

STAGECOACH TOWNHOUSE
ASSOCIATION

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

SEPTEMBER 30, 2014

**STAGECOACH TOWNHOUSE ASSOCIATION
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SEPTEMBER 30, 2014**

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Ingalls, Ingalls & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

405 SOUTH LINCOLN, PO BOX 774924, STEAMBOAT SPRINGS, CO 80477
(970) 879-2977 FAX (970)879-5796

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

September 17, 2015

Board of Directors
Stagecoach Townhouse Association
Steamboat Springs, Colorado

We have reviewed the accompanying balance sheet of Stagecoach Townhouse Association as of September 30, 2014, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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 Standard Board, who 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 results of our review of the basic financial statements are not affected by that missing information.

Ingalls, Ingalls & Co., P.C.

Ingalls, Ingalls & Company, P.C.
Certified Public Accountants
Steamboat Springs, Colorado

**STAGECOACH TOWNHOUSE ASSOCIATION
BALANCE SHEET AS OF
SEPTEMBER 30, 2014**

REVIEWED

<u>ASSETS</u>	2014		
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Cash, including interest bearing deposits	\$104,942	\$208,402	\$313,344
Accounts receivable net of allowance for doubtful accounts of \$-0-	28,645	-	28,645
Prepaid expenses	<u>60</u>	<u>-</u>	<u>60</u>
Total Current Assets	133,647	208,402	342,049
Land	<u>31,170</u>	<u>-</u>	<u>31,170</u>
TOTAL ASSETS	<u>\$164,817</u>	<u>\$208,402</u>	<u>\$373,219</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable	<u>\$ 4,412</u>	<u>\$ -</u>	<u>\$ 4,412</u>
Total Current Liabilities	4,412	-	4,412
Deposits	<u>3,473</u>	<u>-</u>	<u>3,473</u>
Total Liabilities	7,885	-	7,885
Fund balance:	<u>156,932</u>	<u>208,402</u>	<u>365,334</u>
Total liabilities and fund balance	<u>\$164,817</u>	<u>\$208,402</u>	<u>\$373,219</u>

See accompanying notes and Independent Accountants' Review Report.

**STAGECOACH TOWNHOUSE ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

REVIEWED

	2014		
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUES:			
Regular assessments	\$202,446	\$ 45,360	\$247,806
Late fees	3,011	-	3,011
Special assessments	-	39,688	39,688
Interest income	294	-	294
Miscellaneous	129	-	129
Total revenues	<u>205,880</u>	<u>85,048</u>	<u>290,928</u>
EXPENDITURES:			
Bank charges	30	-	30
Business manager	19,800	-	19,800
Early payment credit	7,375	-	7,375
Electric	35	-	35
Insurance	59,090	-	59,090
Lawn maintenance	13,375	-	13,375
Legal fees	757	-	757
Miscellaneous	689	-	689
Property manager	12,500	-	12,500
Repairs and maintenance	5,424	-	5,424
Storage	725	-	725
Sewer maintenance	2,781	-	2,781
Snow removal	37,019	-	37,019
Telephone	889	-	889
Trash	15,243	-	15,243
Major maintenance	-	86,189	86,189
Total expenditures	<u>175,732</u>	<u>86,189</u>	<u>261,921</u>
Excess (deficiency) revenue over expenditures	30,148	(1,141)	29,007
Fund balance beginning of year	<u>126,784</u>	<u>209,543</u>	<u>336,327</u>
Fund balance, end of year	<u>\$156,932</u>	<u>\$ 208,402</u>	<u>\$365,334</u>

See accompanying notes and Independent Accountants' Review Report.

**STAGECOACH TOWNHOUSE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

REVIEWED

	2014
Cash flows from operating activities:	
Excess revenues over (under) expenditures	\$ 29,007
Adjustments to reconcile to cash flow:	
Changes in assets & liabilities:	
(Increase) decrease in accounts receivable	(14,651)
(Increase) decrease in prepaid expenses	(60)
Increase (decrease) in accounts payable	(4,049)
Increase (decrease) in deposits	762
Net cash provided (used) in operating activities	11,009
Net increase (decrease) in cash	11,009
Cash, beginning of year	302,335
Cash, end of year	\$313,344
Supplemental disclosure	
Cash paid for interest	\$ -
Cash paid for income tax	\$ -

See accompanying notes and Independent Accountants' Review Report.

**STAGECOACH TOWNHOUSE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

REVIEWED

Note 1 – Nature of Organization

The Association is a non-profit corporation, organized and operated solely to provide for construction, maintenance and management of all common area property at the Stagecoach Townhouses in Steamboat Springs, Colorado. The Stagecoach Townhouses consist of 90 units in 15 buildings.

Note 2 – Summary of Significant Accounting Policies

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund—This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund—This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Excess assessments at the end of the year are retained by the Association for use in the succeeding year. The Association believes that all assessments due from members at September 30, 2014 are fully collectible and accordingly no allowance for uncollectible accounts has been recorded.

Income Taxes

For the year ended September 30, 2014, the Association was taxed as a regular corporation and filed Form 1120. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its nonmembership income, such as interest earnings, at regular federal and state corporate rates. The Association had a tax liability of \$-0- for the year ended September 30, 2014. The Association is no longer subject for federal tax examinations for the years prior to 2010 and no longer subject to state income tax examinations for years prior to 2009.

STAGECOACH TOWNHOUSE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 2 – Summary of Significant Accounting Policies

Property and Equipment

Replacements and improvements to real property are not capitalized on the books of the Association, as they are owned by the owners in common and not by the Association.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

Cash equivalent

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note 3. Management contract

The Stagecoach Townhouses Association is operated and managed by Double H Management Group, Inc.

Note 4—Future Major Repairs and Replacements

The Association has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future, nor has the board of directors developed a plan to fund those needs. When funds are required for major repairs and replacements, the Corporation plans to borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

Note 5 Subsequent Events

Events subsequent to September 30, 2014 have been evaluated through September 17, 2015, the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed.

**STAGECOACH TOWNHOUSE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

REVIEWED

Note 6. Special member assessments.

In addition to the monthly assessments, the Association may levy special assessments for capital improvements, provided the assessment is approved by a majority of voting members. For the year ended September 30, 2014, the Association assessed a special assessment for building 12 for \$39,688. The assessment was for siding on the building.

Note 7—Date of Management’s Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 17, 2015, the date that the financial statements were available to be issued.