



# Annual Meeting of the Delegates

## Business Agenda Items

- |   |           |
|---|-----------|
| I. Call to Order  | 6:00 p.m. |
| II. Speaker – Stephanie Stanley, General Manager   HRMD   | 6:02 p.m. |
| III. Pledge of Allegiance   | 6:12 p.m. |
| IV. Proof of Notice of Meeting  | 6:14 p.m. |
| V. Roll Call/Establishment of Quorum  | 6:15 p.m. |
| VI. Approval of Minutes from the Preceding Annual Meeting of the Delegates<br>March 22, 2022                              | 6:20 p.m. |
| VII. Member Forum   <i>sign-up in advance; 3-minute time limit</i>  | 6:22 p.m. |
| VIII. Delegate Forum   <i>sign-up in advance; 3-minute time limit</i>   | 6:30 p.m. |
| IX. Board of Directors Report   | 6:35 p.m. |
| X. Voting   <i>Mike Bailey</i>  |           |
| • Election Results of Two Directors to the Board of Directors to serve until<br>the 2025 Annual Meeting of the Delegates. |           |
| • Proposal 1: Vote on the 2023 Delegate Meeting Calendar  |           |
| XI. General Manager Report   <i>Mike Bailey</i>   | 6:40 p.m. |
| XII. Department Updates   | 6:45 p.m. |
| • None  |           |
| XIII. Continued/New Business  | 6:50 p.m. |
| • Horse Corral Capital Budget Variance   <i>Mark Giebel</i>   |           |
| XIV. Adjournment  | 7:00 p.m. |

The Board of Directors Meeting follows immediately upon adjournment of the Delegate Meeting.  
The Next Delegate and Board meeting will be held on Tuesday, April 18, 2023.

---

*Disclaimer – This packet is provided for informational purposes only and is subject to change. Other matters may be considered as deemed appropriate. Some documents or information may have been unavailable when this agenda was prepared. For additional information, contact: [theresa.hill@hrcaonline.org](mailto:theresa.hill@hrcaonline.org). The Board Working Session, Delegate Meeting, Board of Directors Meeting, and all other HRCA Committee Meetings are open to our members.*



# HIGHLANDS RANCH COMMUNITY ASSOCIATION

HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.  
ANNUAL MEETING OF THE DELEGATES MINUTES  
9568 UNIVERSITY BLVD.  
HIGHLANDS RANCH CO 80126  
March 22, 2022  
6:00 p.m.

<https://us02web.zoom.us/j/81675725167?pwd=dmwzOGpWT2Q4MzJObmpMUnBpTTEzZz09>

Meeting ID: 816 7572 5167 Passcode: 708463 +16699006833

## Business Meeting

1. **Guest Speaker: Douglas County Assessor:** Douglas County Assessor, Lisa Frizell and Deputy Assessor Toby Damisch provided a PowerPoint presentation. Lisa presented about home sales, home values and tax rates. Questions occurred.
2. **Call to Order:** 6:24 p.m.
3. **Pledge of Allegiance**
4. **Proof of Notice of Meeting**
5. **Roll Call / Establishment of Quorum:** A quorum was established. 20,055 lots of 31,338 lots were present.
6. **Approval of Minutes from the Annual Meeting of Delegates on March 9, 2021**  
**ACTION:** A motion was made by Mark Dickerson, #110 and seconded by Kurt Huffman, #82 to approve the March 9, 2021 Annual Delegate Meeting Minutes. Motion carried.
7. **Board of Directors Report:** Jim Allen provided a PowerPoint Presentation. Jim presented about the Westridge Closure, Bylaw Committee, GM Job Posting Update, Delegate Election and Board Agendas. Scott Lemmon was acknowledged and thanked for his 11 years of service on the Board.
8. **Voting**
  1. Election Results of three (3) Directors to the Board of Directors to serve until the 2024 Annual Meeting of Delegates: Delegates representing a total of **31,338** Privately Owned Sites and **94,014** Available Votes of HRCA entitled to vote; voted to elect the following nominees for three (3) Director Positions to serve until the 2024 Annual Meeting of Delegates:

