

Memo

Weatherstone at Highlands Ranch Association, Inc

Re: Financial statements for the three months ending March 31, 2007

Balance sheet notes:

The Due to/from Reserves to Operating is the deposit on the pool coping stone replacement. The check was cut out of the operating account. We will reduce this by the monthly reserve transfer amount starting in May.

Income statement notes:

Revenues are favorable to budget by \$100.00 due to Late Fee revenues.

Administration expenses are favorable to budget for the year by \$1,446.29. The savings in Operating Contingency of \$1,374.99 makes up most of the favorable variance. We also have savings in Legal Fees of \$249.99. We have some unfavorable variances in Administrative (\$181.51) and Postage (\$213.48) due to the large mailing that was sent out.

The Pool expenses section is favorable to budget by \$55.85 due to savings in Pool Area Irrigation.

The Grounds expenses are unfavorable to budget by \$2,011.50 due to Snow Removal unfavorable variance of \$2,386.50. This will create an unfavorable variance for the entire year of \$1,286.50. Lighting Maintenance and Fence Maintenance have some savings to offset the unfavorable variance.

The Utilities expenses are running favorable to budget by \$342.81 due to savings in Trash Removal of \$183.87 and Grounds Irrigation/Sewer of \$112.50.

Net Operating Revenue is unfavorable to budget by \$66.55 due to the above mentioned items.

Reserves:

Reserve Fund Net Income is favorable to budget by \$354.54 due to Reserve Fund Interest income.

If you should have any questions or comments, please call me at (303) 471-8841 or e-mail at bsheppelman@hrcaonline.org

Kind Regards,



Brian Sheppelman
Staff Accountant/Property Manager
Highlands Ranch Community Association