

Memo

Weatherstone at Highlands Ranch Association, Inc

Re: Financial statements for the three month ending March 31, 2009

Balance sheet notes:

A detailed list of the AR Homeowners Dues can be found on page 5. We are in the process of sending out balance due reminder letters to homes with small balances.

Income statement notes:

Revenues are the unfavorable to budget by \$552.36 due to Legal Fee (\$198.57), Bad Debt Recovery/Loss (\$166.28), and Late Fee Revenue (\$125.00).

Administration expenses are favorable to budget by \$1,525.28 due to the savings in Operating Contingency (\$1,200.00) and Postage (\$233.02). We do have an unfavorable variance in Legal of \$122.53 due to the expense for the lawyer to fill out the auditor's questionnaire.

The Pool expenses section is unfavorable to budget by \$2.84.

The Grounds expenses are favorable to budget by \$2,536.63 due to saving of \$1,421.87 in Snow Removal and \$617.73 in Grounds Outside of Contract.

The Utilities expenses are unfavorable to budget by \$533.30 due to all 3 line items with the largest variances in Trash Removal (\$292.50) and Grounds Irrigation (\$273.50).

Net Operating Revenue is favorable to budget by \$2,973.41 due to the above mentioned items.

Reserves:

Reserve Fund Net Income is unfavorable to budget by \$4,272.98 due to variances in Entrance Monument expense of \$2,418.34 and the unbudgeted Pool Repair expense of \$2,168.00 required by the Virginia/Backer Act. We do have a favorable variance in Interest Income of \$313.36.

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

Kind Regards,

Highlands Ranch Community Association
Subassociation Services

Weatherstone at Highlands Ranch
Summary of All Units
For the Three Months Ending March 31, 2009

Account	Description	Operating	Reserve	Total
ASSETS				
Operating Assets				
1010	Operating - Wells Fargo	\$69,497.70	\$0.00	\$69,497.70
	Total Operating Assets	69,497.70	0.00	69,497.70
Reserve Assets				
1050	Reserve - Dain Rauscher	0.00	103,529.70	103,529.70
1055	Reserve - Dain Rauscher Change in	0.00	(124.75)	(124.75)
	Total Reserve Assets	0.00	103,404.95	103,404.95
Other Assets				
1100	A/R Homeowners Dues	397.44	0.00	397.44
1625	Due From Reserves	5,381.29	0.00	5,381.29
1200	Prepaid Insurance	2,740.50	0.00	2,740.50
1210	Prepaid Expenses	1,298.00	0.00	1,298.00
1220	Prepaid Income Tax	507.00	0.00	507.00
	Total Other Assets	10,324.23	0.00	10,324.23
	Total Assets	79,821.93	103,404.95	183,226.88
LIABILITIES & EQUITY				
Current Liabilities				
2100	Prepaid Assess Homeowners dues	19,697.41	0.00	19,697.41
2000	Accounts Payable	2,540.22	0.00	2,540.22
2600	Due to Operating From Reserve	0.00	5,381.29	5,381.29
	Total Liabilities	22,237.63	5,381.29	27,618.92
Equity				
3000	Future Capital Improvements	29,289.33	0.00	29,289.33
3200	Retained Earnings	(573.00)	99,062.32	98,489.32
3500	Working Capital Fund Equity	14,700.00	0.00	14,700.00
3150	Current YTD Income (Loss)	14,167.97	(1,038.66)	13,129.31
	Total Fund Equity	57,584.30	98,023.66	155,607.96
	Total Liabilities & Equity	79,821.93	103,404.95	183,226.88

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Weatherstone at Highlands Ranch
Income Statement
For the Three Months Ending March 31, 2009

