

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)

Financial Statements and
Supplementary Information
November 30, 2012 and 2011

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
November 30, 2012 and 2011

Table of Contents

	<u>Page</u>
Independent Accountant's Compilation Report	1
Balance Sheets	2
Statements of Revenues, Expenses and Changes in Fund Balance	3 - 4
Supplementary Information: Comparison of Actual and Budgeted Expenses, Year Ended November 30, 2012	5 - 6



NOVOSAD ♦ LYLE

♦ ASSOCIATES, P.C. ♦

Exceeding your accounting needs

Certified Public Accountants

*Stephanie Novosad, C.P.A.
Kelly E. Lyle, C.P.A.*

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Avon Center
264 Chapel Place, Suite 300
P.O. Box 5910
Avon, Colorado 81620

*phone 970.845.8000
fax 970.845.8108*

*nla-cpas@vail.net
www.NovosadLyleCPA.com*

To the Board of Directors
Park Plaza Condominium Association
Beaver Creek, Colorado

We have compiled the accompanying balance sheets of Park Plaza Condominium Association (a Colorado non-profit corporation) as of November 30, 2012 and 2011, and the related statements of revenues, expenses and changes in fund balance, for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has also elected to omit substantially all other disclosures ordinarily included in financial statements and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, these 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, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Novosad, Lyle & Associates, P.C.

Novosad, Lyle & Associates, P.C.
December 18, 2012

Park Plaza Condominium Association

(A Colorado Non-Profit Corporation)

Balance Sheets

November 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets:		
Cash and investments (less unrealized gains of 37,482 and 48,842)	2,574,511	2,286,498
Accounts receivable - owners	12,023	10,854
Inventory - supplies	10,000	10,000
Prepaid expenses	10,152	530
Prepaid insurance	<u>26,195</u>	<u>20,954</u>
Total Current Assets	<u>2,632,881</u>	<u>2,328,836</u>
Fixed Assets:		
Equipment	52,194	52,194
Less: accumulated depreciation	<u>(52,194)</u>	<u>(52,194)</u>
Total Fixed Assets	<u>-</u>	<u>-</u>
Total Assets	<u><u>2,632,881</u></u>	<u><u>2,328,836</u></u>
Liabilities and Fund Balance		
Current Liabilities:		
Accounts payable - owners	157,442	140,376
Accounts payable - trade	222,959	241,091
Accounts payable-insurance	-	5,596
Accounts payable - other	3,224	2,642
Accrued property taxes	135,439	127,207
Accrued payroll	12,580	5,100
Accrued payroll taxes payable	884	422
Advance guest deposits	338,226	276,305
Prepaid owner assessments	<u>33,735</u>	<u>12,914</u>
Total Current Liabilities	<u>904,489</u>	<u>811,653</u>
Fund Balance:		
Reserve for repairs and replacements (Page 4)	<u>1,728,392</u>	<u>1,517,183</u>
Total Liabilities and Fund Balance	<u><u>2,632,881</u></u>	<u><u>2,328,836</u></u>

See independent accountant's compilation report.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balance
Years Ended November 30, 2012 and 2011

	2012	2011
Revenues:		
Common assessments	1,612,007	1,610,131
Owner rebill and late charges	2,100	7,273
Interest income and gains/losses on investments	62,620	69,040
Telephone revenue	-	2
Bonus night revenue	3,293	2,136
Net rental fees	178,127	159,852
Locker revenue	33,175	29,330
Advance deposit write-offs	6,871	7,655
Other income and utility credits	36,422	51,645
	<u>1,934,615</u>	<u>1,937,064</u>
 Total Revenues	 <u>1,934,615</u>	 <u>1,937,064</u>
Expenses:		
Salaries:		
Management	90,000	90,000
Front desk	124,893	121,614
Housekeeping and housemen	339,163	321,435
Bellmen	5,500	4,000
Maintenance personnel	80,716	74,645
Payroll taxes	59,044	57,268
Health insurance	78,678	78,945
Ski passes	4,328	4,823
Workmen's compensation insurance	13,013	11,160
Uniforms	299	812
Employee relations	247	1,762
Recruiting	499	385
Room amenities	19,146	16,497
Room replacements	17,073	14,510
Cleaning supplies	18,833	19,613
Laundry supplies	6,954	5,651
Linen	8,115	6,357
Cable television	32,982	32,055
Contract cleaning	9,696	6,875
Firewood	5,217	5,696
Continental breakfast	37,882	35,067
Repairs and Maintenance:		
Residential	33,063	33,900
GCE	122,597	133,871
Miscellaneous maintenance	709	1,094
Pool and spa maintenance	5,411	5,106

