

**THREE SPRINGS RESIDENTIAL ASSOCIATION**

**FINANCIAL STATEMENTS**

**May 31, 2017**

# CLARK, WHITE, & ASSOCIATES, INC.

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Karla K. Clark, CPA

Frankie White, CPA

## Accountants' Compilation Report

To Management  
Three Springs Residential Association  
Durango, Colorado

Management is responsible for the accompanying financial statements of Three Springs Residential Association (a corporation), which comprise the statement of assets, liabilities and equity – tax basis as of May 31, 2017, and the related statement of revenues and expenses – tax basis for the five months then ended in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable financial reporting framework. 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.

The financial statements are prepared in accordance with the tax basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. 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 Residential Association.

*Clark, White & Associates, Inc.*

Clark, White & Associates, Inc.  
June 12, 2017  
Durango, Colorado

570 Turner Dr., Unit B/ P.O. Box 1619 / Durango, Colorado 81302  
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**THREE SPRINGS RESIDENTIAL ASSOCIATION**  
**Statement of Assets, Liabilities and Equity - Tax Basis**  
As of May 31, 2017

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	<u>May 31, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Common Operating Account	71,851.17
Common Reserve Account	25,175.17
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<b>Total Checking/Savings</b>	97,026.34
<b>Accounts Receivable</b>	
Accounts Receivable	145.70
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<b>Total Accounts Receivable</b>	145.70
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<b>Total Current Assets</b>	97,172.04
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<b>TOTAL ASSETS</b>	<b>97,172.04</b>
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<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Reserve assessment income	27,587.18
Retained Earnings	66,240.81
Net Income	3,344.05
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<b>Total Equity</b>	97,172.04
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>97,172.04</b>
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No assurance is provided on these financial statements.

**THREE SPRINGS RESIDENTIAL ASSOCIATION**  
**Statement of Revenues & Expenses - Tax Basis**  
For the Five Months Ended May 31, 2017

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	<u>Jan - May 17</u>
Ordinary Income/Expense	
Income	
Common Income	
Operating assessment income	11,236.38
Working Capital Assessment	4,246.00
Total Common Income	<u>15,482.38</u>
Policy Violation Fine	55.00
Total Income	<u>15,537.38</u>
Expense	
Common Expenses	
Accounting Fees	5,276.89
Administration & Management	1,273.91
Common Area Maint. Snow Removal	3,535.00
Common Area Maintenance	75.00
Professional Fees	2,053.00
Total Common Expenses	<u>12,213.80</u>
Total Expense	<u>12,213.80</u>
Net Ordinary Income	3,323.58
Other Income/Expense	
Other Income	
Interest Earned	20.47
Total Other Income	<u>20.47</u>
Net Other Income	<u>20.47</u>
Net Income	<u><u>3,344.05</u></u>

## **SUPPLEMENTAL INFORMATION**

**THREE SPRINGS RESIDENTIAL ASSOCIATION**  
**Statement of Revenues and Expenses - Budget to Actual**  
For the Five Months Ended May 31, 2017

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	Jan - May 17	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Common Income</b>			
Operating assessment income	11,236.38	40,872.00	-29,635.62
Working Capital Assessment	4,246.00	5,460.00	-1,214.00
<b>Total Common Income</b>	15,482.38	46,332.00	-30,849.62
Policy Violation Fine	55.00	0.00	55.00
<b>Total Income</b>	15,537.38	46,332.00	-30,794.62
<b>Expense</b>			
<b>Common Expenses</b>			
Accounting Fees	5,276.89	6,000.00	-723.11
Administration & Management	1,273.91	30,000.00	-28,726.09
Annual Meeting	0.00	200.00	-200.00
Common Area Maint. Snow Removal	3,535.00	5,200.00	-1,665.00
Common Area Maint. Sweep/Clean	0.00	300.00	-300.00
Common Area Maintenance	75.00	500.00	-425.00
Postage & Delivery	0.00	50.00	-50.00
Professional Fees	2,053.00	3,500.00	-1,447.00
<b>Total Common Expenses</b>	12,213.80	45,750.00	-33,536.20
<b>Total Expense</b>	12,213.80	45,750.00	-33,536.20
<b>Net Ordinary Income</b>	3,323.58	582.00	2,741.58
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Interest Earned	20.47	0.00	20.47
<b>Total Other Income</b>	20.47	0.00	20.47
<b>Net Other Income</b>	20.47	0.00	20.47
<b>Net Income</b>	<b>3,344.05</b>	<b>582.00</b>	<b>2,762.05</b>