Account	Description	Current Month			Year-To-Date			Yearly Budget	Budget Remaining
		Actual	Budget	Favorable/ (Unfavorable)	Actual	Budget	Favorable/ (Unfavorable)		
Revenue									
OPERATING INCOME:									
4000	Assessment Revenue	0.00	0.00	0.00	41,454.00	41,454.00	0.00	165,816.00	(124,362.00)
4400	Misc Income	0.00	4.17	(4.17)	0.00	12.51	(12.51)	50.00	(50.00)
4050	Late Fee Revenue	(25.00)	0.00	(25.00)	125.00	250.00	(125.00)	1,000.00	(875.00)
4100	Legal Fee Revenue	0.00	66.67	(66.67)	1.44	200.01	(198.57)	800.00	(798.56)
4110	Lien Fee Assessment	0.00	50.00	(50.00)	0.00	50.00	(50.00)	200.00	(200.00)
4830	Bad Debt Recovery/Loss	(166.28)	0.00	(166.28)	(166.28)	0.00	(166.28)	0.00	(166.28)
	Total Operating Income	(191.28)	120.84	(312.12)	41,414.16	41,966.52	(552.36)	167,866.00	(126,451.84)
Expenses									
Administration									
5010	Operating Contingency	0.00	400.00	400.00	0.00	1,200.00	1,200.00	4,800.00	4,800.00
5020	Audit/Tax Prep	0.00	0.00	0.00	1,750.00	1,800.00	50.00	1,800.00	50.00
5370	Insurance	456.75	480.00	23.25	1,411.25	1,440.00	28.75	5,990.00	4,578.75
5380 +	Taxes	100.00	100.00	0.00	100.00	100.00	0.00	1,160.00	1,060.00
5390	Bank Charges	0.00	10.00	10.00	(19.27)	30.00	49.27	120.00	139.27
5450	Legal Fees	251.00	83.33	(167.67)	372.52	249.99	(122.53)	1,000.00	627.48
5490	Management Fee	1,417.65	1,417.50	(0.15)	4,252.95	4,252.50	(0.45)	17,010.00	12,757.05
5500	Reserve Fund Transfer	1,341.00	1,341.00	0.00	4,031.00	4,031.00	0.00	16,106.00	12,069.00
5600	Future Capital Improvement	333.00	333.00	0.00	1,003.00	1,003.00	0.00	4,000.00	2,997.00
5700	Administrative	244.65	155.83	(88.82)	383.28	467.49	82.21	1,876.00	1,484.72
5410	Community Activities	0.00	0.00	0.00	0.00	0.00	0.00	4,350.00	4,350.00
5720	Web Site Maintenance	120.00	41.67	(78.33)	120.00	125.01	5.01	500.00	380.00
5710	Postage	6.30	83.33	77.03	16.97	249.99	233.02	1,000.00	983.03
	Total Administration	4,270.43	4,445.66	175.23	13,423.70	14,948.98	1,525.28	59,700.00	46,276.30
Pool									
6900	Pool Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	6,700.00	6,700.00
6910	Pool Area Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
6960	Clubhouse Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	1,890.00	1,890.00
6970	Clubhouse/Pool Supplies	0.00	0.00	0.00	0.00	0.00	0.00	770.00	770.00
6930	Pool Security	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00	8,000.00
6985	Pool Gas	22.74	25.00	2.26	68.53	75.00	6.47	7,840.00	7,771.47
6990	Pool Electric	22.26	30.00	7.74	70.69	90.00	19.31	3,440.00	3,369.31
6995	Pool Area Irrigation	169.54	135.00	(34.54)	433.62	405.00	(28.62)	4,500.00	4,066.38
	Total Pool	214.54	190.00	(24.54)	572.84	570.00	(2.84)	34,140.00	33,567.16
Grounds									
7300	Grounds Maintenance	1,409.00	1,517.50	108.50	1,409.00	1,517.50	108.50	12,140.00	10,731.00
7350	Grounds outside of contract	257.25	291.66	34.41	257.25	874.98	617.73	3,500.00	3,242.75
7400	Grounds Improvements	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
7500	Annual Flower Planting	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	1,500.00
7550	Fence Maintenance	0.00	41.67	41.67	0.00	125.01	125.01	500.00	500.00
7600	Lighting Maintenance	0.00	83.33	83.33	0.00	249.99	249.99	1,000.00	1,000.00
7700	Sprinkler Repair	0.52	0.00	(0.52)	0.52	0.00	(0.52)	3,500.00	3,499.48
7800	Holiday Lighting	0.00	0.00	0.00	760.95	775.00	14.05	3,000.00	2,239.05
7820	Snow Removal	239.00	666.00	427.00	576.13	1,998.00	1,421.87	4,000.00	3,423.87
	Total Grounds	1,905.77	2,600.16	694.39	3,003.85	5,540.48	2,536.63	30,140.00	27,136.15
Utilities									
8780	Electric	125.82	197.50	71.68	559.80	592.50	32.70	2,370.00	1,810.20
8900	Trash Removal	3,097.50	3,000.00	(97.50)	9,292.50	9,000.00	(292.50)	36,010.00	26,717.50
8950	Grounds Irrigation	162.50	40.00	(122.50)	393.50	120.00	(273.50)	5,500.00	5,106.50
	Total Utilities	3,385.82	3,237.50	(148.32)	10,245.80	9,712.50	(533.30)	43,880.00	33,634.20
	Total Expenses	9,776.56	10,473.32	696.76	27,246.19	30,771.96	3,525.77	167,860.00	140,613.81
	Net Operating Income (Loss)	(9,967.84)	(10,352.48)	384.64	14,167.97	11,194.56	2,973.41	6.00	14,161.97

