

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 30, 2018

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, 2018, 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, 2018

Assets		
Cash		
Operating Checking - Alpine Bank		52,535.67
Reserve Account - Alpine Bank		396,035.25
Construction Escrow - Alpine Bank		191,178.26
Emergency Fund - Alpine Bank		3,739.80
Total Cash		643,488.98
Other Current Assets		
Accounts Receivable -Owner Assessments		34,934.56
A/R - Other		
Prepaid Insurance		2,232.06
Total Current Assets		37,166.62
Fixed Assets		
Fixed Assests		893,389.96
Accumulated Depreciation		(522,430.02)
Total Assets		1,051,615.54
Liabilities and Equity		
Accounts Payable		1,425.05
Prepaid Assessments		4,599.80
Construction Deposit		190,857.00
Payroll Liabilities		4,336.50
Barn and House Mortgage Alpine Bank		497,571.70
Total Liabilities		698,790.05
Equity		
Capital Reserve		467,482.64
Retained Earnings		(197,327.15)
Working Capital		14,400.00
Net Operating Surplus (Deficit)		68,270.00
Total Equity		352,825.49
Total Liabilities and Equity		1,051,615.54

See Accountant's Compilation Report

PILGRIM DOWNS HOMEOWNERS ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND BUDGET - INCOME TAX BASIS
FOR THE PERIOD ENDING JULY 31, 2018

	YTD Actual 8/1/17 to 7/31/2018	YTD Budget 8/1/17 to 7/31/2018	Variance Actual to Budget (Unfavorable)	FYE 07/31/18 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	36,096.00	36,096.00	-	36,096.00
Interest Income-Operating	-	-	-	-
Interest Income-Reserve	304.52	250.00	54.52	250.00
Late Fees	2,773.85	-	2,773.85	-
Road Paving & Barn Dues	33,456.00	33,456.00	-	33,456.00
Hay Sales	1,125.00	1,000.00	125.00	1,000.00
Snow Removal Dues	63,312.00	62,563.00	749.00	62,563.00
Previous Year Surplus	17,900.00	17,900.00	-	17,900.00
Insurance Proceeds	617.00	-	617.00	-
Sale of Tires	450.00	-	-	-
Sale of old assets	-	-	-	-
Total Income	383,650.61	378,791.00	4,859.61	378,791.00
Expense - Operating				
Accounting	9,699.96	9,700.00	0.04	9,700.00
Architectural Fees	1,093.68	10,500.00	9,406.32	10,500.00
Gate	7,620.87	4,045.00	(3,575.87)	4,045.00
Hay Field	-	1,000.00	1,000.00	1,000.00
HOA Meeting	2,400.00	2,400.00	-	2,400.00
Insurance	14,066.85	14,000.00	(66.85)	14,000.00
Landscape, Shrubs, Flowers	3,769.20	4,000.00	230.80	4,000.00
Legal Fees - Ops	21,391.10	10,000.00	(11,391.10)	10,000.00
Miscellaneous Maintenance	9,695.19	7,000.00	(2,695.19)	7,000.00
Office Expense	1,243.18	1,000.00	(243.18)	1,000.00
Payroll Taxes	10,550.38	10,500.00	(50.38)	10,500.00
Preventative Maint & Road Repairs	3,527.80	4,000.00	472.20	4,000.00
Ranch Manager Home Gas & Maint	4,927.31	7,000.00	2,072.69	7,000.00
Ranch Manager Home - Mortgage Payment	79,031.76	80,400.00	1,368.24	80,400.00
Ranch Manager Home Improvements	5,365.00	8,000.00	2,635.00	8,000.00
Ranch Manager Retirement Plan	-	-	-	-
Ranch Manager Salary	150,000.00	150,000.00	-	150,000.00
Snow Removal Cost	245.00	5,100.00	4,855.00	5,100.00
Trash Collection	4,670.08	5,000.00	329.92	5,000.00
Truck Fuel, Oil, Lic, Fees, & Maint	6,126.89	7,000.00	873.11	7,000.00
Purchase - Loader	4,939.20	-	(4,939.20)	-
Purchase - Defibrillator	1,794.00	1,800.00	6.00	1,800.00
Total Operating Expense	342,157.45	342,445.00	287.55	342,445.00
Previous Year Surplus (Reserve)	6,066.61	6,066.61	-	6,066.61
Transfer to Reserve	42,467.13	42,412.61	54.52	42,412.61
Net Surplus (Deficit) Cash	5,092.64	-	5,092.64	-
Add Loan Principal Payment	56,444.16	56,444.16	-	56,444.16
Add Purchases	6,733.20	1,800.00	(4,933.20)	1,800.00
Net Surplus (Deficit)	\$ 68,270.00	\$ 58,244.16	\$ 10,025.84	\$ 58,244.16

Notes:

Gate Maint is over budget due to extra repairs and improvements
Misc Maintenance is over budget due to work on sign/entrance and charitable donation
Legal fees are over budget due to incident
Office Expenses are over budget due to extra work on website
Total Operating Expenses are \$287.55 under budget

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION
ENVIRONMENTAL PRESERVE FUND
FOR THE PERIOD ENDING JULY 31, 2018**

	YTD Actual 8/1/17 to 7/31/2018	YTD Budget 8/1/17 to 7/31/2018	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 7/31/2018
Beginning Balance	441,071.69	441,071.69	-	441,073.85
Less Previous Year Depreciation	-	-	-	-
Revenues - Reserve				
Reserve Funding	36,096.00	36,096.00	-	36,096.00
Interest Income-Reserve	304.52	250.00	54.52	250.00
Previous Year Surplus	6,066.61	6,066.61	-	6,066.61
Total Income	42,467.13	42,412.61	54.52	42,412.61
Expense - Reserve				
Beaver Dam Excavation	525.00	2,250.00	1,725.00	2,250.00
Dead Tree & Pin Beetle Removal	3,037.50	2,000.00	(1,037.50)	2,000.00
Ditch Repair	-	6,000.00	6,000.00	6,000.00
Environmental Preservation (Resource Engineering)	536.25	400.00	(136.25)	400.00
Legal Fees - Environmental	3,110.50	12,000.00	8,889.50	12,000.00
Pond Maintenance	1,150.00	2,600.00	1,450.00	2,600.00
Water Lease	7,696.93	7,500.00	(196.93)	7,500.00
Total Expenses	16,056.18	32,750.00	16,693.82	32,750.00
Net Surplus (Deficit)	26,410.95	9,662.61	16,748.34	9,662.61
Ending Reserve Fund	467,482.64	450,734.30	16,748.34	450,736.46

Notes:

- Dead tree removal is over budget due to emergency snow storm tree removal
- Resource Engineering is over budget by \$136.25
- Water lease is over budget by \$196.93
- Total expenses are under budget by \$16,693.82