

HOBBS & MURPHY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

206 Cody Lane ♦ Basalt, Colorado 81621 ♦ (970) 927-8510 fax (970) 927-8512

Independent Accountant's Compilation Report

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

We have compiled the accompanying Statement of Assets, Liabilities, Equity Previous Year Comparison - Income Tax Basis of Villas at Elk Run Homeowners Association, (a Colorado Corporation) as of March 31, 2016 and 2015 and the related Statement of Combined Revenues & Expenses Previous Year Comparison – Income Tax Basis for the three months ending March 31, 2016 and 2015 and the related Statement of Operating Revenues and Expenses - Income Tax Basis for the quarter then ended March 31, 2016 and the Statement of Reserves Revenues & Expenses for the quarter then ended March 31, 2016, and Statement of Operating Revenue and Expenses – Income Tax Basis Budget versus Actual for the year to date ending March 31, 2016, and the Statement of Reserves Revenue and Expenses – Income Tax Basis Budget versus Actual for the year to date ending March 31, 2016. 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 (the owners are) 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 (the owners) 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.

Management has (the owners have) elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the association's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Hobbs & Murphy, PC.
Hobbs & Murphy, PC
April 19, 2016

1:40 PM
04/19/16

Villas @ Elk Run Homeowners Assoc.
Stmnt of Assets, Liab & Equity Prev Yr Comp-Inc Tax Basis
As of March 31, 2016

	<u>Mar 31, 16</u>	<u>Mar 31, 15</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Alpine Bank OP	56,915.69	17,171.55	39,744.14
Alpine Bank Reserves MM	73,142.31	77,282.95	-4,140.64
Total Checking/Savings	<u>130,058.00</u>	<u>94,454.50</u>	<u>35,603.50</u>
Accounts Receivable			
ACCOUNTS RECEIVABLE	992.52	6,159.78	-5,167.26
Total Accounts Receivable	<u>992.52</u>	<u>6,159.78</u>	<u>-5,167.26</u>
Total Current Assets	<u>131,050.52</u>	<u>100,614.28</u>	<u>30,436.24</u>
Fixed Assets			
Dell Computer	767.94	767.94	0.00
Accumulated Depreciation	-767.94	-767.94	0.00
Total Fixed Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u>131,050.52</u>	<u>100,614.28</u>	<u>30,436.24</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	23,855.02	21,610.92	2,244.10
Total Accounts Payable	<u>23,855.02</u>	<u>21,610.92</u>	<u>2,244.10</u>
Total Current Liabilities	23,855.02	21,610.92	2,244.10
Long Term Liabilities			
N/P Alpine Bank	0.00	23,359.28	-23,359.28
Total Long Term Liabilities	<u>0.00</u>	<u>23,359.28</u>	<u>-23,359.28</u>
Total Liabilities	23,855.02	44,970.20	-21,115.18
Equity			
Reserve Fund Balance	-162,384.11	-162,384.11	0.00
Operating Fund Balance	243,117.32	215,763.90	27,353.42
Net Income	26,462.29	2,264.29	24,198.00
Total Equity	<u>107,195.50</u>	<u>55,644.08</u>	<u>51,551.42</u>
TOTAL LIABILITIES & EQUITY	<u>131,050.52</u>	<u>100,614.28</u>	<u>30,436.24</u>

Villas @ Elk Run Homeowners Assoc.
Statement of Combined Rev & Exp Prev Year Comp-Inc Tax Basis
January through March 2016

	Jan - Mar 16	Jan - Mar 15	% Change
Ordinary Income/Expense			
Income			
Assessments	59,234.44	57,509.03	3.0%
Finance Charges / Late Fees	30.51	260.47	-88.3%
Insurance Claims Income	0.00	6,706.64	-100.0%
Interest Income	6.43	9.62	-33.2%
Miscellaneous Income	730.00	0.00	100.0%
Pet Registration	4,070.00	4,537.50	-10.3%
Total Income	64,071.38	69,023.26	-7.2%
Expense			
Accounting/Legal	2,762.50	2,422.50	14.0%
Dog Grounds Maintenance	1,179.36	1,237.10	-4.7%
General & Admin Expense			
Board Compensation	645.00	570.00	13.2%
Management & Monitor Fees	5,587.50	5,015.90	11.4%
Total General & Admin Expense	6,232.50	5,585.90	11.6%
Insurance	7,807.95	7,072.98	10.4%
Miscellaneous G & A	55.00	119.23	-53.9%
Office Supplies/Postage	1.87	0.00	100.0%
Repairs & Maintenance			
Insurance Repairs	0.00	7,084.84	-100.0%
Repairs & Maintenance - Other	8,063.89	4,382.82	84.0%
Total Repairs & Maintenance	8,063.89	11,467.66	-29.7%
Snow Removal	9,247.50	3,145.00	194.0%
Utilites			
Electricity	3,745.07	3,513.53	6.6%
Sewer	10,368.00	10,368.00	0.0%
Trash Removal	5,125.80	5,078.70	0.9%
Water	6,769.65	6,069.98	11.5%
Total Utilites	26,008.52	25,030.21	3.9%
Website	0.00	221.99	-100.0%
Total Expense	61,359.09	56,302.57	9.0%
Net Ordinary Income	2,712.29	12,720.69	-78.7%
Other Income/Expense			
Other Income			
Reserve Assessments	23,750.00	21,138.91	12.4%
Roof Special Assessment 10/10	0.00	13,972.50	-100.0%
Total Other Income	23,750.00	35,111.41	-32.4%
Other Expense			
Roof Interest Expense	0.00	567.81	-100.0%
Reserve Expenses			
Painting	0.00	45,000.00	-100.0%
Total Reserve Expenses	0.00	45,000.00	-100.0%
Total Other Expense	0.00	45,567.81	-100.0%
Net Other Income	23,750.00	-10,456.40	327.1%
Net Income	26,462.29	2,264.29	1,068.7%

