

HOBBS & MURPHY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Villas at Elk Run Homeowners Association
Basalt, Colorado

Management is responsible for the accompanying financial statements of Villas at Elk Run Homeowners Assoc. (a Colorado corporation), which comprise the balance sheets as of December 31, 2019 and December 31, 2018, and the related statements of income and expenses for the year to date period January 1 to December 31, 2019 and January 1 to December 31, 2018 then ended and the statements of income and expenses budget for the 4th quarter period October 1 to December 31, 2019 and October 1 to December 31, 2018 then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Hobbs & Murphy, PC

January 21, 2020

Villas at Elk Run Homeowners Assoc.
Balance Sheet Previous Year Comparison
As of December 31, 2019

	<u>Dec 31, 19</u>	<u>Dec 31, 18</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Alpine Bank OP	38,904.53	34,097.45	4,807.08
Alpine Bank Reserves MM	312,937.24	222,762.57	90,174.67
Total Checking/Savings	351,841.77	256,860.02	94,981.75
Accounts Receivable			
ACCOUNTS RECEIVABLE	146.67	-2,534.05	2,680.72
Total Accounts Receivable	146.67	-2,534.05	2,680.72
Other Current Assets			
Supply Inventory	0.00	283.38	-283.38
Total Other Current Assets	0.00	283.38	-283.38
Total Current Assets	351,988.44	254,609.35	97,379.09
Fixed Assets			
Dell Computer	767.94	767.94	0.00
Accumulated Depreciation	-767.94	-767.94	0.00
Total Fixed Assets	0.00	0.00	0.00
TOTAL ASSETS	<u>351,988.44</u>	<u>254,609.35</u>	<u>97,379.09</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	29,367.05	26,691.73	2,675.32
Total Accounts Payable	29,367.05	26,691.73	2,675.32
Total Current Liabilities	29,367.05	26,691.73	2,675.32
Total Liabilities	29,367.05	26,691.73	2,675.32
Equity			
Reserve Fund Balance	-6,170.04	-58,237.04	52,067.00
Operating Fund Balance	234,087.66	223,338.03	10,749.63
Net Income	94,703.77	62,816.63	31,887.14
Total Equity	322,621.39	227,917.62	94,703.77
TOTAL LIABILITIES & EQUITY	<u>351,988.44</u>	<u>254,609.35</u>	<u>97,379.09</u>

Villas at Elk Run Homeowners Assoc.
Combined Income & Expenses Prev Year Comparison
January through December 2019

	Jan - Dec 19	Jan - Dec 18	% Change
Ordinary Income/Expense			
Income			
Assessments	260,599.44	257,548.04	1.2%
Finance Charges / Late Fees	77.88	257.50	-69.8%
Interest Income	233.59	94.78	146.5%
Miscellaneous Income	1,210.00	1,000.00	21.0%
Pet Registration	4,030.00	3,572.50	12.8%
Total Income	266,150.91	262,472.82	1.4%
Expense			
Accounting	7,056.00	7,386.00	-4.5%
Legal	4,162.50	0.00	100.0%
Dog Grounds Maintenance	3,518.97	3,430.02	2.6%
General & Admin Expense			
Board Compensation	2,630.00	2,395.00	9.8%
Management & Monitor Fees	18,175.00	20,868.91	-12.9%
Total General & Admin Expense	20,805.00	23,263.91	-10.6%
Insurance	40,259.00	37,917.35	6.2%
Landscaping			
Landscaping-Other	21,107.94	20,207.00	4.5%
Total Landscaping	21,107.94	20,207.00	4.5%
Miscellaneous G & A	1,160.00	697.39	66.3%
Office Supplies/Postage	414.00	357.00	16.0%
Repairs & Maintenance			
Insurance Repairs	0.00	0.00	0.0%
Repairs & Maintenance - Other	23,374.69	26,358.77	-11.3%
Total Repairs & Maintenance	23,374.69	26,358.77	-11.3%
Snow Removal	11,207.20	11,747.01	-4.6%
Utilites			
Electricity	10,260.33	5,437.50	88.7%
Sewer	43,545.60	41,472.00	5.0%
Trash Removal	27,051.49	27,445.29	-1.4%
Water	47,106.26	45,643.95	3.2%
Total Utilites	127,963.68	119,998.74	6.6%
Website	360.00	360.00	0.0%
Total Expense	261,388.98	251,723.19	3.8%
Net Ordinary Income	4,761.93	10,749.63	-55.7%
Other Income/Expense			
Other Income			
Reserve Assessments	112,749.96	104,500.00	7.9%
Total Other Income	112,749.96	104,500.00	7.9%
Other Expense			
Reserve Expenses			
Epoxy	7,500.00	15,983.00	-53.1%
Dryer Vent Cleaning	0.00	4,950.00	-100.0%
Heat Tape Timers	0.00	7,500.00	-100.0%

Villas at Elk Run Homeowners Assoc.
Combined Income & Expenses Prev Year Comparison
January through December 2019

	Jan - Dec 19	Jan - Dec 18	% Change
Hot Edge-3 Buildings	0.00	24,000.00	-100.0%
Stairs & Railings	15,308.12	0.00	100.0%
Total Reserve Expenses	22,808.12	52,433.00	-56.5%
Total Other Expense	22,808.12	52,433.00	-56.5%
Net Other Income	89,941.84	52,067.00	72.7%
Net Income	94,703.77	62,816.63	50.8%

Villas at Elk Run Homeowners Assoc.
Operating Income & Expenses
 October through December 2019