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Weatherstone at Highlands Ranch
Income Statement
For the Three Months Ending March 31, 2009

Account	Description	Current Month			Year-To-Date			Yearly Budget	Budget Remaining
		Actual	Budget	Favorable/ (Unfavorable)	Actual	Budget	Favorable/ (Unfavorable)		
Reserves									
	Reserve Income								
9000	Reserve Fund Income	1,341.00	1,341.00	0.00	4,031.00	4,031.00	0.00	16,100.00	(12,069.00)
9100	Reserve Fund Interest	85.37	275.24	(189.87)	1,159.08	825.72	333.36	3,302.91	(2,163.83)
		<u>1,426.37</u>	<u>1,616.24</u>	<u>(189.87)</u>	<u>5,170.08</u>	<u>4,856.72</u>	<u>313.36</u>	<u>19,402.91</u>	<u>(14,232.83)</u>
	Reserve Expense								
9215	Pool Maintenance/Repair	2,168.00	0.00	(2,168.00)	2,168.00	0.00	(2,168.00)	0.00	(2,168.00)
9220	Entrance Monuments	3,136.00	1,622.40	(1,513.60)	4,040.74	1,622.40	(2,418.34)	1,622.40	(2,418.34)
9230	Metal Fence	0.00	0.00	0.00	0.00	0.00	0.00	11,220.52	11,220.52
9240	Wood Trellis	0.00	0.00	0.00	0.00	0.00	0.00	9,247.68	9,247.68
9235	Wood Privacy Fence	0.00	0.00	0.00	0.00	0.00	0.00	23,716.78	23,716.78
	Total Reserve Expense	<u>5,304.00</u>	<u>1,622.40</u>	<u>(3,681.60)</u>	<u>6,208.74</u>	<u>1,622.40</u>	<u>(4,586.34)</u>	<u>45,807.38</u>	<u>39,598.64</u>
	Net Reserve Income (Loss)	<u>(3,877.63)</u>	<u>(6.16)</u>	<u>(3,871.47)</u>	<u>(1,038.66)</u>	<u>3,234.32</u>	<u>(4,272.98)</u>	<u>(26,404.47)</u>	<u>25,365.81</u>
	Net Surplus (Deficit)	<u>(13,845.47)</u>	<u>(10,358.64)</u>	<u>(3,486.83)</u>	<u>13,129.31</u>	<u>14,428.88</u>	<u>(1,299.57)</u>	<u>(26,398.47)</u>	<u>39,527.78</u>