

# Memo

## Weatherstone at Highlands Ranch Association, Inc

Re: **DRAFT** Financial statements for the twelve months ending December 31, 2009

### **Balance sheet notes:**

A detailed list of the AR Homeowners Dues can be found on page 5. We continue to reduce the Due To/From account with the monthly reserve transfer.

### **Income statement notes:**

Revenues are unfavorable to budget by \$390.08 due to lower Legal Fees (\$498.80) and the Bad Debt Loss (\$166.28).

Administration expenses are favorable to budget by \$7,461.17 due to the savings in Operating Contingency (\$4,800.00), Insurance (\$968.63), Community Activities (\$598.53), Administrative (\$499.51), Taxes (\$456.40), and Postage (\$422.07). We do have an unfavorable variance in Legal Fees of \$636.44.

The Pool expenses are favorable to budget by \$7,699.73 due to savings in all line items with the largest variances in Pool Gas (\$3,827.35), Pool Security (\$1,705.00), Pool Electric (\$857.86), and Pool Area Irrigation (\$761.36).

The Grounds expenses are favorable to budget by \$1,731.14 due to savings in Grounds Outside of Contract (\$1,674.51), Grounds Improvements (\$1,000.00), Grounds Maintenance (\$863.84), Fence Maintenance (\$500.00), and Snow Removal (\$404.23). We have unfavorable variances in Sprinkler Repair (\$1,606.34) and Holiday Lighting (\$1,205.87).

The Utilities expenses are unfavorable to budget by \$1,235.83 due to Trash (\$1,206.46) and Grounds Irrigation (\$288.30). Electric is favorable to budget by \$258.93.

Net Operating Revenue after transfers to reserves are \$15,272.13 versus a budgeted Income of \$6.00 resulting in a favorable variance of \$15,266.13 due to the above mentioned items. The board will need to decide if they would like to keep some or all of the net income in the operating fund to offset the small negative retained earnings or if they would like to transfer all or some to the reserve fund.

### **Reserves:**

Reserve Fund Net Income is favorable to budget by \$23,632.11 due to a large savings in Wood Privacy Fence (\$17,271.78), Metal Fence (\$9,426.52), and Wood Trellis (\$9,247.68). We do have an unfavorable variance in Entrance Monument expense (\$2,678.20). We also have an unbudgeted Reserve Grounds Expense of \$5,340.00, Pool Repair expense of \$2,168.00 required by the Virginia Graeme Backer Act and the irrigation clock replacement that cost \$2,322.55.

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

Kind Regards,  
Highlands Ranch Community Association  
Subassociation Services

Weatherstone at Highlands Ranch  
Summary of All Units  
For the Twelve Months Ending December 31, 2009

Account	Description	Operating	Reserve	Total
<b>ASSETS</b>				
<b>Operating Assets</b>				
1010	Operating - Wells Fargo	\$58,827.41	\$0.00	\$58,827.41
	Total Operating Assets	58,827.41	0.00	58,827.41
<b>Reserve Assets</b>				
1050	Reserve - Dain Rauscher	0.00	105,740.38	105,740.38
1055	Reserve - Dain Rauscher Change in	0.00	(12.00)	(12.00)
1190	Accrued Interest Income	0.00	35.28	35.28
	Total Reserve Assets	0.00	105,763.66	105,763.66
<b>Other Assets</b>				
1100	A/R Homeowners Dues	1,288.08	0.00	1,288.08
1625	Due From Reserves	9,473.70	0.00	9,473.70
1200	Prepaid Insurance	1,673.38	0.00	1,673.38
	Total Other Assets	12,435.16	0.00	12,435.16
	Total Assets	71,262.57	105,763.66	177,026.23
<b>LIABILITIES &amp; EQUITY</b>				
<b>Current Liabilities</b>				
2100	Prepaid Assess Homeowners dues	10,631.91	0.00	10,631.91
2000	Accounts Payable	3,618.53	0.00	3,618.53
2005	Accrued Accounts Payable	50.00	0.00	50.00
2600	Due to Operating From Reserve	0.00	9,473.70	9,473.70
	Total Liabilities	14,300.44	9,473.70	23,774.14
<b>Equity</b>				
3000	Future Capital Improvements	27,563.00	0.00	27,563.00
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)	15,272.13	(2,772.36)	12,499.77
	Total Fund Equity	56,962.13	96,289.96	153,252.09
	Total Liabilities & Equity	71,262.57	105,763.66	177,026.23

