

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION, INC.**

FINANCIAL STATEMENT

July 31, 2012

Gary L. Atkinson  
Certified Public Accountant  
Avon, Colorado

# Gary L. Atkinson

CERTIFIED PUBLIC ACCOUNTANT

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## ACCOUNTANTS COMPILATION REPORT

Board of Managers  
Pilgrim Downs Homeowners Association, Inc.

I have compiled the accompanying statement of assets, liabilities and equity as of July 31, 2012 and statements of receipts and disbursements of Pilgrim Downs Homeowners Association, Inc. (a corporation) for the year then ended. I 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.

My 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 assurances that there are no material modifications that should be made to the financial statements.

The Statement of receipts and disbursements – compared to budget-cash basis is presented only for supplementary analysis purposes. I have compiled the Statement from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows and change in equity required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows and change in equity 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.

# Gary L. Atkinson

CERTIFIED PUBLIC ACCOUNTANT

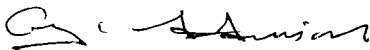
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## ACCOUNTANTS COMPILATION REPORT - Continued

Accounting principles generally accepted in the United States of America mandate that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. The Association has not presented this supplementary information.

I am not independent with respect to the Pilgrim Downs Homeowners Association, Inc.



Gary L. Atkinson  
Avon, Colorado  
August 22, 2012

# PILGRIM DOWNS HOMEOWNERS ASSOCIATION

## STATEMENT OF ASSETS, LIABILITIES & EQUITY

July 31, 2012

### ASSETS

CASH	
OPERATING SAVINGS	\$ 3,797
TOTAL OPERATING CASH	<u>61,842</u>
ENVIRONMENTAL PRESERVATION RESERVE	113,276
EMERGENCY FUND RESERVE	<u>144,792</u>
TOTAL CASH	<u>323,707</u>
ACCOUNTS RECEIVABLE	<u>0</u>
FIXED ASSETS	
CARETAKER HOME	508,112
LAND	43,467
STORAGE BARN	128,613
GARAGE	53,883
RANCH TRUCK	33,963
LANDSCAPE & HAY FIELD EQUIPMENT	34,277
TRACTOR	69,072
CAPITALIZED LOAN FEES	<u>5,317</u>
TOTAL FIXED ASSETS	<u>876,704</u>
LESS: ACCUMULATED DEPRECIATION & AMORTIZATION	<u>(373,548)</u>
NET FIXED ASSETS	<u>503,156</u>
TOTAL ASSETS	<u>\$ 826,863</u>

### LIABILITIES & EQUITY

ACCOUNTS PAYABLE	\$ 4,410
CONSTRUCTION DEPOSIT	7,000
PAYROLL LIABILITIES	3,611
BARN & ROAD REPLACEMENT MORTGAGE	326,252
CARETAKER HOME MORTGAGE	<u>517,994</u>
TOTAL LIABILITIES	<u>859,267</u>
EQUITY	
WORKING CAPITAL RESERVE	14,400
RETAINED EARNINGS(DEFICIT)	<u>(46,804)</u>
TOTAL EQUITY	<u>(32,404)</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 826,863</u>

See Accountants Report

# PILGRIM DOWNS HOMEOWNERS ASSOCIATION

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FISCAL YEAR ENDING JULY 31, 2012

RECEIPTS	
DUES INCOME	\$ 163,872
ENVIRONMENTAL RESTORATION FUND	105,600
EMERGENCY FUND	48,000
SNOW REMOVAL DUES	60,353
ROAD & BARN DUES	43,149
CARETAKER HOME DUES	46,944
HAY SALES	4,852
INTEREST INCOME AND LATE FEES	1,033
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TOTAL RECEIPTS	473,803
	<hr/>
DISBURSEMENTS	
RANCH MANAGER	107,668
PAYROLL TAXES	8,470
RETIREMENT PLAN	2,100
ACCOUNTING	7,750
INTEREST	43,582
INSURANCE	9,033
OFFICE EXPENSE	896
ELECTRICITY	2,614
SNOW REMOVAL - EQUIPMENT AND SUPPLIES	6,088
LEGAL	33,415
LICENSE AND FEES	807
TRUCK FUEL AND MAINTENANCE	5,405
LANDSCAPE	7,266
OTHER REPAIRS & MAINTENANCE	23,757
DITCH REPAIRS	100,345
TRASH REMOVAL	4,764
DEPRECIATION & AMORTIZATION	67,685
NATURAL GAS LINE INSTALLATION COST	4,494
TREE REMOVAL COST	4,095
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TOTAL DISBURSEMENTS	440,234
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NET INCOME (LOSS)	\$ 33,569