See independent accountant's compilation report.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balance
Years Ended November 30, 2012 and 2011

	2012	2011
Expenses (continued):		
Landscaping	186	325
Snow removal	-	428
Elevator	9,993	15,313
Christmas decorations	1,035	296
Electricity	56,756	59,671
Natural gas	53,258	52,381
Water and sewer	43,640	42,578
Trash removal	7,374	10,304
Fire, life and safety	11,403	10,670
Office supplies	6,874	6,083
Telephone equipment	-	1,114
Telephone and fax charges	10,479	15,066
Computer and internet expense	17,636	21,826
Copier expense	-	1,000
Postage	1,052	2,281
Accounting fees	7,318	6,321
Legal expense	-	(83)
Insurance	24,832	24,367
Board expense	4,393	4,576
Marketing and promotion	6,040	5,840
Replacement reserve*	358,591	391,394
Bank charges and miscellaneous	705	806
Property taxes	136,207	136,298
Travel agent commissions	28,049	14,408
Credit card discounts	24,739	20,660
Officers' expense	10,000	10,000
 Total Expenses	 1,934,615	 1,937,064
 Revenue in excess of expenses	 -	 -
Beginning Fund Balance	1,517,183	1,422,440
Reserve expenditures	(147,382)	(296,651)
Reserve assessments*	358,591	391,394
Ending Fund Balance (Page 2)	1,728,392	1,517,183

*-Replacement reserve expense is equal to the current year reserve assessments reported separately in these financial statements.

See independent accountant's compilation report.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Supplementary Information
Comparison of Actual and Budgeted Expenses
Year Ended November 30, 2012

	<u>Actual</u>	<u>Budgeted</u>	<u>Difference - Favorable (Unfavorable)</u>
Revenues:			
Common assessments	1,612,007	1,609,134	2,873
Owner rebill and late charges	2,100	6,500	(4,400)
Interest income and gains on investments	62,620	50,000	12,620
Locker revenue	33,175	28,000	5,175
Bonus night revenue	3,293	2,500	793
Net rental fees	178,127	160,000	18,127
Other income	43,293	40,000	3,293
	<u>1,934,615</u>	<u>1,896,134</u>	<u>38,481</u>
Expenses:			
Salaries:			
Management	90,000	90,000	-
Front desk	124,893	125,000	107
Housekeeping and housemen	339,163	338,000	(1,163)
Bellmen	5,500	6,000	500
Maintenance personnel	80,716	80,000	(716)
Employee benefits	155,064	158,000	2,936
Uniforms	299	1,200	901
Employee relations	247	2,000	1,753
Recruiting	499	1,500	1,001
Room amenities	19,146	20,000	854
Room replacements	17,073	18,000	927
Cleaning supplies	18,833	18,000	(833)
Laundry supplies	6,954	6,500	(454)
Linen	8,115	10,000	1,885
Cable television	32,982	36,000	3,018
Contract cleaning	9,696	10,000	304
Firewood	5,217	6,000	783
Continental breakfast	37,882	38,000	118
Repairs and maintenance:			
Residential	33,063	35,000	1,937
GCE	122,597	137,000	14,403
Pool and spa maintenance	5,411	5,000	(411)
Appliance maintenance & replacements	709	-	(709)

See independent accountant's compilation report.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Supplementary Information
Comparison of Actual and Budgeted Expenses
Year Ended November 30, 2012
(Continued)