<b>Dan DeBacco</b>	<u>18,924 Votes</u>
<b>John Mackowiak</b>	<u>9,716 Votes</u>
<b>Melissa Park</b>	<u>14,907 Votes</u>
<b>Monica Wasden</b>	<u>17,457 Votes</u>
<b>Mikell Wilcox</b>	<u>12,590 Votes</u>
<b>Abstentions</b>	<u>20,420 Votes</u>
<b>Total Cast</b>	<u>73,594 Votes</u>

- o **Proposal 1:** Vote on 2022 Delegate Meeting Calendar

**ACTION:** A motion was made by Elizabeth Strock, #16 and seconded by Andy Jones, #25, to approve the 2022 Delegate Meeting Calendar. Motion carried.

**9. Backcountry Update-** Mark Giebel and Design Concepts provided a conceptual plan presentation. Information included site planning, horse corrals, base camp, and design ideas. Questions and discussion occurred.

**10. Continued / New Business:** None

**11. Member Forum:** None

**12. Delegate Forum:** Collin Campbell, #115 thanked Mark Giebel for the Backcountry tour and recommended it for other new Delegates.

**13. Adjournment:** 7:11 p.m.

**Respectfully Submitted,**

---

*Melissa Park, Secretary*



# HIGHLANDS RANCH

## COMMUNITY ASSOCIATION

### Delegate Meetings 2023 Schedule

---

March	21st	Tuesday	6:00 p.m.
April	18th	Tuesday	6:00 p.m.
May	16th	Tuesday	6:00 p.m.
June	20th	Tuesday	6:00 p.m.
July	18th	Tuesday	6:00 p.m.
August	22nd	Tuesday	6:00 p.m.
September	19th	Tuesday	6:00 p.m.
October	17th	Tuesday	6:00 p.m.
November	14th	Tuesday	6:00 p.m.
December	12th	Tuesday	6:00 p.m.

### 2024 Schedule

---

January	16th	Tuesday	6:00 p.m.
February	20th	Tuesday	6:00 p.m.
March	19th	Tuesday	6:00 p.m.

---

*The BOD Meeting immediately follows the Delegate Meeting All meetings will be held at the Recreation Center at Southridge.*

*The Delegate Meetings and all other HRCA Committee Meetings are open to the members.*



## Annual Meeting of the Board | Business Agenda Items

- I. Call to Order
- II. Roll Call/Establishment of Quorum
- III. Proof of Notice of Meeting
- IV. Approval of the March 22, 2022 Board of Director Annual Meeting Minutes
- V. Appointment of Officers
- VI. Board of Director's Duties and Responsibilities/Conflict of Interest Acknowledgement
- VII. Member Forum
- VIII. Director Comments
- IX. General Manager Report
- X. Continued Business
- XI. New Business
- XII. Delegate Forum
- XIII. Adjournment

*Disclaimer – This packet is provided for informational purposes only and is subject to change. Other matters may be considered as deemed appropriate. Some documents or information may have been unavailable at the time this agenda was prepared. For additional information, contact: [theresa.hill@hrcaonline.org](mailto:theresa.hill@hrcaonline.org). The Board Working Session, Delegate Meeting, Board of Directors Meeting, and all other HRCA Committee Meetings are open to our members.*



# HIGHLANDS RANCH COMMUNITY ASSOCIATION

Board of Director's Annual Meeting

March 22, 2022

Please join my meeting from your computer, tablet or smartphone.

<https://us02web.zoom.us/j/81675725167?pwd=dmwzOGpWT2Q4MzJObmpMUUnBpTTEzZz09>

Meeting ID: 816 7572 5167 Passcode: 708463 +16699006833

6:00 p.m.