# PILGRIM DOWNS HOMEOWNERS ASSOCIATION

STATEMENT OF RECEIPTS and DISBURSEMENTS- COMPARED TO BUDGET - CASH BASIS  
FOR THE YEAR ENDED JULY 31, 2013

	Approved Budget 2013	2012 Actual	2012 Total Budget
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<b>Receipts:</b>			
Dues Income	\$ 163,872	\$ 163,872	\$ 163,872
Emergency Reserve Dues	0	49,100	48,000
Snow Removal Dues	60,352	60,353	60,352
Caretaker Home Loan Dues	46,944	46,946	46,944
Road Paving & Barn Loan Dues	33,456	43,146	43,148
Equestrian Center	1,700	0	1,000
Hay Sales	2,000	4,852	3,100
Interest Income & Late fees	480	694	400
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<b>Total Receipts</b>	<b>308,804</b>	<b>368,963</b>	<b>366,816</b>
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<b>Disbursements:</b>			
Ranch Manager	92,000	87,667	87,000
Payroll Taxes	10,600	8,493	11,130
Retirement Plan	2,100	2,100	2,100
Accounting	8,600	7,750	6,950
Mortgage Payment	51,372	57,699	49,176
Road Paving & Barn Mortgage Payment	33,456	33,456	33,456
Equestrian Center	1,700	0	1,000
Insurance	7,100	9,065	8,000
Office Expense	660	814	900
Electricity	2,470	2,557	2,400
Snow Removal Equip Fuel & Maintenance	3,400	15,656	16,600
Legal	10,000	13,522	6,900
License & Fees	800	807	800
New Truck	0	43,463	44,100
Sale of Old Truck	0	(10,000)	(10,000)
Truck Fuel & Oil & Maintenance	4,800	5,369	4,800
Landscape & Shrubs & Flowers	5,000	10,705	5,600
Miscellaneous	21,600	43,104	35,300
Stain Barn	0	2,950	3,000
Trash	4,800	4,764	5,040
Natural Gas Line Installation	0	0	0
Transfer to(from) Environmental Account	0	(4,244)	0
Transfer to Emergency Reserve	300	48,072	48,000
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<b>Total Disbursements</b>	<b>260,758</b>	<b>383,769</b>	<b>362,252</b>
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<b>Increase (Decrease) in Cash</b>	<b>\$ 48,046</b>	<b>\$ (14,806)</b>	<b>\$ 4,564</b>
	=====	=====	=====
Cash Beginning of Period	\$ 65,639	\$ 80,445	\$ 80,445
Cash End of Period	\$ 113,685	\$ 65,639	\$ 85,009
	=====	=====	=====
<b>Emergency Reserve Balance</b>	<b>\$ 145,092</b>	<b>\$ 144,792</b>	<b>\$ 144,720</b>
	=====	=====	=====

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION**  
 STATEMENT OF RECEIPTS and DISBURSEMENTS- COMPARED TO BUDGET - CASH BASIS  
 FOR THE YEAR ENDED JULY 31, 2013

**Environmental Preservation Fund**

	Approved Budget 2013 <hr style="border-top: 1px dashed black;"/>	2012 Actual <hr style="border-top: 1px dashed black;"/>	2012 Total Budget <hr style="border-top: 1px dashed black;"/>
Receipts:			
Environmental Preservation Assessment	\$ 105,600	\$ 104,500	\$ 105,600
Interest Income	240	338	805
Total Receipts	<hr style="border-top: 1px dashed black;"/> 105,840	<hr style="border-top: 1px dashed black;"/> 104,838	<hr style="border-top: 1px dashed black;"/> 106,405
Dead Tree & Trail Maintenance	4,000	973	8,000
Environmental Legal Fees	24,000	20,318	1,500
Ditch Repair	3,000	99,889	105,000
Transfer to(from) Operations Account	0	4,244	0
Total Disbursements	<hr style="border-top: 1px dashed black;"/> 31,000	<hr style="border-top: 1px dashed black;"/> 125,424	<hr style="border-top: 1px dashed black;"/> 114,500
Increase (Decrease) in Cash	<hr style="border-top: 1px dashed black;"/> \$ 74,840	<hr style="border-top: 1px dashed black;"/> \$ (20,586)	<hr style="border-top: 1px dashed black;"/> \$ (8,095)
Cash Beginning of Period	<hr style="border-top: 1px dashed black;"/> \$ 113,275	<hr style="border-top: 1px dashed black;"/> \$ 133,861	<hr style="border-top: 1px dashed black;"/> \$ 133,861
Cash End of Period	<hr style="border-top: 1px dashed black;"/> \$ 188,115	<hr style="border-top: 1px dashed black;"/> \$ 113,275	<hr style="border-top: 1px dashed black;"/> \$ 125,766
Dues composition per quarter:			
Common Area	1,707		
Caretaker Home Mortgage	559		
Road Paving & Barn Mortgage	449		
Environmental Fund	<hr style="border-top: 1px solid black;"/> 1,100		
Total	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> 3,815		
Snow removal - Winter Quarters	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> Varies		