

# ROBERTSON & MARCHETTI, P.C.

*Certified Public Accountants*

---

February 1, 2010

Board of Directors  
Singletree Property Owners Association

I have compiled the accompanying balance sheet of Singletree Property Owners Association and the related statements of revenues, expenditures and changes in fund balance – historical, budget and forecast – for the twelve month period ended December 31, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I also compiled the accompanying budget and forecast of revenues, expenses and changes in fund balance for the year ending December 31, 2009, in accordance with standards established by the American Institute of Certified Public Accountants. The budgeted and forecast revenues, expenditures and changes in fund balance information for 2008 are presented for supplementary analysis information purposes only.

A compilation of historical financial statements is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying historical financial statements of the Association for the six months ended December 31, 2008 and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

I am not independent with respect to Singletree Property Owners Association.

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA  
President

**SINGLETREE PROPERTY OWNERS ASSOCIATION  
BALANCE SHEET  
December 31, 2009  
& December 31, 2008**

	Rate	12/31/2009 Total	12/31/2008 Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Alpine Bank Checking		54	150
Alpine Bank Money Market	0.53%	38,472	50,768
US Bank Checking		585	277
US Bank Money Market	0.40%	54,878	
* Alpine Bank CDARS (Matures 6/24/10)	1.49%	87,213	215,438
Alpine Bank CDARS (Matures 6/24/10)	1.05%	176,304	
* Alpine Bank CDARS - Restricted	1.49%	89,600	184,562
US Bank CD (Matures 12/28/09)	1.83%	108,861	206,449
1st Bank Petty Cash		1,000	1,000
<b>Total Cash in Bank</b>		<b>556,968</b>	<b>658,644</b>
Accounts Receivable		2,363	31,888
Interest Receivable		0	0
Allowance for Doubtful Assessments		(325)	(325)
Prepaid Expenses		1,161	1,699
<b>Total Current Assets</b>		<b>560,167</b>	<b>691,905</b>
<b>Total Property &amp; Equipment</b>		<b>0</b>	<b>0</b>
<b>Total Assets</b>		<b>560,167</b>	<b>691,905</b>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Accounts Payable		12,254	12,164
Income Tax Payable		0	0
Prepaid Assessments		0	104,300
DRC Escrow Deposits		89,600	184,562
<b>Total Liabilities</b>		<b>101,854</b>	<b>301,026</b>
<b>Net Assets:</b>			
Reserved for Legal Expense		100,000	100,000
Reserved for Open Space		75,000	75,000
Reserved for Future Operations		100,000	100,000
Reserved for Capital Projects		100,000	100,000
Unrestricted		83,312	15,879
<b>Ending Net Assets</b>		<b>458,312</b>	<b>390,879</b>
<b>Total Liabilities &amp; Net Assets</b>		<b>560,167</b>	<b>691,906</b>

See accompanying accountant's report. = =

\* Alpine Bank funds are distributed to banks through the CDARS program to insure the funds are fully insured.