Minutes

---

1. **Call to Order:** 7:21 p.m.
2. **Establishment of Quorum/Roll Call:** A quorum was established. Directors Jim Allen, Dan DeBacco, Melissa Park, and Monica Wasden were present. Director Brock Norris was absent. Motion carried.
3. **Proof of Notice of Meeting**  
*The Board Chair will remove any Consent Agenda item upon timely request of any Board member or Member of the Association who has an interest in the item. A request is timely if made prior to the Board vote on the Consent Agenda. Items removed from the Consent Agenda will then be considered separately by the Board immediately following action on the Consent Agenda or placed later on the agenda at the discretion of the Board.*
4. **Approval of the March 9, 2021, Board of Director Annual Meeting Minutes**  
**ACTION:** A motion was made by Dan DeBacco and seconded by Melissa Park to approve the Annual Meeting Minutes. Motion carried.
5. **Appointment of Officers:** A motion was made by Melissa Park and seconded by Dan DeBacco to appoint Jim Allen: President; Dan DeBacco: Treasurer; Monica Wasden: Secretary; Melissa Park: as Vice-President; Brock Norris; as Vice-President. Motion carried.
6. **Board of Director's Duties and Responsibilities/Conflict of Interest Acknowledgement**
7. **Forum – Member:** None
8. **Director Comments:** Monica Wasden was congratulated on being elected, and the other candidates were thanked for running.
9. **General Manager Report:** Mike Bailey thanked all the candidates for running in the election.
10. **Continued Business:** None
11. **New Business:** None
12. **Delegate Forum:** None
13. **Adjournment:** 7:25 p.m.

Respectfully Submitted,

---

*Monica Wasden, Secretary*

*Disclaimer – This packet is provided for informational purposes only and is subject to change. Other matters may be considered as deemed appropriate. Some documents or Information may have been unavailable at the time this agenda was prepared. The Board Working Session, Delegate Meetings, Board of Directors Meeting and all other HRCA Committee Meetings are open to our Members*



## Business Agenda Items

- I. Call to Order
- II. Roll Call/Establishment of Quorum
- III. Proof of Notice of Meeting
- IV. Consent Agenda:
  - Approval of Board Meeting Minutes of Action from February 2023
  - Approval of Architectural Review Committee Minutes from February 2023
  - Approval of the Finance Committee Minutes from January & February 2023
  - Approval of Michael Burmeister to the Development Review Committee
- V. Member Forum | *sign-up in advance; 3-minute time limit*
- VI. Director Comments
- VII. Committee Reports
  - Delegate Meeting
  - Finance Committee –
    - Review of the 2022 Audit
    - Review of the January and February 2023 Financials
    - Review of the 501(c)3 Financials
- VIII. General Manager Report
- IX. Continued Business
- X. New Business
  - Approval of Horse Corral Capital Budget Variance
  - Approval of Resolution 23\_01\_01: Highlands Ranch Backcountry Wilderness Area Fund Appointing Members
  - Approval of Resolution 23\_02\_02: Highlands Ranch Backcountry Conservation and Education Fund Appointing Members
- XI. Delegate Forum | *sign-up in advance; 3-minute time limit*
- XII. Adjournment

The Board of Directors Meeting follows immediately upon adjournment of the Delegate Meeting.  
The Next Delegate and Board meeting will be held on Tuesday, April 18, 2023.

---

*Disclaimer – This packet is provided for informational purposes only and is subject to change. Other matters may be considered as deemed appropriate. Some documents or information may have been unavailable at the time this agenda was prepared. For additional information, contact: [theresa.hill@hrcaonline.org](mailto:theresa.hill@hrcaonline.org). The Board Working Session, Delegate Meeting, Board of Directors Meeting, and all other HRCA Committee Meetings are open to our members.*



# Board Meeting Minutes

**Agenda item:** Call to Order **Presenter:** Jim Allen

**Conclusions:**

The meeting was called to order at 8:15 p.m.

**Agenda item:** Establishment of Quorum/Roll Call **Presenter:** Monica Wasden

**Conclusions:**

A quorum was established. Directors Jim Allen, Brock Norris, Melissa Park, and Monica Wasden were present.

**Agenda item:** Proof of Notice of Meeting **Presenter:** Monica Wasden

**Conclusions:**

Board Member confirmed the Proof of Notice of Meeting.

**Agenda item:** Consent Agenda **Presenter:** Jim Allen

**Action Items:**

- Approval of Board Meeting Minutes of Action from January 2023
- Approval of Architectural Review Committee Minutes from January 2023
- Approval of Finance Committee Minutes from January 2023
- Approval of Bylaw Committee Minutes from January 2023
- Approval of Dennis Epperly to the Bylaw Committee
- Approval of Michael Flower to the Finance Committee

**Conclusions:**

The approval of John Johnson to the Finance Committee was removed from the consent agenda.

