees through 9/2	-925.00
9/5/2014	10113	Vail Honeywagon	8/1-8/31 Portalet for painting project	-105.93
9/5/2014	10114	West Vail Shell	H104 #1168 BTO - Mercury Sable Grn TX 249PTV	-100.00
9/5/2014	10115	D and A Cleaning, LLC	8/18-9/1	-2,123.75
9/5/2014	10116	D and A Cleaning, LLC	8/18-9/1	-2,123.75
9/9/2014	Draft	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-552.61
9/11/2014	Draft 0469	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/11/2014	Draft 1897	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/11/2014	10117	Carlos Gardea	A,B,C,D,E Bldg. - Exterior Painting - 652.5hrs@\$25/hr...	-18,955.00
9/18/2014	10119	Alpine Building & Developmen...	Bldg. M Gutter repairs	-11,051.28
9/18/2014	10120	Avon Property Management, ...	Reimbursements - Receipts provided	-1,288.73
9/18/2014	10121	D and A Cleaning, LLC	9/1-9/13	-1,055.00
9/18/2014	10122	Eagle River Water	7/31-8/28	-15,809.47
9/18/2014	10123	Eric's Plumbing & Heating Inc.		-465.00
9/18/2014	10124	Fine Signs LLC	3 New signs 36"x60"	-908.31
9/18/2014	10125	Francisco Bastardo	Flyers 1.5hrs@\$25/hr	-37.50
9/18/2014	10126	Garfield & Hecht, P.C.	General	-161.00
9/18/2014	10127	Merritt Services		-2,668.31
9/18/2014	10128	Orkin Pest Control		-550.00
9/24/2014	Draft 7058	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/24/2014	Draft 7063	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/24/2014	Draft 7207	Century Link (Qwest)	970-748-0713,0730,0741,0760,845-7058,7063,7207	-46.34
9/26/2014	10129	Carlos Gardea	Painting, Sanding, Touch up 368 @ \$25, 57.5 @ \$35	-11,212.50
9/26/2014	10130	Avon Property Management, ...	Monthly Management fee	-4,583.33
Total 101.1 - Cash In ANB - Checking - 886				-129,182.45
Total 101 - Cash In Bank - Checking				-129,182.45
<b>TOTAL</b>				<b>-129,182.45</b>