

Benson Accounting, LLC

Chad Benson
Certified Public Accountant

Certified Public Accountants

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

August 27, 2016

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 July 31, 2016, and the related statement of revenues, expenses and retained earnings, income tax basis, for the one month and the 12 months 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
JULY 31, 2016

Assets		
Cash		
Operating Checking - Alpine Bank	70,048.24	
Reserve Account - Alpine Bank	335,669.09	
Construction Escrow - Alpine Bank	172,885.49	
Emergency Fund - Alpine Bank	3,736.06	
Total Cash	582,338.88	
Other Current Assets		
Accounts Receivable -Owner Assessments	18,118.03	
A/R - Other	-	
Prepaid Insurance	7,319.09	
Total Current Assets	25,437.12	
Fixed Assets		
Fixed Assests	882,703.75	
Accumulated Depreciation	(494,793.00)	
Total Assets	995,686.75	
Liabilities and Equity		
Accounts Payable	7,871.28	
Prepaid Assessments	1,408.00	
Construction Deposit	150,000.00	
Payroll Liabilities	3,959.50	
Barn and House Mortgage Alpine Bank	605,153.62	
Total Liabilities	768,392.40	
Equity		
Capital Reserve	408,911.59	
Retained Earnings	(236,179.50)	
Working Capital	14,400.00	
Net Operating Surplus (Deficit)	40,162.26	
Total Equity	227,294.35	
Total Liabilities and Equity	995,686.75	

See Accountant's Compilation Report

PILGRIM DOWNS HOMEOWNERS ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND BUDGET - INCOME TAX BASIS
FOR THE PERIOD ENDING JULY 31, 2016

	July Actual	July Budget	Variance Actual to Budget (Unfavorable)	YTD Actual 8/1/15 to 7/31/16	YTD Budget 8/1/15 to 7/31/16	Variance Actual to Budget (Unfavorable)	FYE 07/31/16 Annual Budget
Revenues							
Caretaker Home Dues	3,912.02	3,912.00	0.02	46,944.24	46,944.00	0.24	46,944.00
Dues Income	13,656.00	13,656.00	-	163,872.00	163,872.00	-	163,872.00
Reserve Dues	3,664.00	3,666.67	(2.67)	43,968.00	44,000.00	(32.00)	44,000.00
Interest Income-Operating	-	63.33	(63.33)	-	760.00	(760.00)	760.00
Interest Income-Reserve	23.47	50.00	(26.53)	226.05	600.00	(373.95)	600.00
Late Fees	-	-	-	96.19	-	96.19	-
Road Paving & Barn Dues	2,788.00	2,788.00	-	33,456.00	33,456.00	-	33,456.00
Hay Sales	-	83.33	(83.33)	5,832.00	1,000.00	4,832.00	1,000.00
Snow Removal Dues	-	-	-	62,561.00	62,563.00	(2.00)	62,563.00
Total Income	24,043.49	24,219.33	(175.84)	356,955.48	353,195.00	3,760.48	353,195.00
Expense - Operating							
Accounting	730.00	733.33	3.33	8,340.00	8,800.00	460.00	8,800.00
Gate	73.35	250.00	176.65	2,099.10	3,000.00	900.90	3,000.00
Hay Field	-	83.33	83.33	856.55	1,000.00	143.45	1,000.00
Insurance	1,315.91	1,111.25	(204.66)	13,744.58	13,335.00	(409.58)	13,335.00
Landscape, Shrubs, Flowers	1,685.70	333.33	(1,352.37)	3,157.70	4,000.00	842.30	4,000.00
Legal Fees - Ops	735.00	833.33	98.33	6,953.59	10,000.00	3,046.41	10,000.00
Miscellaneous Maintenance	35.48	291.67	256.19	3,337.98	3,500.00	162.02	3,500.00
Office Expense	33.65	75.00	41.35	763.97	900.00	136.03	900.00
Payroll Taxes	44.37	875.00	830.63	9,171.60	10,500.00	1,328.40	10,500.00
Preventative Maint & Road Repairs	525.78	583.33	57.55	5,776.53	7,000.00	1,223.47	7,000.00
Ranch Manager Home Gas & Maint	238.73	541.67	302.94	6,037.84	6,500.00	462.16	6,500.00
Ranch Manager Home - Mortgage Payment	6,700.00	6,700.00	-	80,400.00	80,400.00	-	80,400.00
Ranch Manager Retirement Plan	-	175.00	175.00	357.74	2,100.00	1,742.26	2,100.00
Ranch Manager Salary	10,833.34	10,833.33	(0.01)	130,000.08	130,000.00	(0.08)	130,000.00
Snow Removal Cost	-	-	-	3,182.06	10,000.00	6,817.94	10,000.00
Trash Collection	529.02	375.00	(154.02)	5,569.62	4,500.00	(1,069.62)	4,500.00
Truck Fuel, Oil, Lic, Fees, & Maint	1,289.84	833.33	(456.51)	18,504.77	10,000.00	(8,504.77)	10,000.00
Total Operating Expense	24,770.17	24,627.90	(142.27)	298,253.71	305,535.00	7,281.29	305,535.00
Transfer to Reserve	3,687.47	3,716.67	(29.20)	44,194.05	44,600.00	(405.95)	44,600.00
Net Surplus (Deficit) Cash	(4,414.15)	(4,125.24)	(288.91)	14,507.72	3,060.00	11,447.72	3,060.00
Add Loan Principal Payment	4,232.83	4,232.83	-	50,520.54	50,520.54	-	50,520.54
Less Depreciation	-	-	-	(24,866.00)	(24,866.00)	-	(24,866.00)
Net Surplus (Deficit)	\$ (181.32)	\$ 107.59	\$ (288.91)	\$ 40,162.26	\$ 28,714.54	\$ 11,447.72	\$ 28,714.54