A motion was made by Monica Wasden and seconded by Brock Norris to approve the Consent Agenda. Motion carried.

**Agenda item:** Member Forum **Presenter:** N/A

**Discussions:**

No Member Comments

**Agenda item:** Director Comments **Presenter:** Board of Directors

**Discussions:**

Melissa Park: Thanked all the candidates running for the Board and was thankful for all the Delegate comments and engagement. Melissa would like to explore getting the word out about more Delegates.

Dan DeBacco: Requested that when we have the Bylaws conversation, the Board have a format to keep it under control. Dan also mentioned the Golf Tournament and sponsorship information.

Monica Wasden: Requested that we have an HRCA Delegate table during the volunteer fair.

Brock Norris: Thanked the Board candidates.

---

**Agenda item:** Committee Reports

**Presenter:** N/A

**Discussions:**

Delegate Meeting: N/A

Finance Committee: Review of the January 2023 Financials: Brice mentioned that HRCA is going through the Audit process and will be complete by March 31, 2023. Brock presented a PowerPoint of the January Financials.

---

**Agenda item:** General Manager Report

**Presenter:** Mike Bailey

**Discussions:**

Mike Bailey informed the Board regarding the walkthroughs staff is completing to develop a true ProForma. Mike also mentioned staffing and pool usage. Staff will be doing an internal audit and reporting back to the board. Mike thanked Nick Bravata for his presentation on the I.T. upgrade at Southridge.

---

**Agenda item:** Continued Business

**Presenter:** N/A

**Discussions:**

Southridge Auditorium Audio/Visual Enhancements: A motion was made by Dan DeBacco and seconded by Monica Wasden to approve the Southridge Auditorium Upgrade. Motion carried.

---

**Agenda item:** New Business

**Presenter:** N/A

**Discussions:**

N/A

---

**Agenda item:** Delegate Forum

**Presenter:** N/A

**Discussions:**

Nancy Smith | Colin made a good point regarding not counting delegate attendance towards quorum who are on Zoom. Nancy mentioned Centennial Water and Metro Districts elections. Nancy will be running again in Metro District.

Kurt Huffman | Thanked Brock and Jim for the productive Q&A during the Board Candidate portion of the Delegate meeting. Also requested that we update the Delegate listings as one Delegate is deceased.

---

**Agenda item:** Adjournment

**Presenter:** Jim Allen

**Conclusions:**

The Meeting of the Delegates was adjourned at 8:41 p.m.

Respectfully submitted,

---

*Monica Wasden, Secretary*



# HIGHLANDS RANCH COMMUNITY ASSOCIATION

## ARCHITECTURAL REVIEW COMMITTEE

DATE: February 1, 2023

### MEETING MINUTES

#### I. CALL TO ORDER

The meeting was called to order at 5:30 p.m.

Roll call was taken, and a quorum was established.

Member Name	Present	Absent	Excused
Laurie Allred, Chair	✓		
Elizabeth Bryant	✓		
Chris Robinson	✓		
Jason Pickett	✓		
Tony Perrone	✓		
Jerry Jeter			✓
Jeff Rohr			✓
Don McCandless			✓
Mollie Anderson	✓		

Also in attendance:

Jayma Wessling CIS Coordinator  
Oglevee – Homeowner  
Patrick Gerarde – Homeowner

#### II. Residential Appointments:

1. **2226 Mountain Sage** – Oglevee – Fence
  - A. The Committee postponed a decision, requesting further information.
2. **3608 Seramonte** – Gerarde – Rebuild proposal.
  - A. The Committee agreed that a ranch style home may be considered and must be architecturally similar to surrounding homes in the neighborhood.

