

Benson Accounting, LLC

Certified Public Accountants

Chad Benson
Certified Public Accountant

Board of Directors
Pilgrim Downs Homeowners Association
137 Main St. Unit O-202
Edwards, CO 81632

September 21, 2017

Dear Board of Directors:

We have compiled the accompanying statement of assets, liabilities and equity, income tax basis, for Pilgrim Downs Homeowners Association as of August 31, 2017, and the related statement of revenues, expenses and retained earnings, income tax basis, for the one month 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 the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting 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.

Supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be part of, the basic financial statements. Pilgrim Downs Homeowners Association has not presented this supplementary information.

We are not independent with respect to Pilgrim Downs Homeowners Association.



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PILGRIM DOWNS HOMEOWNERS ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES & EQUITY - INCOME TAX BASIS
AUGUST 31, 2017

Assets	
Cash	
Operating Checking - Alpine Bank	102,307.57
Reserve Account - Alpine Bank	395,854.10
Construction Escrow - Alpine Bank	175,222.99
Emergency Fund - Alpine Bank	3,738.09
Total Cash	<u>677,122.75</u>
Other Current Assets	
Accounts Receivable -Owner Assessments	24,245.88
A/R - Other	
Prepaid Insurance	6,004.37
Total Current Assets	<u>30,250.25</u>
Fixed Assets	
Fixed Assests	890,078.74
Accumulated Depreciation	(494,793.00)
Total Assets	<u><u>1,102,658.74</u></u>
Liabilities and Equity	
Accounts Payable	4,477.82
Prepaid Assessments	55,264.00
Construction Deposit	175,000.00
Payroll Liabilities	5,200.50
Barn and House Mortgage Alpine Bank	549,828.70
Total Liabilities	<u>789,771.02</u>
Equity	
Capital Reserve	449,282.85
Retained Earnings	(166,270.31)
Working Capital	14,400.00
Net Operating Surplus (Deficit)	15,475.18
Total Equity	<u>312,887.72</u>
Total Liabilities and Equity	<u><u>1,102,658.74</u></u>

See Accountant's Compilation Report

PILGRIM DOWNS HOMEOWNERS ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND BUDGET - INCOME TAX BASIS
FOR THE PERIOD ENDING AUGUST 31, 2017

	YTD Actual 8/1/17 to 8/31/2017	YTD Budget 8/1/17 to 8/31/2017	Variance Actual to Budget (Unfavorable)	FYE 07/31/18 Annual Budget
Revenues				
Caretaker Home Dues	3,912.06	3,912.00	0.06	46,944.00
Dues Income	15,070.00	15,048.50	21.50	180,582.00
Reserve Dues	3,008.00	3,008.00	-	36,096.00
Interest Income-Operating	-	-	-	-
Interest Income-Reserve	23.39	20.87	2.52	250.00
Late Fees	54.30	-	54.30	-
Road Paving & Barn Dues	2,788.00	2,788.00	-	33,456.00
Hay Sales	-	1,000.00	(1,000.00)	1,000.00
Snow Removal Dues	-	-	-	62,563.00
Previous Year Surplus	17,900.00	17,900.00	-	17,900.00
Sale of old assets	-	-	-	-
Total Income	42,755.75	43,677.37	(921.62)	378,791.00
Expense - Operating				
Accounting	808.33	808.37	0.04	9,700.00
Architectural Fees	-	875.00	875.00	10,500.00
Gate	330.35	337.12	6.77	4,045.00
Hay Field	-	250.00	250.00	1,000.00
HOA Meeting	2,400.00	2,400.00	-	2,400.00
Insurance	1,347.54	1,166.72	(180.82)	14,000.00
Landscape, Shrubs, Flowers	-	666.70	666.70	4,000.00
Legal Fees - Ops	-	833.37	833.37	10,000.00
Miscellaneous Maintenance	766.05	583.37	(182.68)	7,000.00
Office Expense	497.96	83.37	(414.59)	1,000.00
Payroll Taxes	956.25	875.00	(81.25)	10,500.00
Preventative Maint & Road Repairs	579.15	333.37	(245.78)	4,000.00
Ranch Manager Home Gas & Maint	341.20	583.37	242.17	7,000.00
Ranch Manager Home - Mortgage Payment	6,585.98	6,700.00	114.02	80,400.00
Ranch Manager Home Improvements	-	666.72	666.72	8,000.00
Ranch Manager Retirement Plan	-	-	-	-
Ranch Manager Salary	12,500.00	12,500.00	-	150,000.00
Snow Removal Cost	-	-	-	5,100.00
Trash Collection	346.45	416.72	70.27	5,000.00
Truck Fuel, Oil, Lic, Fees, & Maint	977.08	583.37	(393.71)	7,000.00
Purchase - Equipment	-	-	-	1,800.00
Total Operating Expense	28,436.34	30,662.57	2,226.23	342,445.00
Previous Year Surplus	6,066.61	6,066.61	-	6,066.61
Transfer to Reserve	9,098.00	9,095.48	2.52	42,412.61
Net Surplus (Deficit) Cash	11,288.02	9,985.93	1,302.09	-
Add Loan Principal Payment	4,187.16	4,187.16	-	-
Add Purchases	-	-	-	-
Less Depreciation	-	-	-	-
Net Surplus (Deficit)	\$ 15,475.18	\$ 14,173.09	\$ 1,302.09	\$ -

Notes:

Total Operating Expenses are \$2,226.23 under budget

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION
ENVIRONMENTAL PRESERVE FUND
FOR THE PERIOD ENDING AUGUST 31, 2017**

	YTD Actual 8/1/17 to 8/31/2017	YTD Budget 8/1/17 to 8/31/2017	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 7/31/2018
Beginnig Balance	441,073.85	441,073.85	-	441,073.85
Revenues - Reserve				
Reserve Funding	3,008.00	3,008.00	-	36,096.00
Interest Income-Reserve	23.39	20.87	2.52	250.00
Previous Year Surplus	6,066.61	6,066.61		6,066.61
Total Income	9,098.00	9,095.48	2.52	42,412.61
Expense - Reserve				
Beaver Dam Excavation	-	187.50	187.50	2,250.00
Dead Tree & Pin Beetle Removal	-	166.63	166.63	2,000.00
Ditch Repair	-	500.00	500.00	6,000.00
Environmental Preservation (Resource Engineering)	165.00	165.00	-	400.00
Legal Fees - Environmental	724.00	1,000.00	276.00	12,000.00
Pond Maintenance	-	216.63	216.63	2,600.00
Water Lease	-	625.00	625.00	7,500.00
Total Expenses	889.00	2,860.76	1,971.76	32,750.00
Net Surplus (Deficit)	8,209.00	6,234.72		9,662.61
Ending Reserve Fund	449,282.85	447,308.57	1,974.28	450,736.46

Notes:

Total Expenses are \$1,971.76 under budget