

---

Certified Public Accountants

Board of Directors  
Pilgrim Downs Homeowners Association

September 8, 2021

Dear Board of Directors:

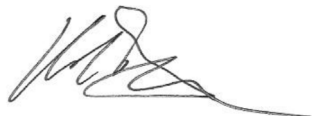
We have compiled the accompanying statement of assets, liabilities and equity, income tax basis, for Pilgrim Downs Homeowners Association as of July 31, 2021, and the related statement of revenues, expenses and retained earnings, income tax basis, for the twelve months then ended. We have not audited 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, 2021**

Assets		
Cash		
Operating Checking - Alpine Bank	40,195.97	
Reserve Account - Alpine Bank	282,086.72	
Construction Escrow - Alpine Bank	455.10	
Emergency Fund - Alpine Bank	3,744.80	
Total Cash	<u>326,482.59</u>	
Other Current Assets		
Accounts Receivable -Owner Assessments		
A/R - Other		
Prepaid Insurance	2,951.70	
Total Current Assets	<u>2,951.70</u>	
Fixed Assets		
Fixed Assests	851,427.25	
Accumulated Depreciation	<u>(558,058.03)</u>	
Total Assets	<u><u>622,803.51</u></u>	
Liabilities and Equity		
Accounts Payable	6,008.14	
Prepaid Assessments	6,587.74	
Shell Business Card	196.24	
Construction Deposit		
Barn and House Mortgage Alpine Bank	<u>318,549.47</u>	
Total Liabilities	<u>331,341.59</u>	
Equity		
Environmental Reserve	291,855.31	
Retained Earnings	(77,269.87)	
Working Capital	14,400.00	
Net Operating Surplus (Deficit)	<u>62,476.48</u>	
Total Equity	<u>291,461.92</u>	
Total Liabilities and Equity	<u><u>622,803.51</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, 2021**

	YTD Actual 8/1/2020 to 07/31/2021	YTD Budget 8/1/2020 to 07/31/2021	Variance Actual to Budget (Unfavorable)	FYE 7/31/2021 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	34.43	150.00	(115.57)	150.00
Late Fees	-	-	-	
Hay Sales	-	1,000.00	(1,000.00)	1,000.00
Snow Removal Dues	70,401.02	70,400.00	1.02	70,400.00
Funding From Reserve	2,675.00	2,675.00	-	2,675.00
<b>Total Income</b>	<b>382,615.65</b>	<b>383,730.00</b>	<b>(1,114.35)</b>	<b>383,730.00</b>
Expense - Operating				
Accounting	10,080.00	10,080.00	-	10,080.00
Architectural Fees	-	1,000.00	1,000.00	1,000.00
Gate	8,493.60	5,000.00	(3,493.60)	5,000.00
Hay Field	-	750.00	750.00	750.00
Insurance	14,450.63	14,500.00	49.37	14,500.00
Landscape, Shrubs, Flowers	3,840.69	6,000.00	2,159.31	6,000.00
Legal Fees	4,191.50	5,000.00	808.50	5,000.00
Miscellaneous Maintenance	6,037.71	6,700.00	662.29	6,700.00
Office Expense	543.27	600.00	56.73	600.00
HOA Meeting	-	2,400.00	2,400.00	2,400.00
Payroll Taxes	11,403.74	11,650.00	246.26	11,650.00
Preventative Maint & Road Repairs	4,436.05	5,000.00	563.95	5,000.00
Ranch Manager Home Gas & Maint	4,223.61	5,000.00	776.39	5,000.00
Ranch Manager Home - Mortgage Payment	79,031.76	79,050.00	18.24	79,050.00
Ranch Manager Home Improvements	12,413.74	9,500.00	(2,913.74)	9,500.00
Ranch Manager Salary	175,000.08	175,000.00	(0.08)	175,000.00
Snow Removal Supplies	595.55	1,000.00	404.45	1,000.00
Trash & Recycling Collection	6,794.70	6,500.00	(294.70)	6,500.00
Truck Fuel, Oil, Lic, Fees, & Maint	8,446.19	6,000.00	(2,446.19)	6,000.00
New Truck Purchase	32,638.33	33,000.00	361.67	33,000.00
<b>Total Operating Expense</b>	<b>382,621.15</b>	<b>383,730.00</b>	<b>1,108.85</b>	<b>383,730.00</b>
Transfer to Reserve	-	-	-	-
<b>Net Surplus (Deficit) Cash</b>	<b>(5.50)</b>	<b>-</b>	<b>(5.50)</b>	<b>-</b>
Add Loan Principal Payment	62,481.98	62,481.98	-	-
Add Purchases	-	-	-	-
<b>Net Surplus (Deficit)</b>	<b>\$ 62,476.48</b>	<b>\$ 62,481.98</b>	<b>\$ (5.50)</b>	<b>\$ -</b>

Notes:

- Gate repairs are over by \$3,493 due to damaged gate
- Ranch manager home improvements are over by \$2,913
- Truck maintenance is over by \$2,446 due to licensing and tires for new truck
- Total operating expenses under budget by \$1,108

**PILGRIM DOWNS HOMEOWNERS ASSOCIATION  
ENVIRONMENTAL PRESERVE FUND  
FOR THE PERIOD ENDING JULY 31, 2021**

	YTD Actual 8/1/2020 to 07/31/2021	YTD Budget 8/1/2020 to 07/31/2021	Variance Actual to Budget (Unfavorable)	Annual Budget FYE 7/31/2021
Beginning Balance	340,345.37	340,345.37	-	340,345.37
Revenues - Reserve				
Previous Year Surplus	7,908.73	7,908.73	-	7,908.73
Operating Budget Funding	(2,675.00)	(2,675.00)	-	(2,675.00)
Total Income	5,233.73	5,233.73	-	5,233.73
Expense - Reserve				
New Community Pond Construction	-	-		
Beaver Dam Excavation	-	600.00	600.00	600.00
Dead Tree & Pine Beetle Removal	-	4,500.00	4,500.00	4,500.00
Ditch & Irrigation Repair	14,275.79	3,000.00	(11,275.79)	3,000.00
Environmental Preservation (Resource Engineering)	-	3,500.00	3,500.00	3,500.00
Legal Fees (Environmental)	25,014.64	10,000.00	(15,014.64)	10,000.00
Pond Maintenance	6,215.70	2,000.00	(4,215.70)	2,000.00
Water Lease	8,217.66	8,250.00	32.34	8,250.00
Community Landscaping	-	-	-	-
Total Expenses	<b>53,723.79</b>	<b>31,850.00</b>	<b>(21,873.79)</b>	<b>31,850.00</b>
Net Surplus (Deficit)	(48,490.06)	(26,616.27)	(21,873.79)	(26,616.27)
Ending Reserve Fund	<b>291,855.31</b>	<b>313,729.10</b>	<b>(21,873.79)</b>	<b>313,729.10</b>

Notes:

- Ditch & irrigation repairs are over by \$11,275
- Legal fees are over by \$15,014
- Pond maintenance is over by \$4,215
- Total expenses are \$21,873 over budget