Expenses (continued):	<u>Actual</u>	<u>Budgeted</u>	Difference- Favorable (Unfavorable)
Landscaping	186	1,000	814
Snow removal	-	10,000	10,000
Elevator	9,993	10,000	7
Christmas decorations	1,035	1,000	(35)
Electricity	56,756	60,000	3,244
Natural gas	53,258	55,000	1,742
Water and sewer	43,640	45,000	1,360
Trash removal	7,374	12,000	4,626
Fire, life and safety	11,403	13,000	1,597
Office supplies	6,874	6,000	(874)
Telephone and fax charges	10,479	18,000	7,521
Computer and internet expense	17,636	22,000	4,364
Copier expense	-	2,000	2,000
Postage	1,052	2,500	1,448
Accounting fees	7,318	8,500	1,182
Legal expense	-	3,000	3,000
Insurance	24,832	26,000	1,168
Board expense	4,393	4,000	(393)
Marketing and promotion	6,040	10,000	3,960
Replacement reserve*	358,591	260,000	(98,591)
Bank charges and miscellaneous	705	934	229
Property taxes	136,207	137,000	793
Travel agent commissions	28,049	15,000	(13,049)
Credit card discounts	24,739	23,000	(1,739)
Officers' expense	10,000	10,000	-
Total Expenses	<u>1,934,615</u>	<u>1,896,134</u>	<u>(38,481)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>

*-Replacement reserve expense is equal to the current year reserve assessments reported separately in these financial statements.

See independent accountant's compilation report

PPCA Homeowner's Annual Meeting

December 27, 2012

2pm

Management present: Bernie Scharf, Tamara Teubel and Julie Timparo

Owners Present: Mr. & Mrs. Vines and Mr. Qubain

Meeting called to order by Bernie Scharf President of PPCA. A quorum was present by proxies.

Mr. Vines waived the reading of last year's minutes and Mr. Qubain seconded it.

Bernie Scharf, PPCA President, stated that we now have new washers and dryers in the laundry facility. Many LED lighting projects have been done throughout the property which include the garage, stairwells, kitchen area, and master bathrooms. These lighting projects are eco friendly and will save PPCA thousands of dollars a year in energy costs. We will be working on finishing the second bathrooms with new granite tops, sinks, and cabinets. New solar window coverings have been installed in the living rooms. The window coverings will cut the heat in the summer and keep the heat in, in the winter. We will also be replacing the boilers with a new state of the art heating system along with a Reliable Control System. The current projected cost for the new boilers is \$250,000. This will save PPCA in the long run since the actual projected gas usage should decrease by 20 – 25%. We will be retrofitting the elevators from mechanical relays to digital electronics since the parts are becoming no longer available for the existing elevators. Projected costs for the elevator retrofit is approximately \$75,000 per elevator.

PPCA has entered into a partnership agreement with Destination Hotels and Resorts for promoting rentals for PPCA.

Mr. Qubain said we have a good balance between updates & upgrades. He would like to keep the dues low. He also commented that Bernie was doing a great job managing PPCA.

The Class B Commercial seat is held by Vail Resorts and they have appointed Jim Crocker as their representative.

Ratification of Replacement Reserve Expenditure was approved by all owners present and those represented by proxy.

Replacement Assessments: Upon motion duly made and seconded, the following resolution was unanimously approved:

Whereas the members desire that the Association shall act in full
accordance with the rulings and regulations of the Internal Revenue
Service, now therefore the members hereby adopt the following resolutions
by and on behalf of the Association:

Resolved that the amount collected by or paid to the Association for Capital Replacement purposes during the year ending November 30 2010, shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by IRC Section 118 and Revenues Rulings 75-370 and 75-371. Such amounts shall be deposited into a separate account. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

And be it further resolved that all actions taken by the Board of Directors on Behalf of the Association during the prior year be and hereby are ratified.

The financial statements and budgets were reviewed by management. Mr. Qubain approved the budget and reserve for 2013. Mr. Vines seconded it.

There was no further business discussed the meeting was adjourned

Respectfully Submitted,

A handwritten signature in cursive script that reads "Julie Timparo". The signature is written in dark ink and is positioned above the printed name.

Julie Timparo