#### III NEW BUSINESS: Architectural Reviews\_– The Committee Members reviewed the following submittals.

1. **9562 Desert Willow Way** - Screening
  - a. The Committee postponed review as homeowner was unable to attend. They requested a site plan showing the location of the requested screening.
2. **10207 Andee Way** – Split Rail Fence
  - a. The Committee approved by a vote of five (5) to one (1)
3. **1192 Michner Way** – Siding
  - a. The Committee unanimously approved the proposed siding in place of stucco finish on the exterior, under the condition that the arched element on the garage window be changed to a straight line.
4. **1192 Michner Way** – Windows
  - a. The Committee unanimously approved the proposal for the windows, under the condition that the homeowner be cautioned regarding any egress windows and must submit for new lighting.
5. **5305 Fullerton** – Awning
  - a. The Committee unanimously voted to deny the awning over the front bay window stating the architectural elements on the front of the didn't permit for such an addition and the water issues needed to be resolved more constructively.

6. **9945 Saybrook St** – Trex Fence
  - a. The Committee unanimously voted to approve the Trex fence which includes a variance to not require a transition to the lower fence.
7. **544 Sage Cir** – Xeriscaping
  - a. The Committee postponed a decision requesting more information, to include a variety of ground cover.
8. **9964 Deer Creek** – Xeriscaping
  - a. The Committee unanimously voted to deny, and requested more information.
9. **94 Falcon Creek** – Dog Run
  - a. The Committee unanimously voted to conditionally approve the dog run pending the type and quality of the artificial turf for the bottom of the area.
10. **10315 Baneberry** – Epoxy Garage Floor
  - a. The Committee unanimously voted to approve.

With no further business, the regular meeting adjourned at 7:25 p.m

  
\_\_\_\_\_  
**Laurie Allred**, Architectural Review Committee Chair



# HIGHLANDS RANCH COMMUNITY ASSOCIATION

## ARCHITECTURAL REVIEW COMMITTEE

DATE: February 15, 2023

### MEETING MINUTES

#### I. CALL TO ORDER

The meeting was called to order at 5:34 p.m.

- Roll call was taken, and a quorum was established and the Minutes of the February 1, 2023 meeting were approved.

Member Name	Present	Absent	Excused
Laurie Allred, Chair	✓		
Elizabeth Bryant	✓		
Chris Robinson			✓
Jason Pickett	✓		
Tony Perrone	✓		
Jerry Jeter	✓		
Jeff Rohr	✓		
Don McCandless	✓		
Mollie Anderson	✓		

Also in attendance:

Brian Sheppleman – Director of Corporate Compliance  
Jayma Wessling CIS Coordinator  
Debora Starcher – Homeowner

#### II. RESIDENTIAL APPOINTMENTS:

##### 1. 8844 Forrest Dr – Retaining Wall & Fence

- a. The Committee voted to conditionally approve the request with a vote of four (4) in favor and two (2) opposed.

#### III. NEW BUSINESS: Architectural Reviews – The Committee Members reviewed the following submittals.

##### 1. 10972 Bellbrook – Decks

- a. The Committee unanimously approved the installation of the two decks and denied the stone element due to insufficient information.

##### 2. 8474 Tanglewood – Commercial Vehicle

- a. The Committee unanimously denied this request.

##### 3. 5285 Weeping Willow – Commercial Vehicle

- a. The Committee unanimously voted to conditionally approve this request.

##### 4. 9303 Montrose – Fence

- a. The Committee unanimously voted to approve the fence as submitted.

##### 5. 2026 Glenhaven – Awning

- a. The Committee unanimously voted to approve the awning as submitted.

##### 6. 8970 Winrock - Shed

- a. The Committee unanimously voted to deny the shed variance due to size in comparison to the yard.

#### IV. DISCUSSION

- a. Brian Sheppleman joined the ARC for a Q&A session regarding View Rights and Sub-Associations

With no further business, the regular meeting adjourned at 7:46 p.m

---

**Laurie Allred**, Architectural Review Committee Chair

**Minutes**  
**February 20, 2023, Finance Committee Meeting**  
**Highlands Ranch Community Association, Inc.**  
**Eastridge Recreation Center**

**FC Members Present:**

Jennifer Harris  
Leighton Stephenson  
Ron Welk  
Mikell Wilcox  
Shane Callahan

**Staff Members Present:**

Brice Kahler, CFO  
Brian Sheppelman, Corporate  
Compliance Director

**Board Members and Visitors Present:**

Dan DeBacco  
Bret Rogers  
Michael Flowers  
Tyler Johnson

**FC Members Absent:**

None

1. The Finance Committee meeting was called to order at 6:16 p.m. by Dan DeBacco. A quorum of the Finance Committee Members were present.
2. The Finance Committee reviewed the January 16, 2023 Finance Committee meeting minutes.