	Oct - Dec 19	Jan - Dec 19
Ordinary Income/Expense		
Income		
Assessments	65,149.71	260,599.44
Finance Charges / Late Fees	5.61	77.88
Interest Income	43.88	233.59
Miscellaneous Income	300.00	1,210.00
Pet Registration	910.00	4,030.00
Total Income	66,409.20	266,150.91
Expense		
Accounting	1,600.00	7,056.00
Legal	0.00	4,162.50
Dog Grounds Maintenance	605.00	3,518.97
General & Admin Expense		
Board Compensation	675.00	2,630.00
Management & Monitor Fees	4,500.00	18,175.00
Total General & Admin Expense	5,175.00	20,805.00
Insurance	10,081.20	40,259.00
Landscaping		
Landscaping-Other	5,048.96	21,107.94
Total Landscaping	5,048.96	21,107.94
Miscellaneous G & A	30.00	1,160.00
Office Supplies/Postage	259.00	414.00
Repairs & Maintenance	7,801.25	23,374.69
Snow Removal	4,142.20	11,207.20
Utilites		
Electricity	1,852.77	10,260.33
Sewer	10,886.40	43,545.60
Trash Removal	6,607.03	27,051.49
Water	9,728.11	47,106.26
Total Utilites	29,074.31	127,963.68
Website	90.00	360.00
Total Expense	63,906.92	261,388.98
Net Ordinary Income	2,502.28	4,761.93
Net Income	2,502.28	4,761.93

Villas at Elk Run Homeowners Assoc.
Reserves Income & Expenses
October through December 2019

	<u>Oct - Dec 19</u>	<u>Jan - Dec 19</u>
Other Income/Expense		
Other Income		
Reserve Assessments	28,187.49	112,749.96
Total Other Income	28,187.49	112,749.96
Other Expense		
Reserve Expenses		
Epoxy	0.00	7,500.00
Stairs & Railings	5,000.00	15,308.12
Total Reserve Expenses	5,000.00	22,808.12
Total Other Expense	5,000.00	22,808.12
Net Other Income	23,187.49	89,941.84
Net Income	<u>23,187.49</u>	<u>89,941.84</u>

Villas at Elk Run Homeowners Assoc.
Operating Income & Expense Budget vs Actual
January through December 2019

	Jan - Dec 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Assessments	260,599.44	260,600.00	-0.56	100.0%
Finance Charges / Late Fees	77.88	100.00	-22.12	77.9%
Interest Income	233.59			
Miscellaneous Income	1,210.00	100.00	1,110.00	1,210.0%
Pet Registration	4,030.00	4,000.00	30.00	100.8%
Total Income	266,150.91	264,800.00	1,350.91	100.5%
Expense				
Accounting	7,056.00	7,000.00	56.00	100.8%
Legal	4,162.50	2,000.00	2,162.50	208.1%
Dog Grounds Maintenance	3,518.97	4,000.00	-481.03	88.0%
General & Admin Expense				
Board Compensation	2,630.00	3,000.00	-370.00	87.7%
Management & Monitor Fees	18,175.00	21,000.00	-2,825.00	86.5%
Total General & Admin Expense	20,805.00	24,000.00	-3,195.00	86.7%
Insurance	40,259.00	40,000.00	259.00	100.6%
Landscaping				
Landscaping-Other	21,107.94	20,000.00	1,107.94	105.5%
Total Landscaping	21,107.94	20,000.00	1,107.94	105.5%
Miscellaneous G & A	1,160.00	1,000.00	160.00	116.0%
Office Supplies/Postage	414.00	500.00	-86.00	82.8%
Repairs & Maintenance				
Insurance Repairs	0.00	3,000.00	-3,000.00	0.0%
Repairs & Maintenance - Other	23,374.69	25,000.00	-1,625.31	93.5%
Total Repairs & Maintenance	23,374.69	28,000.00	-4,625.31	83.5%
Snow Removal	11,207.20	11,000.00	207.20	101.9%
Utilites				
Electricity	10,260.33	8,000.00	2,260.33	128.3%
Sewer	43,545.60	42,500.00	1,045.60	102.5%
Trash Removal	27,051.49	26,400.00	651.49	102.5%
Water	47,106.26	50,000.00	-2,893.74	94.2%
Total Utilites	127,963.68	126,900.00	1,063.68	100.8%
Website	360.00	400.00	-40.00	90.0%
Total Expense	261,388.98	264,800.00	-3,411.02	98.7%
Net Ordinary Income	4,761.93	0.00	4,761.93	100.0%
Net Income	4,761.93	0.00	4,761.93	100.0%

**Villas at Elk Run Homeowners Assoc.
Reserve Income & Expense Budget vs Actual
January through December 2019**

	Jan - Dec 19	Budget	\$ Over Budget	% of Budget
Other Income/Expense				
Other Income				
Reserve Assessments	112,749.96	112,750.00	-0.04	100.0%
Total Other Income	112,749.96	112,750.00	-0.04	100.0%
Other Expense				
Reserve Expenses				
Painting & New Numbers	0.00	110,000.00	-110,000.00	0.0%
Epoxy	7,500.00	10,000.00	-2,500.00	75.0%
Landscaping Imp-Trees/Sprinkler	0.00	5,000.00	-5,000.00	0.0%
Stairs & Railings	15,308.12	10,000.00	5,308.12	153.1%
Total Reserve Expenses	22,808.12	135,000.00	-112,191.88	16.9%
Total Other Expense	22,808.12	135,000.00	-112,191.88	16.9%
Net Other Income	89,941.84	-22,250.00	112,191.84	-404.2%
Net Income	89,941.84	-22,250.00	112,191.84	-404.2%