Singletree Property Owners Association Statement of Revenues, Expenditures and Changes in Fund Balance Actual, Budget and Forecast for the Periods Indicated					\$150/Dues	
		2009 Year-to-Date			2010	
		6 Months Ended 12/31/08 Actual	12 Months Ended 12/31/09 Actual	12 Months Ended 12/31/09 Budget	Variance Favorable (Unfavor)	Adopted Budget Cal Yr 2010
<b>Revenues:</b>						
4100	Assessments	52,150	104,250	104,400	(150)	156,600
4150	Late Fees	0	988	500	488	200
4200	DRC Deposits Forfeited	0	33,298	2,900	30,398	4,000
4250	Legal Received from Others		1,495	0	1,495	
4300	Interest Income: Alpine Bank	6,340	8,966	12,400	(3,434)	9,000
4350	Interest Income: US Bank	3,713	2,822	6,000	(3,178)	1,000
4400	DRC Review Fees	2,750	5,250	1,000	4,250	1,000
4450	Covenant Violations		200	0	200	
4550	Title Company Statement Fees	1,600	3,400	2,000	1,400	2,000
4600	Xfer Funds fr Reserves for Open Space	0	0	0	0	
<b>Total Revenues</b>		<b>66,553</b>	<b>160,667</b>	<b>129,200</b>	<b>31,467</b>	<b>173,800</b>
<b>Expenses:</b>						
5100	Accounting	7,908	11,929	14,000	2,071	13,000
5200	Admin Support - SPOA	7,950	10,275	12,000	1,725	11,000
5250	Admin Support - DRC	1,515	1,725	3,000	1,275	2,000
5300	Annual Function/Homeowner Relations	6,668	6,141	7,000	859	7,000
5400	Board Meeting Expense	894	922	3,000	2,078	2,000
5750	Covenant Administration	0	407	1,000	594	1,000
5500	Clean Up Day	0	0	500	500	500
	Weed Control			2,000	2,000	2,000
5850	Architectural Consultant / DRC	9,000	18,000	18,000	0	18,000
5900	Income Taxes	2,700	393	3,500	3,107	2,700
6100	Insurance	1,213	3,645	3,200	(445)	3,754
6130	Legal - Operations	3,116	879	1,000	121	1,000
6131	Legal - Covenant Enforcement/DRC	1,069	7,955	5,000	(2,955)	5,000
5650	Contributions	0	500	1,000	500	500
6200	Community Publications	4,965	4,976	6,000	1,024	6,000
6250	Postage	1,899	2,611	4,000	1,389	4,000
6300	Office Supplies	1,539	2,710	4,500	1,790	4,500
6560	Payroll Reimbursement to Metro District	10,591	19,554	21,000	1,446	21,000
	Travel Reimbursement			1,000	1,000	500
6450	Telephone	513	613	1,200	587	800
3800	Website Design & Maintenance	0	0	500	500	0
6350	Open Space, Trails, Etc.	0	0	2,500	2,500	0
	Community Project			0		50,000
	Unplanned Expenses/Contingency			10,000	10,000	10,000
<b>Total Expenses</b>		<b>61,539</b>	<b>93,233</b>	<b>124,900</b>	<b>31,667</b>	<b>166,254</b>
<b>Revenue over Expenses</b>		<b>5,014</b>	<b>67,433</b>	<b>4,300</b>	<b>63,133</b>	<b>7,546</b>
Beginning Fund Balance		385,865	390,879	382,818	8,061	426,415
Spending from Reserves		0	0	(15,000)	15,000	
<b>Ending Fund Balance</b>		<b>390,879</b>	<b>458,312</b>	<b>372,118</b>	<b>86,194</b>	<b>433,961</b>
Components of Fund Balance:						
3200	Reserved for Legal Expense	100,000	100,000	100,000	0	95,000
3500	Reserved for Open Space	75,000	75,000	75,000	0	75,000
2008-09 Open Space Reserve Spending		0	0	(15,000)	15,000	
Reserved for Future Operations		100,000	100,000	100,000	0	100,000
Reserved for Capital Projects		100,000	100,000	100,000	0	100,000
Unrestricted		15,879	83,312	12,118	71,194	63,961
<b>Total Fund Balance</b>		<b>390,879</b>	<b>458,312</b>	<b>372,118</b>	<b>86,194</b>	<b>433,961</b>

Please note: SPOA and DRC Board members are volunteers and no  
See accompanying accountant's report.

**Singletree Property Owners Association  
Statement of Cash Flows  
For the Periods Indicated**

	<b>12 Months Ended <u>12/31/09</u></b>	<b>6 Months Ended <u>12/31/08</u></b>
<b>Beginning Cash Balance</b>	<b>658,644</b>	<b>692,764</b>
<b>Cash Flows from Operating Activities</b>		
Regular Assessments	29,475	127,011
Late Fees	988	0
Interest Income	11,787	10,053
Design Review Committee Fees	5,250	2,750
Title Company Statement Fees	3,400	1,600
Covenant Violations	200	0
Cash paid to suppliers/vendors	(91,111)	(55,109)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(40,012)</u></b>	<b><u>86,305</u></b>
<b>Cash Flows from Financing Activities</b>		
DRC Compliance Deposits Received	94,298	6,000
DRC Compliance Deposits Returned	(155,962)	(126,425)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b><u>(61,665)</u></b>	<b><u>(120,425)</u></b>
<b>Cash Flows from Capital Activities</b>		
Capital Asset Additions	0	0
<b>Net Cash Provided (Used) by Capital Activities</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(101,676)</u></b>	<b><u>(34,120)</u></b>
<b>Ending Cash balance</b>	<b><u><u>556,968</u></u></b>	<b><u><u>658,644</u></u></b>
	=	=
<b>Reconciliation of Revenues over Expenses to to Net Cash Provided by Operating Activities:</b>		
Revenues Over Expenses	67,433	5,014
<b>Adjustments:</b>		
(Increase) Decrease in Accounts Receivable	29,525	(29,439)
(Increase) Decrease in Prepaid Expenses	537	(1,699)
Increase (Decrease) in Accounts Payable	90	8,129
Increase (Decrease) Prepaid Assessments	(104,300)	104,300
Forfeited DRC Compliance Deposits	(33,298)	
<b>Net Cash Provided by Operating Activities</b>	<b><u>(40,012)</u></b>	<b><u>86,305</u></b>
See accompanying accountant's report.	=	=

**Singletree Property Owners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**

**1. Organization**

Singletree Property Owners Association (the "Association") was incorporated in the State of Colorado on February 22, 1995 as a nonprofit corporation. The Association administers the provisions of an Amended and Restated Declaration of Covenants, Conditions and Restrictions filed on May 23, 2005 covering Berry Creek Ranch Filings 1 through 4. The Association is governed by a nine (9) member Board of Directors (the "Board") elected at large. The Board is responsible for administration of the affairs of the Association as detailed in the Articles of Incorporation, the Bylaws, and the Declaration. The Association consists of 1003 residential units located in Edwards, Colorado. In 2009 the Board voted to conform to CCIOA requirements.

