

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, 2019

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, 2019, 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, 2019

Assets	
Cash	
Operating Checking - Alpine Bank	31,355.60
Reserve Account - Alpine Bank	351,353.27
Construction Escrow - Alpine Bank	141,263.21
Emergency Fund - Alpine Bank	3,742.71
Total Cash	<u>527,714.79</u>
Other Current Assets	
Accounts Receivable -Owner Assessments	4,577.52
A/R - Other	
Prepaid Insurance	7,315.74
Total Current Assets	<u>11,893.26</u>
Fixed Assets	
Fixed Assests	893,690.07
Accumulated Depreciation	(549,314.96)
Total Assets	<u><u>883,983.16</u></u>
Liabilities and Equity	
Accounts Payable	11,758.84
Prepaid Assessments	6,477.02
Shell Business Card	123.90
Construction Deposit	140,857.00
Payroll Liabilities	-
Barn and House Mortgage Alpine Bank	440,606.78
Total Liabilities	<u>599,823.54</u>
Equity	
Capital Reserve	368,037.01
Retained Earnings	(165,212.52)
Working Capital	14,400.00
Net Operating Surplus (Deficit)	66,935.13
Total Equity	<u>284,159.62</u>
Total Liabilities and Equity	<u><u>883,983.16</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, 2019

	YTD Actual 8/1/2018 to 07/31/19	YTD Budget 8/1/2018 to 07/31/19	Variance Actual to Budget (Unfavorable)	FYE 7/31/2019 Annual Budget
Revenues				
Caretaker Home Dues	46,944.24	46,944.00	0.24	46,944.00
Dues Income	196,711.68	196,712.00	(0.32)	196,712.00
Reserve Dues	20,056.32	20,056.00	0.32	20,056.00
Interest Income-Operating	-	-	-	-
Interest Income-Reserve	405.88	275.00	130.88	275.00
Late Fees	1,297.21	-	1,297.21	-
Road Paving & Barn Dues	33,456.00	33,456.00	-	33,456.00
Hay Sales	-	1,000.00	(1,000.00)	1,000.00
Snow Removal Dues	63,688.00	63,688.00	-	63,688.00
Previous Year Surplus (Operating)	6,300.00	6,300.00	-	6,300.00
Previous Year Surplus (Reserve)	7,500.00	7,500.00	-	7,500.00
Insurance Proceeds	2,930.85	-	2,930.85	-
Sale of old assets	500.00	-	500.00	-
Total Income	379,790.18	375,931.00	3,859.18	375,931.00
Expense - Operating				
Accounting	9,699.96	9,700.00	0.04	9,700.00
Architectural Fees	5,990.10	3,000.00	(2,990.10)	3,000.00
Gate	6,091.24	7,000.00	908.76	7,000.00
Hay Field	-	1,000.00	1,000.00	1,000.00
Insurance	14,206.32	14,500.00	293.68	14,500.00
Landscape, Shrubs, Flowers	5,117.56	5,000.00	(117.56)	5,000.00
Legal Fees	17,231.50	15,000.00	(2,231.50)	15,000.00
Miscellaneous Maintenance	5,705.91	9,500.00	3,794.09	9,500.00
Office Expense	1,781.85	1,250.00	(531.85)	1,250.00
HOA Meeting	4,637.43	2,400.00	(2,237.43)	2,400.00
Payroll Taxes	10,774.86	11,000.00	225.14	11,000.00
Preventative Maint & Road Repairs	3,873.61	5,000.00	1,126.39	5,000.00
Ranch Manager Home Gas & Maint	5,078.19	6,000.00	921.81	6,000.00
Ranch Manager Home - Mortgage Payment	79,031.76	79,050.00	18.24	79,050.00
Ranch Manager Home Improvements	9,305.44	9,000.00	(305.44)	9,000.00
Ranch Manager Retirement Plan	-	-	-	-
Ranch Manager Salary	160,000.08	160,000.00	(0.08)	160,000.00
Snow Removal Cost	545.52	5,100.00	4,554.48	5,100.00
Trash Collection	4,948.27	5,100.00	151.73	5,100.00
Truck Fuel, Oil, Lic, Fees, & Maint	5,338.17	7,000.00	1,661.83	7,000.00
Purchase - Welder/Trailer	4,434.11	-	(4,434.11)	-
Purchase -	-	-	-	-
Total Operating Expense	353,791.88	355,600.00	1,808.12	355,600.00
Previous Year Surplus (Reserve)	-	-	-	-
Transfer to Reserve	20,462.20	20,331.00	131.20	20,331.00
Net Surplus (Deficit) Cash	5,536.10	-	5,536.10	-
Add Loan Principal Payment	56,964.92	56,964.92	-	56,444.16
Add Purchases	4,434.11	-	(4,434.11)	-
Net Surplus (Deficit)	\$ 66,935.13	\$ 56,964.92	\$ 9,970.21	\$ 56,444.16

Notes:

Architectural fees were \$2,990 over budget
Legal fees were \$2,231 over budget
HOA meeting costs were \$2,237 over budget due to paying for current year and last year's meeting expenses in this fiscal year
Total operating expenses were \$1,808 under budget

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION
ENVIRONMENTAL PRESERVE FUND
FOR THE PERIOD ENDING JULY 31, 2019**

	YTD Actual 8/1/2018 to 07/31/19	YTD Budget 8/1/2018 to 07/31/19	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 7/31/2019
Beginning Balance	441,073.85	441,073.85	-	441,073.85
Revenues - Reserve				
Reserve Funding	20,056.32	20,056.00	0.32	20,056.00
Interest Income-Reserve	405.88	275.00	130.88	275.00
Previous Year Surplus - Reserve	17,745.22	17,745.22	-	17,745.22
Total Income	38,207.42	38,076.22	131.20	38,076.22
Expense - Reserve				
Beaver Dam Excavation	-	2,000.00	2,000.00	2,000.00
Dead Tree & Pine Beetle Removal	3,385.00	5,000.00	1,615.00	5,000.00
Ditch Repair	5,775.32	6,000.00	224.68	6,000.00
Environmental Preservation (Resource Engineering)	7,525.75	600.00	(6,925.75)	600.00
Legal Fees (Environmental)	9,850.41	5,000.00	(4,850.41)	5,000.00
Pond Maintenance	1,205.98	2,600.00	1,394.02	2,600.00
Water Lease	7,928.80	8,000.00	71.20	8,000.00
Ranch Manager Roof Replacement	75,573.00	-	(75,573.00)	-
Total Expenses	111,244.26	29,200.00	(82,044.26)	29,200.00
Net Surplus (Deficit)	(73,036.84)	8,876.22	(81,913.06)	8,876.22
Ending Reserve Fund	368,037.01	449,950.07	(81,913.06)	449,950.07

Notes:

Resource Engineering expenses were \$6,925 over budget
Legal fees were \$4,850 over budget
Ranch manager roof replacement was not budgeted for