

Certified Public Accountants

Board of Directors  
Pilgrim Downs Homeowners Association

August 26, 2020

Dear Board of Directors:

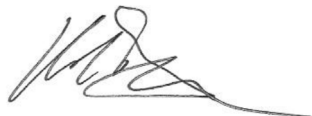
We have compiled the accompanying statement of assets, liabilities and equity, income tax basis, for Pilgrim Downs Homeowners Association as of July 31, 2020, and the related statement of revenues, expenses and retained earnings, income tax basis, for the twelve months then ended. We have not audited 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.



Chad Benson, CPA  
CPA Solutions

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION**  
**STATEMENT OF ASSETS, LIABILITIES & EQUITY - INCOME TAX BASIS**  
**JULY 31, 2020**

Assets		
Cash		
Operating Checking - Alpine Bank		32,599.36
Reserve Account - Alpine Bank		332,058.00
Construction Escrow - Alpine Bank		100,449.76
Emergency Fund - Alpine Bank		3,744.43
Total Cash		<u>468,851.55</u>
Other Current Assets		
Accounts Receivable -Owner Assessments		11,014.39
A/R - Other		
Prepaid Insurance		3,171.83
Total Current Assets		<u>14,186.22</u>
Fixed Assets		
Fixed Assests		885,390.42
Accumulated Depreciation		(567,735.09)
Total Assets		<u><u>800,693.10</u></u>
Liabilities and Equity		
Accounts Payable		3,813.78
Prepaid Assessments		6,028.88
Shell Business Card		148.82
Construction Deposit		100,000.00
Payroll Liabilities		-
Barn and House Mortgage Alpine Bank		381,031.45
Total Liabilities		<u>491,022.93</u>
Equity		
Capital Reserve		340,345.37
Retained Earnings		(121,860.74)
Working Capital		14,400.00
Net Operating Surplus (Deficit)		76,785.54
Total Equity		<u>309,670.17</u>
Total Liabilities and Equity		<u><u>800,693.10</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, 2020**

	YTD Actual 8/1/2019 to 07/31/20	YTD Budget 8/1/2019 to 07/31/20	Variance Actual to Budget (Unfavorable)	FYE 7/31/2020 Annual Budget
Revenues				
Dues Income	280,830.00	280,830.00	-	280,830.00
Reserve Dues	28,675.20	28,675.00	0.20	28,675.00
Interest Income-Operating			-	-
Interest Income-Reserve	200.39	275.00	(74.61)	275.00
Late Fees	936.68		936.68	-
Hay Sales	1,479.50	1,000.00	479.50	1,000.00
Snow Removal Dues	70,079.82	70,080.00	(0.18)	70,080.00
Sale of bale wagon	1,500.00		1,500.00	-
Total Income	383,701.59	380,860.00	2,841.59	380,860.00
Expense - Operating				
Accounting	9,921.65	9,700.00	(221.65)	9,700.00
Architectural Fees	1,774.07	1,000.00	(774.07)	1,000.00
Gate	5,506.03	5,000.00	(506.03)	5,000.00
Hay Field	-	1,000.00	1,000.00	1,000.00
Insurance	13,177.66	14,500.00	1,322.34	14,500.00
Landscape, Shrubs, Flowers	4,973.60	6,000.00	1,026.40	6,000.00
Legal Fees	2,176.00	15,000.00	12,824.00	15,000.00
Miscellaneous Maintenance	6,683.49	6,700.00	16.51	6,700.00
Office Expense	1,284.83	1,500.00	215.17	1,500.00
HOA Meeting	-	2,400.00	2,400.00	2,400.00
Payroll Taxes	11,649.14	11,360.00	(289.14)	11,360.00
Preventative Maint & Road Repairs	4,731.67	4,500.00	(231.67)	4,500.00
Ranch Manager Home Gas & Maint	4,515.13	6,000.00	1,484.87	6,000.00
Ranch Manager Home - Mortgage Payment	79,031.76	79,050.00	18.24	79,050.00
Ranch Manager Home Improvements	4,538.34	5,000.00	461.66	5,000.00
Ranch Manager Salary	169,999.92	170,000.00	0.08	170,000.00
Snow Removal Supplies	1,264.65	1,000.00	(264.65)	1,000.00
Trash & Recycling Collection	6,283.32	5,200.00	(1,083.32)	5,200.00
Truck Fuel, Oil, Lic, Fees, & Maint	10,104.53	7,000.00	(3,104.53)	7,000.00
New Truck Purchase	2,000.00	-	(2,000.00)	-
Total Operating Expense	339,615.79	351,910.00	12,294.21	351,910.00
	-	-	-	-
Transfer to Reserve	28,875.59	28,950.00	(74.41)	28,950.00
Net Surplus (Deficit) Cash	<b>15,210.21</b>	<b>-</b>	<b>15,210.21</b>	<b>-</b>
Add Loan Principal Payment	59,575.33	59,575.33	-	-
Add Purchases	2,000.00		(2,000.00)	-
Net Surplus (Deficit)	<b>\$ 76,785.54</b>	<b>\$ 59,575.33</b>	<b>\$ 17,210.21</b>	<b>\$ -</b>

Notes:

Architectural Fees \$774 over budget  
Trash & Recycling \$1,083 over budget due to additional recycling service  
Truck Maint \$3,104 over budget due to replacement of front wheel bearings  
Total operating expenses \$12,294 under budget

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION  
ENVIRONMENTAL PRESERVE FUND  
FOR THE PERIOD ENDING JULY 31, 2020**

	YTD Actual 8/1/2019 to 07/31/20	YTD Budget 8/1/2019 to 07/31/20	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 7/31/2019
Beginning Balance	361,168.58	361,168.58	-	361,168.58
Revenues - Reserve	-	-	-	-
Reserve Funding	28,675.20	28,675.00	0.20	28,675.00
Interest Income-Reserve	200.39	275.00	(74.61)	275.00
Total Income	28,875.59	28,950.00	(74.41)	28,950.00
Expense - Reserve				
New Community Pond Construction	1,236.00	-		
Beaver Dam Excavation	900.00	1,200.00	300.00	1,200.00
Dead Tree & Pine Beetle Removal	3,880.00	4,500.00	620.00	4,500.00
Ditch Repair	4,187.72	6,000.00	1,812.28	6,000.00
Environmental Preservation (Resource Engineering)	6,985.50	2,000.00	(4,985.50)	2,000.00
Legal Fees (Environmental)	16,087.23	5,000.00	(11,087.23)	5,000.00
Pond Maintenance	-	2,000.00	2,000.00	2,000.00
Water Lease	8,079.85	8,250.00	170.15	8,250.00
Community Landscaping	8,342.50	-	(8,342.50)	-
Total Expenses	<b>49,698.80</b>	<b>28,950.00</b>	<b>(20,748.80)</b>	<b>28,950.00</b>
Net Surplus (Deficit)	(20,823.21)	-	(20,823.21)	-
Ending Reserve Fund	<b>340,345.37</b>	<b>361,168.58</b>	<b>(20,823.21)</b>	<b>361,168.58</b>

Notes:

Resource Engineering expenses \$4,958 over budget  
Legal Fees \$11,087 over budget (pond work)  
Community Landscaping not budgeted for  
Total reserve expenses \$20,748 over budget