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Weatherstone at Highlands Ranch  
Income Statement  
For the Twelve Months Ending December 31, 2009

Account	Description	Current Month		Year-To-Date		Favorable/ (Unfavorable)	Yearly Budget	Budget Remaining
		Actual	Budget	Actual	Budget			
<b>OPERATING INCOME:</b>								
4000	Assessment Revenue	0.00	0.00	165,816.00	165,816.00	0.00	165,816.00	0.00
4400	Misc Income	0.00	4.13	150.00	50.00	100.00	50.00	100.00
4050	Late Fee Revenue	(75.00)	0.00	1,200.00	1,000.00	200.00	1,000.00	200.00
4100	Legal Fee Revenue	0.00	66.63	301.20	800.00	(498.80)	800.00	(498.80)
4110	Lien Fee Assessment	0.00	50.00	175.00	200.00	(25.00)	200.00	(25.00)
4830	Bad Debt Recovery/Loss	0.00	0.00	(166.28)	0.00	(166.28)	0.00	(166.28)
	Total Operating Income	(75.00)	120.76	167,475.92	167,866.00	(390.08)	167,866.00	(390.08)
<b>Expenses</b>								
<b>Administration</b>								
5010	Operating Contingency	0.00	400.00	0.00	4,800.00	4,800.00	4,800.00	0.00
5020	Audit/Tax Prep	0.00	0.00	1,750.00	1,800.00	50.00	1,800.00	50.00
5370	Insurance	289.82	550.00	5,021.37	5,990.00	968.63	5,990.00	968.63
5380 +	Taxes	0.00	860.00	703.60	1,160.00	456.40	1,160.00	456.40
5390	Bank Charges	0.00	10.00	(79.27)	120.00	199.27	120.00	199.27
5450	Legal Fees	0.00	83.37	1,636.44	1,000.00	(636.44)	1,000.00	(636.44)
5490	Management Fee	1,417.65	1,417.50	17,046.80	17,010.00	(36.80)	17,010.00	(36.80)
5500	Reserve Fund Transfer	1,341.00	1,341.00	16,100.00	16,100.00	0.00	16,100.00	0.00
5600	Future Capital Improvement	333.00	333.00	4,000.00	4,000.00	0.00	4,000.00	0.00
5700	Administrative	102.28	155.87	1,370.49	1,870.00	499.51	1,870.00	499.51
5410	Community Activities	(22.71)	0.00	3,751.47	4,350.00	598.53	4,350.00	598.53
5720	Web Site Maintenance	0.00	41.63	360.00	500.00	140.00	500.00	140.00
5710	Postage	5.01	83.37	577.93	1,000.00	422.07	1,000.00	422.07
	Total Administration	3,466.05	5,275.74	52,238.83	59,700.00	7,461.17	59,700.00	7,461.17
<b>Pool</b>								
6900	Pool Cleaning	0.00	0.00	6,490.00	6,700.00	210.00	6,700.00	210.00
6910	Pool Area Maintenance	350.00	0.00	750.02	1,000.00	249.98	1,000.00	249.98
6960	Clubhouse Cleaning	0.00	0.00	1,890.00	1,890.00	0.00	1,890.00	0.00
6970	Clubhouse/Pool Supplies	0.00	0.00	691.82	770.00	78.18	770.00	78.18
6930	Pool Security	0.00	0.00	6,295.00	8,000.00	1,705.00	8,000.00	1,705.00
6985	Pool Gas	22.70	25.00	4,012.65	7,840.00	3,827.35	7,840.00	3,827.35
6990	Pool Electric	21.51	30.00	2,582.14	3,440.00	857.86	3,440.00	857.86
6995	Pool Area Irrigation	129.52	135.00	3,738.64	4,500.00	761.36	4,500.00	761.36
	Total Pool	523.73	190.00	26,440.27	34,140.00	7,699.73	34,140.00	7,699.73