Villas @ Elk Run Homeowners Assoc.
Statement of Operating Revenues & Expenses-Income Tax Basis
January through March 2016

	<u>Jan - Mar 16</u>
Ordinary Income/Expense	
Income	
Assessments	59,234.44
Finance Charges / Late Fees	30.51
Interest Income	6.43
Miscellaneous Income	730.00
Pet Registration	4,070.00
	<hr/>
Total Income	64,071.38
Expense	
Accounting/Legal	2,762.50
Dog Grounds Maintenance	1,179.36
General & Admin Expense	
Board Compensation	645.00
Management & Monitor Fees	5,587.50
	<hr/>
Total General & Admin Expense	6,232.50
Insurance	7,807.95
Miscellaneous G & A	55.00
Office Supplies/Postage	1.87
Repairs & Maintenance	8,063.89
Snow Removal	9,247.50
Utilities	
Electricity	3,745.07
Sewer	10,368.00
Trash Removal	5,125.80
Water	6,769.65
	<hr/>
Total Utilities	26,008.52
	<hr/>
Total Expense	61,359.09
	<hr/>
Net Ordinary Income	2,712.29
	<hr/>
Net Income	<u>2,712.29</u>

1:39 PM
04/19/16

Villas @ Elk Run Homeowners Assoc.
Statement of Reserves Revenues & Expenses-Income Tax Basis
January through March 2016

	<u>Jan - Mar 16</u>
Other Income/Expense	
Other Income	
Reserve Assessments	23,750.00
Total Other Income	<u>23,750.00</u>
Net Other Income	<u>23,750.00</u>
Net Income	<u><u>23,750.00</u></u>

Villas @ Elk Run Homeowners Assoc.
Statment of Operating Rev & Exp Budget v Actual-Inc Tax Basis
January through March 2016

	Jan - Mar 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Assessments	59,234.44	59,234.53	-0.09	100.0%
Finance Charges / Late Fees	30.51	37.50	-6.99	81.4%
Interest Income	6.43			
Miscellaneous Income	730.00	43.76	686.24	1,668.2%
Pet Registration	4,070.00	4,000.00	70.00	101.8%
Total Income	64,071.38	63,315.79	755.59	101.2%
Expense				
Accounting/Legal	2,762.50	2,374.97	387.53	116.3%
Dog Grounds Maintenance	1,179.36	1,000.03	179.33	117.9%
General & Admin Expense				
Board Compensation	645.00	750.00	-105.00	86.0%
Management & Monitor Fees	5,587.50	5,470.97	116.53	102.1%
Total General & Admin Expense	6,232.50	6,220.97	11.53	100.2%
Insurance	7,807.95	8,250.00	-442.05	94.6%
Landscaping				
Landscaping-Other	0.00	0.00	0.00	0.0%
Total Landscaping	0.00	0.00	0.00	0.0%
Miscellaneous G & A	55.00	62.53	-7.53	88.0%
Office Supplies/Postage	1.87	112.50	-110.63	1.7%
Repairs & Maintenance				
Insurance Repairs	0.00	3,000.00	-3,000.00	0.0%
Repairs & Maintenance - Other	8,063.89	6,874.97	1,188.92	117.3%
Total Repairs & Maintenance	8,063.89	9,874.97	-1,811.08	81.7%
Snow Removal	9,247.50	9,000.00	247.50	102.8%
Utilites				
Electricity	3,745.07	1,500.00	2,245.07	249.7%
Sewer	10,368.00	10,947.25	-579.25	94.7%
Trash Removal	5,125.80	5,361.28	-235.48	95.6%
Water	6,769.65	7,736.25	-966.60	87.5%
Total Utilites	26,008.52	25,544.78	463.74	101.8%
Website	0.00	124.97	-124.97	0.0%
Total Expense	61,359.09	62,565.72	-1,206.63	98.1%
Net Ordinary Income	2,712.29	750.07	1,962.22	361.6%
Net Income	2,712.29	750.07	1,962.22	361.6%

Villas @ Elk Run Homeowners Assoc.
Statement of Reserve Rev & Exp Budget v Actual-Inc Tax Basis
January through March 2016

	<u>Jan - Mar 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
Reserve Assessments	23,750.00	23,750.01	-0.01	100.0%
Total Other Income	<u>23,750.00</u>	<u>23,750.01</u>	<u>-0.01</u>	<u>100.0%</u>
Other Expense				
Reserve Expenses				
Seal Driveways	0.00	0.00	0.00	0.0%
Stairs	0.00	0.00	0.00	0.0%
Epoxy Stone Overlay	0.00	0.00	0.00	0.0%
Replace Courtyard & North Fence	0.00	0.00	0.00	0.0%
Total Reserve Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Net Other Income	<u>23,750.00</u>	<u>23,750.01</u>	<u>-0.01</u>	<u>100.0%</u>
Net Income	<u><u>23,750.00</u></u>	<u><u>23,750.01</u></u>	<u><u>-0.01</u></u>	<u><u>100.0%</u></u>