**2. Summary of Significant Accounting Policies**

**A. Fund Accounting**

The Association's uses the fund method of accounting, which requires funds to be classified separately for accounting and reporting purposes. Fund accounting is helpful in segregating funds having restrictions on their use.

The Association has one Operating Fund and has not had any need to establish any other funds. Disbursements from the operating fund are at the discretion of the Board.

**B. Basis of Accounting**

The Association uses the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

**C. Assessments**

Assessments are billed annually at a rate set by the Board. Assessments rates for the period from January 1, 2009 to December 31, 2009 were \$100 per property. The Board voted to increase the assessments to \$150 as of January 1, 2010.

**D. Income Taxes**

The Association may elect each year to be taxed as a regular corporation or as a homeowners' association. The Association elected to be taxed as a homeowners' association for the tax periods ended December 31, 2009. Under that election, the Association is generally taxed on nonexempt income such as interest income at a federal rate of 30% and at the state statutory rates.

**E. Cash and Cash Equivalents**

For purposes of the Statements of Cash Flow, the Association defines cash equivalents as all short term, highly liquid investments with an original maturity of three months or less.

**Singletree Property Owners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**F. Recognition of Assets**

The Association recognizes personal common property and real property to which it has title. Fixed assets are recorded at cost and depreciated over their useful lives using the straight-line method of depreciation. At December 31, 2009 the Association did not recognize any property or equipment.

**G. Bad Debts**

Bad debts are recognized by the allowance method. An allowance for possible uncollectibility of accounts receivable is established when collectibility becomes doubtful. An allowance of \$325 was established at December 31, 2008, for accounts receivable that may ultimately be uncollectible.

**H. Prepaid Assessments**

Prepaid assessments consist of assessments received in advance for the following fiscal year.

**I. Design Review Committee Deposits**

The Design Review Committee (the "Committee") created by the Association consists of five (5) property owners appointed by the Association's Board of Directors. The Committee ensures that any and all new construction and uses of property are compatible with the intent to preserve the residential character of the properties, suitable and harmonious in architectural design with existing styles, and complementary to the natural environment of Singletree.

The Committee requires a \$2,500 landscape deposit and a \$10,000 compliance deposit at the start of new construction. Small projects, such as additions to existing structures, pay a lesser deposit at the discretion of the Committee. Deposits are refunded upon satisfactory completion in accordance with the approved project plans, including landscaping growth sufficient to ensure its longevity. If the builder is not entitled to a return of deposited amounts, the deposit is income to the Association, recorded as Design Review Committee fees. The Committee is not required to pay interest on deposits held by the Association. The Association Board has restricted a portion of the cash balances to be used to repay the DRC escrow deposits when the deposits become refundable.

Additionally, the Committee is authorized to levy and collect a reasonable fee to cover costs of plan and specifications review. The Committee levies \$500, to be paid to the Association, per compliance review. Additionally, the Committee requires a fee to be paid directly to the Association's outside architectural consultant, based on the square footage of the project.

The Association Board has restricted a portion of the Association's cash balances to be used to repay the DRC escrow deposits

**Singletree Property Owners Association, Inc.**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

**3. Reserved Fund Balances**

At December 31, 2009 the Association Board had reserved funds for future estimated expenses as shown below:

	December 2009
<b>Reserved for:</b>	
Legal expense	\$100,000
Open Space	\$ 75,000
Future Operations	\$100,000
Capital Projects	\$100,000
 <b>Unreserved</b>	 <u>\$ 83,312</u>
<b>Total Fund Balance</b>	<b><u>\$458,312</u></b>

**4. Concentration of Credit Risk**

The Association has invested certain of its cash balances in money funds held with financial institutions. Certain of these funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to the FDIC insurance limit. At December 31, 2009 the Association had uninsured funds. To assist in mitigating this risk the Association has entered into Sweep and Repurchase Agreement with US Bank, under which funds in excess of specified thresholds are invested by US Bank in obligations issued or guaranteed by the U.S. government or its agencies, with all such invested amounts available to the Association upon demand. US Bank has granted the Association a security interest in the securities underlying the Sweep and Repurchase Agreements, but the underlying securities are not the property of the Association. Amounts invested under the terms of the Sweep and Repurchase Agreements are not insured by the Federal Deposit Insurance Corporation and are not guaranteed by the U.S. government or its agencies.

In June 2008, the Association transferred certain cash balances from US Bank to Alpine Bank and invested those funds in certificates of deposit through the CDARS program. All funds invested in the CDARS program are insured by the FDIC.