**A motion was made to approve the January 16, 2023 HRCA Finance Committee meeting minutes as presented. The motion was approved unanimously.**

**Motion:            Leighton Stephenson    Second:            Shane Callahan**

3. The Finance Committee reviewed and discussed the draft January 31, 2023 HRCA Financial Statements. The actual to budget favorable/unfavorable variances were identified, explained, and discussed. The Finance Committee asked numerous questions regarding Balance Sheet and Income Statement line items. No vote was taken on approval of financials until the prior year audit is complete.
4. Brice Kahler gave an update on the annual audit being completed by Haynie & Co.. The audit is progressing smoothly, and we are on track to deliver financials by their due date on 3/31/23. Prior period adjustments related to CIS fees and program revenue were discussed.
5. Brice Kahler gave an update on the Finance department project list. Projects include balance sheet reconciliations, update of financial statements, update of procurement policy, implementation of Wells Fargo Pcards, long term forecast, program analysis, and treasury improvements.
6. Other Business:
  - a. Dan DeBacco discussed the HRCA golf event scheduled for this June.
  - b. The Finance Committee discussed the two applicants, Michael Flower and Tyler Johnson, who were interviewed prior to the start of the meeting. After discussion, the committee voted unanimously to add Michael Flower and unanimously to not accept Tyler Johnson.

**Minutes of the January 16, 2023 Finance Committee Meeting / - Continued  
Highlands Ranch Community Association, Inc**

**A motion was made to end the February 20, 2023 Finance Committee meeting. The motion was approved unanimously.**

**Motion: Mikell Wilcox                      Second: Jennifer Harris**

Respectfully Submitted,

Brice Kahler  
Highlands Ranch Community Association, CFO



# HIGHLANDS RANCH COMMUNITY ASSOCIATION

## COMMITTEE APPLICATION FORM

MAR 10 2022

First Name: Michael

Last Name: Burmeister

Home Phone #: 17033281401

Email Address: burmeisterm06@gmail.com

Address: 10212 Nickolas Ave

City: Highlands Ranch, CO Zip Code: 80130

1. Are you a home owner in Highlands Ranch?  Yes  No

2. Please check the committee for which you are applying:

Architectural Committee  Development Review Committee  Finance Committee  Tribunal Hearings Panel   
Other \_\_\_\_\_

3. Will you have the time required to fulfill the duties of this position?  Yes  No

4. Are you able to attend the necessary meetings?  Yes  No

5. Have you volunteered for a HRCA Committee Before?  Yes  No

6. Do you currently hold a committee position?  Yes  No

7. If yes, which committee and when?

\_\_\_\_\_

8. Summarize your background and community involvement. What if any qualifications do you possess that might be an asset to the HRCA?

We are new to Highlands Ranch. In Virginia, I was on our church board and served as Board President for two years. I am a retired U.S. Army officer with 20 years of staff experience.

9. Please attach a current resume.

10. Please attach a letter of interest or statement of qualifications and experience indicating (a) why you are interested in serving on this committee (b) state how your background, experience, qualifications, and education are best suited to serving on the committee, and (c) why you should be considered for appointment.

11. Please fill out the attached disclosure statement for the Conflict of Interest Policy.

I certify that this report is true, complete, and correct to the best of my knowledge. (Please print and sign.)