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION
ENVIRONMENTAL PRESERVE FUND
JULY 31, 2016**

	July Actual	July Budget	Variance Actual to Budget (Unfavorable)	YTD Actual 8/1/15 to 7/31/16	YTD Budget 8/1/15 to 7/31/16	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 07/31/16
Beginnig Balance			-	399,678.22	399,678.22	-	399,678.22
Revenues - Reserve							
Previous Year Surplus	-	-	-	-	-	-	-
Reserve Funding	3,664.00	3,666.67	(2.67)	43,968.00	44,000.00	(32.00)	44,000.00
Interest Income-Reserve	23.47	50.00	(26.53)	226.05	600.00	(373.95)	600.00
Total Income	3,687.47	3,716.67	(29.20)	44,194.05	44,600.00	(405.95)	44,600.00
Expense - Reserve							
Architectural Fees	1,028.93	-	(1,028.93)	1,028.93	-	(1,028.93)	-
Dead Tree & Pin Beetle Removal	-	333.33	333.33	-	4,000.00	4,000.00	4,000.00
Legal Fees - Environmental	-	2,083.33	2,083.33	14,361.73	25,000.00	10,638.27	25,000.00
Ditch Repair	878.75	666.67	(212.08)	3,878.75	8,000.00	4,121.25	8,000.00
Dry Hydrant	-	-	-	124.96	-	(124.96)	-
Water Lease	-	596.75	596.75	7,261.00	7,161.00	(100.00)	7,161.00
Pond Maintenance	-	208.33	208.33	4,715.56	2,500.00	(2,215.56)	2,500.00
Beaver Dam Excavation	878.75	-	(878.75)	3,111.25	-	(3,111.25)	-
Environmental Preservation (Resource Engineerin	80.00	-	(80.00)	478.50	-	(478.50)	-
Total Expenses	2,866.43	3,888.41	1,021.98	34,960.68	46,661.00	11,700.32	46,661.00
Net Surplus (Deficit)	821.04	(171.74)		9,233.37	(2,061.00)		(2,061.00)
Ending Reserve Fund	821.04	(171.74)	992.78	408,911.59	397,617.22	11,294.37	397,617.22

See Accountant's Compilation Report