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Weatherstone at Highlands Ranch  
Income Statement  
For the Twelve Months Ending December 31, 2009

Account	Description	Current Month		Year-To-Date		Favorable/ (Unfavorable)	Yearly Budget	Budget Remaining
		Actual	Budget	Actual	Budget			
	<b>Grounds</b>							
7300	Grounds Maintenance	0.00	0.00	11,276.16	12,140.00	863.84	12,140.00	863.84
7350	Grounds outside of contract	0.00	291.74	1,825.49	3,500.00	1,674.51	3,500.00	1,674.51
7400	Grounds Improvements	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
7500	Annual Flower Planting	0.00	0.00	1,617.25	1,500.00	(117.25)	1,500.00	(117.25)
7550	Fence Maintenance	0.00	41.63	0.00	500.00	500.00	500.00	500.00
7600	Lighting Maintenance	0.00	83.37	781.98	1,000.00	218.02	1,000.00	218.02
7700	Sprinkler Repair	0.00	0.00	5,106.34	3,500.00	(1,606.34)	3,500.00	(1,606.34)
7800	Holiday Lighting	0.00	0.00	4,205.87	3,000.00	(1,205.87)	3,000.00	(1,205.87)
7820	Snow Removal	849.38	670.00	3,595.77	4,000.00	404.23	4,000.00	404.23
	Total Grounds	849.38	1,086.74	28,498.86	30,140.00	1,731.14	30,140.00	1,731.14
	<b>Utilities</b>							
8780	Electric	465.69	197.50	2,111.07	2,370.00	258.93	2,370.00	258.93
8900	Trash Removal	3,097.50	3,010.00	37,216.46	36,010.00	(1,206.46)	36,010.00	(1,206.46)
8950	Grounds Irrigation	37.50	40.00	5,788.30	5,500.00	(288.30)	5,500.00	(288.30)
	Total Utilities	3,600.69	3,247.50	45,115.83	43,880.00	(1,235.83)	43,880.00	(1,235.83)
	Total Expenses	8,439.85	9,799.98	152,203.79	167,860.00	15,656.21	167,860.00	15,656.21
	Net Operating Income (Loss)	(8,514.85)	(9,679.22)	15,272.13	6.00	15,266.13	6.00	15,266.13
	<b>Reserves</b>							
9000	Reserve Income	1,341.00	1,341.00	16,100.00	16,100.00	0.00	16,100.00	0.00
9100	Reserve Fund Income	144.23	275.27	3,497.79	3,302.91	194.88	3,302.91	194.88
	Reserve Fund Interest	1,485.23	1,616.27	19,597.79	19,402.91	194.88	19,402.91	194.88
	<b>Reserve Expense</b>							
9215	Pool Maintenance/Repair	0.00	0.00	2,168.00	0.00	(2,168.00)	0.00	(2,168.00)
9210	Reserve Grounds Expense	0.00	0.00	5,340.00	0.00	(5,340.00)	0.00	(5,340.00)
9220	Entrance Monuments	0.00	0.00	4,300.60	1,622.40	(2,678.20)	1,622.40	(2,678.20)
9230	Metal Fence	0.00	0.00	1,794.00	11,220.52	9,426.52	11,220.52	9,426.52
9240	Wood Trellis	0.00	0.00	0.00	9,247.68	9,247.68	9,247.68	9,247.68
9235	Wood Privacy Fence	0.00	0.00	6,445.00	23,716.78	17,271.78	23,716.78	17,271.78
9230	Irrigation Repairs/Replace	0.00	0.00	2,322.55	0.00	(2,322.55)	0.00	(2,322.55)
	Total Reserve Expense	0.00	0.00	22,370.15	45,807.58	33,437.23	45,807.58	23,437.23
	Net Reserve Income (Loss)	1,485.23	1,616.27	(2,772.36)	(26,404.47)	23,632.11	(26,404.47)	23,632.11
	Net Surplus (Deficit)	(7,029.62)	(8,062.95)	12,499.77	(26,398.47)	38,898.24	(26,398.47)	38,898.24