Signature: Michael S. Burmeister Date 9 March 2022

For office use only:

Received by: _____	Date: _____
<input type="checkbox"/> Application	<input type="checkbox"/> Resume
<input type="checkbox"/> Letter of Interest	<input type="checkbox"/> COI Disclosure

MICHAEL THOMAS BURMEISTER  
10212 Nickolas Ave  
Highlands Ranch, CO 80130  
C: (703) 328 – 1401  
burmeisterm06@gmail.com

SUMMARY: Retired U.S. Army officer with 20-years experience as a senior legal advisor and staff officer. Extensive administrative and international law experience interpreting, and advising commanders and senior civilian leaders on the operational impact of laws, regulations, and policy. Ample experience supporting interagency planning and operations. Specialized training in government ethics and fiscal law. Previously held a Top Secret SSBI security clearance. Three years experience in leadership of a non-profit organization. Three years cumulative experience in archaeology, excavation and informal teaching, most recently as a substitute teacher in Douglas County, Colorado.

## WORK EXPERIENCE

January 2022 – present, intermittent/part-time substitute teacher, Redstone Elementary School, Douglas County, Colorado.

January 2018 – October 2020, church Councilman and Congregation Council President, Resurrection Evangelical Lutheran Church, Arlington, Virginia.

Served as Councilman and then two years as Congregation President for a moderately-sized church during the loss of a long service pastor, selection of an interim pastor, the selection of a new pastor, numerous changes in key committee positions and administrative staff, and the impact of the COVID-19 pandemic. Worked numerous issues with various support groups who depended on the church for their efforts in the community.

June 2011 – 2019, intermittent/part-time, Archaeologist

Participated in archaeological excavations in Virginia and Arizona; lab conservation and cataloging work in Virginia. Occasionally, I informally taught aspects of archaeology to grade school, high school, and college students.

January 1989 – September 2006, 40 Hours per Week, Legal Advisor, Major, U.S. Army Judge Advocate Generals Corps, with duty at various Army and Joint operational commands, U.S. State Department, Office of the Under Secretary of Defense for Policy, and deployed locations world-wide, including counter-drug operations and a Joint Inter-Agency Special Operations Task Force searching for senior Al-Qaeda and Taliban leaders and on intelligence and detainee related matters at a special intelligence detention facility in Afghanistan. Often with little or no supervision, served as the principle legal advisor and ethics counselor for commanders, staffs, and U.S. Army civilian management on legal aspects of criminal investigations, military operations, policy, and issues involving highly sensitive and classified information. Researched and prepared substantive legal opinions and guidance. Analyzed, interpreted, and provided legal advice and direction on applicable federal and state laws, court cases, executive orders, directives, regulations, and governmental policies, including Freedom of Information Act/Privacy Act, fiscal law, and congressional inquiries. Proposed draft legislation. Provided legal liaison with outside agencies, including the Department of Justice and the Defense Intelligence Agency. Seven years experience advocating before military courts-martial, civilian

MICHAEL THOMAS BURMEISTER

C: (703) 328-1401

courts, and various administrative boards and tribunals. Supervised teams of up to 17 attorneys and support personnel.

Participated in major command working groups, ensuring legal issues were addressed and integrated into agency plans and policies. Represented major military commands and senior legal advisors on numerous planning and response teams. Represented a U.S. Ambassador at Executive Committee and Department of State working level meetings.

Prepared, and delivered training at all organizational levels, from one-on-one training and advice for senior leaders to classes of over 50 personnel. Taught multiple military, legal, and policy subjects at formal courses and training, conferences, seminars, the USAF Academy, and to deploying Army, Air Force and Marine personnel. I have also trained Republic of Korea Army officers on advising their own national military commands on operational law issues.

Performed liaison with joint, interagency, coalition, and non-governmental agency (NGO) operational and legal personnel and senior military and DOD leadership. Worked with contractor and union personnel. Routinely coordinated with officials in higher or lateral headquarters, civilian attorneys, local city and state officials and law enforcement, and counsel of outside agencies.

Previously served as trial and supervisory attorney in criminal matters, both in military courts-martial and civilian courts as a Deputy District Attorney for Yolo County, California and as a Special Assistant U.S. Attorney in Kansas. Previously served as a U.S. Army Infantry Officer and as an Intelligence Analyst for the U.S. Army Security Agency.

#### EDUCATION

George Mason University, Fairfax, VA, Anthropology and Geographic Information Systems, BA	May 2012
The Judge Advocate General's School, Charlottesville, VA, Military Law, LLM	May 1998
University of California, Davis, CA, General Law, JD	May 1988
California State University, Fullerton, CA, Political Science, BA,	June 1985

#### LICENSES/CERTIFICATES/AWARDS/OTHER INFORMATION

Previously cleared for Top Secret Information and granted access to Sensitive Compartmented Information (SCI SSBI); Special Access Programs (SAP) experience.

