

THREE SPRINGS MASTER ASSOCIATION

FINANCIAL STATEMENTS

November 30, 2017

CLARK, WHITE, & ASSOCIATES, INC.

Karla K. Clark, CPA

Frankie White, CPA

Accountants' Compilation Report

To Management
Three Springs Master Association
Durango, Colorado

Management is responsible for the accompanying financial statements of Three Springs Master Association (a corporation), which comprise the balance sheet as of November 30, 2017, and the related statement of income for the eleven months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information consisting of the Statement of Revenues and Expenses – Budget to Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Three Springs Master Association.

Clark, White & Associates, Inc.

Clark, White & Associates, Inc.
December 11, 2017
Durango, Colorado

570 Turner Dr., Unit B/ P.O. Box 1619 / Durango, Colorado 81302
(970) 247-3954 / FAX (970) 385-6736

THREE SPRINGS MASTER ASSOCIATION

Balance Sheet

As of November 30, 2017

	<u>Nov 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Alpine Bank Housing Fee	65,307.63
Alpine Bank operating account	43,763.89
Total Checking/Savings	<u>109,071.52</u>
Accounts Receivable	
Accounts Receivable	443.00
Total Accounts Receivable	<u>443.00</u>
Total Current Assets	<u>109,514.52</u>
TOTAL ASSETS	<u>109,514.52</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Affordable/Attainable Payable	65,002.12
Total Other Current Liabilities	<u>65,002.12</u>
Total Current Liabilities	<u>65,002.12</u>
Total Liabilities	65,002.12
Equity	
Retained Earnings	221,189.18
Net Income	-176,676.78
Total Equity	<u>44,512.40</u>
TOTAL LIABILITIES & EQUITY	<u>109,514.52</u>

No assurance is provided on these financial statements.

THREE SPRINGS MASTER ASSOCIATION
Statement of Income
For the Eleven Months Ended November 30, 2017

	<u>Jan - Nov 17</u>
Ordinary Income/Expense	
Income	
Design Review Fees	7,750.00
Interest Income	89.29
Operating Assessment Annual Fee	7,786.62
Working Capital Income	948.00
	<hr/>
Total Income	16,573.91
Expense	
Accounting Fees	7,530.50
Administration Fees	434.75
Design Review Professional Exp	15,950.00
Legal Fees	5,847.50
	<hr/>
Total Expense	29,762.75
Net Ordinary Income	-13,188.84
Other Income/Expense	
Other Income	
Affordable/Attainable Income	24,456.97
	<hr/>
Total Other Income	24,456.97
Other Expense	
Affordable/Attainable Expense	187,944.91
	<hr/>
Total Other Expense	187,944.91
Net Other Income	-163,487.94
Net Income	<hr/> <hr/> -176,676.78

SUPPLEMENTAL INFORMATION

THREE SPRINGS MASTER ASSOCIATION
Statement of Revenues and Expenses - Budget to Actual
For the Eleven Months Ended November 30, 2017

	<u>Jan - Nov 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Design Review Fees	7,750.00	5,000.00	2,750.00
Interest Income	89.29	0.00	89.29
Operating Assessment Annual Fee	7,786.62	7,294.02	492.60
Working Capital Income	948.00	420.00	528.00
Total Income	<u>16,573.91</u>	<u>12,714.02</u>	<u>3,859.89</u>
Expense			
Accounting Fees	7,530.50	5,000.00	2,530.50
Administration Fees	434.75	15,000.00	-14,565.25
Annual Meeting	0.00	200.00	-200.00
Design Review Professional Exp	15,950.00	10,000.00	5,950.00
Legal Fees	5,847.50	5,000.00	847.50
Postage and Delivery	0.00	50.00	-50.00
Total Expense	<u>29,762.75</u>	<u>35,250.00</u>	<u>-5,487.25</u>
Net Ordinary Income	-13,188.84	-22,535.98	9,347.14
Other Income/Expense			
Other Income			
Affordable/Attainable Income	24,456.97	28,437.50	-3,980.53
Total Other Income	<u>24,456.97</u>	<u>28,437.50</u>	<u>-3,980.53</u>
Other Expense			
Affordable/Attainable Expense	187,944.91	162,000.00	25,944.91
Total Other Expense	<u>187,944.91</u>	<u>162,000.00</u>	<u>25,944.91</u>
Net Other Income	-163,487.94	-133,562.50	-29,925.44
Net Income	<u>-176,676.78</u>	<u>-156,098.48</u>	<u>-20,578.30</u>

No assurance is provided on these financial statements.