

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

August 26, 2017

Dear Board of Directors:

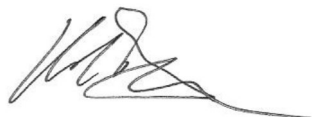
We have compiled the accompanying statement of assets, liabilities and equity, income tax basis, for Pilgrim Downs Homeowners Association as of July 31, 2017, and the related statement of revenues, expenses and retained earnings, income tax basis, for the twelve months then ended. We have not audited 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, 2017

Assets		
Cash		
Operating Checking - Alpine Bank	74,305.06	
Reserve Account - Alpine Bank	365,837.54	
Construction Escrow - Alpine Bank	197,996.65	
Emergency Fund - Alpine Bank	3,737.93	
Total Cash	<u>641,877.18</u>	
Other Current Assets		
Accounts Receivable -Owner Assessments	7,282.76	
A/R - Other		
Prepaid Insurance	6,754.91	
Total Current Assets	<u>14,037.67</u>	
Fixed Assets		
Fixed Assests	890,078.74	
Accumulated Depreciation	(494,793.00)	
Total Assets	<u><u>1,051,200.59</u></u>	
Liabilities and Equity		
Accounts Payable	2,297.98	
Prepaid Assessments	-	
Construction Deposit	175,000.00	
Payroll Liabilities	4,327.00	
Barn and House Mortgage Alpine Bank	554,015.86	
Total Liabilities	<u>735,640.84</u>	
Equity		
Capital Reserve	456,649.30	
Retained Earnings	(236,179.50)	
Working Capital	14,400.00	
Net Operating Surplus (Deficit)	80,689.95	
Total Equity	<u>315,559.75</u>	
Total Liabilities and Equity	<u><u>1,051,200.59</u></u>	

See Accountant's Compilation Report

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

	YTD Actual 8/1/16 to 7/31/2017	YTD Budget 8/1/16 to 7/31/2017	Variance Actual to Budget (Unfavorable)	FYE 07/31/17 Annual Budget
Revenues				
Caretaker Home Dues	46,944.24	46,944.00	0.24	46,944.00
Dues Income	180,672.00	180,582.00	90.00	180,582.00
Reserve Dues	60,096.00	60,111.00	(15.00)	60,111.00
Interest Income-Operating	-	-	-	-
Interest Income-Reserve	281.48	250.00	31.48	250.00
Late Fees	1,244.90	-	1,244.90	-
Road Paving & Barn Dues	33,804.50	33,456.00	348.50	33,456.00
Hay Sales	4,108.50	1,000.00	3,108.50	1,000.00
Snow Removal Dues	62,890.00	62,563.00	327.00	62,563.00
Previous Year Surplus	8,000.00	8,000.00	-	8,000.00
Sale of old assets	2,500.00	-	2,500.00	-
Total Income	400,541.62	392,906.00	7,635.62	392,906.00
Expense - Operating				
Accounting	8,760.00	8,800.00	40.00	8,800.00
Gate	9,171.72	3,000.00	(6,171.72)	3,000.00
Hay Field	245.91	1,000.00	754.09	1,000.00
Insurance	13,098.18	13,500.00	401.82	13,500.00
Landscape, Shrubs, Flowers	4,038.00	4,000.00	(38.00)	4,000.00
Legal Fees - Ops	4,242.00	10,000.00	5,758.00	10,000.00
Miscellaneous Maintenance	7,017.79	7,000.00	(17.79)	7,000.00
Office Expense	995.18	900.00	(95.18)	900.00
Payroll Taxes	9,883.38	10,500.00	616.62	10,500.00
Preventative Maint & Road Repairs	8,189.09	7,000.00	(1,189.09)	7,000.00
Ranch Manager Home Gas & Maint	12,308.16	13,300.00	991.84	13,300.00
Ranch Manager Home - Mortgage Payment	80,285.98	80,400.00	114.02	80,400.00
Ranch Manager Retirement Plan	-	2,100.00	2,100.00	2,100.00
Ranch Manager Salary	139,583.26	140,000.00	416.74	140,000.00
Snow Removal Cost	1,639.62	8,000.00	6,360.38	8,000.00
Trash Collection	5,119.10	4,900.00	(219.10)	4,900.00
Truck Fuel, Oil, Lic, Fees, & Maint	6,034.58	10,195.00	4,160.42	10,195.00
Purchase - Lawn Mower	2,999.99	3,500.00	500.01	3,500.00
Purchase - ATV	4,375.00	4,500.00	125.00	4,500.00
Total Operating Expense	317,986.94	332,595.00	14,608.06	332,595.00
Transfer to Reserve	60,377.48	60,311.00	66.48	60,311.00
Net Surplus (Deficit) Cash	22,177.20	-	22,177.20	-
Add Loan Principal Payment	51,137.76	51,137.76	-	-
Add Purchases	7,374.99	8,000.00	(625.01)	-
Less Depreciation	-	-	-	-
Net Surplus (Deficit)	\$ 80,689.95	\$ 59,137.76	\$ 21,552.19	\$ -

Notes:

Hay sales were \$4,108.50 (above budget)

Gate maintenance is over budget due to extra work adding Comcast internet

Road Maintenance is over budget due to pre-purchasing supplies

Total Operating Expenses were \$14,608.06 under budget

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

	YTD Actual 8/1/16 to 7/31/2017	YTD Budget 8/1/16 to 7/31/2017	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 07/31/16
Beginnig Balance	441,073.85	441,073.85	-	441,073.85
Revenues - Reserve				
Reserve Funding	60,096.00	60,111.00	(15.00)	60,111.00
Interest Income-Reserve	281.48	250.00	31.48	200.00
Total Income	60,377.48	60,361.00	16.48	60,311.00
Expense - Reserve				
Architectural Fees	612.00	-	(612.00)	-
Dead Tree & Pin Beetle Removal	-	-	-	-
Legal Fees - Environmental	-	12,000.00	12,000.00	12,000.00
Ditch Repair	5,646.84	3,800.00	(1,846.84)	3,800.00
Dry Hydrant	6,058.99	7,000.00	941.01	7,000.00
Water Lease	7,473.00	7,261.00	(212.00)	7,261.00
Water Meters	9,537.07	25,000.00	15,462.93	25,000.00
Well	15,272.88			
Pond Maintenance	-	2,600.00	2,600.00	2,600.00
Beaver Dam Excavation	-	2,250.00	2,250.00	2,250.00
Environmental Preservation (Resource Engineering)	201.25	400.00	198.75	400.00
Total Expenses	44,802.03	60,311.00	15,508.97	60,311.00
Net Surplus (Deficit)	15,575.45	50.00		-
Ending Reserve Fund	456,649.30	441,123.85	15,525.45	441,073.85

Notes:

Ditch Repairs were \$1,846.84 over budget

Water Lease was \$212 over budget

Total Expenses were \$15,508.97 under budget