#### BAR MEMBERSHIPS

California Supreme Court	December 1988
Federal District Court for the Eastern District of California	December 1988
Court of Appeals for the Armed Forces	March 1989
United States Supreme Court	March 1998

9 March 2022

Highlands Ranch Community Association  
ATTN: Annie Vincent  
9568 University Blvd  
Highlands Ranch, CO

SUBJECT: Letter of Interest

I would like to volunteer for the development review committee. I saw the CEO's call for volunteers in the March edition of the HRCA News. I have reviewed the contents of the HRCA Committees website.

I am interested in this position because I would like to help ensure that Highlands Ranch remains the excellent community that my family has found since moving here. Like democracy, a healthy and prosperous community requires the participation of its members. The majority of my adult life, I have served in non-profit organizations with a calling to benefit a community larger than the organization's members.

I believe my background, experience, and education are suitable for this position. I served 30 years in the U.S. Army, including 20 years in legal and staff officer positions at a variety of operational and national security and policy positions. I understand how staffs work. I have ample experience at situational analysis, evaluation of options, and where necessary presenting issues to senior decision-makers. I can impartially apply applicable rules and regulations, maintain high ethical standards, and avoid conflicts of interest. From my time as an administrative law attorney, I have an appreciation for precedent in the creation and use of public forums and the use of government facilities. I understand legal implications and potential issues flowing from my work. My previous security clearance demonstrates my trustworthiness and dependability. My experience as a Councilman and Congregation President in a non-military organization during a period of high staff turnover and the onset of COVID demonstrate my ability to operate outside a highly structured military organization. I will not be a fish out of water. All of these positions required an ability to communicate both verbally and in writing. I am invested in this community. My family lives here. Having previously worked as a guest instructor in public education, I now serve as a substitute teacher at the Highlands Ranch elementary school my children attend. I actively support childrens' extracurricular activities, including Scouts and Landsharks Running Club. I have patience. I believe I can support the needs and interests of the Highlands Ranch community.

I would like to be considered for this position. As a veteran, I understand duty, commitment, and service. I will bring the same dedication I have applied to my previous endeavors. I know what it is to lead and how to follow. I will have the time required to fulfill the duties of this position, including necessary evening meetings. If appointed, I am prepared to serve in this position for a full term of years. I understand this is a volunteer position, served without compensation.

Sincerely,



Michael T. Burmeister  
10212 Nickolas Ave  
Highlands Ranch, CO 80130

**Statement of Acknowledgment of Duties and Responsibilities  
of Directors, Delegates and Committee Members of  
the Highlands Ranch Community Association, Inc.**

I have received, read and understand the document entitled, " Duties and Responsibilities of Directors, Delegates and Committee Members of the Highlands Ranch Community Association, Inc.", a copy of which is attached hereto as Exhibit "A", and I agree to abide by and comply with same, including the guidelines set forth therein, in the course of fulfilling my duties as a director, delegate or committee member of HRCA.

Michael T. Burmeister

Signature

Michael T. Burmeister

Print Name

9 March 2022

Date

**RESOLUTION 23\_02\_02  
OF THE  
HIGHLANDS RANCH BACKCOUNTRY CONSERVATION AND  
EDUCATION FUND  
APPOINTING MEMBERS**

**SUBJECT:** Appointment of Members to the Highlands Ranch Backcountry Conservation and Education Fund (the “Conservation Fund”) to facilitate fundraising opportunities.

**PURPOSE:** To ensure compliance with state law in the context of fundraising efforts for the Conservation Fund.

**AUTHORITY:** The HRCA Declaration and the Articles of Incorporation and Bylaws of HRCA and the Conservation Fund, and Colorado law.

**EFFECTIVE DATE:** \_\_\_\_\_, 2023

**RESOLUTION:**

The Conservation Fund appoints as non-voting members the following individuals, effective as of the date of the individual’s employment with or election to the Highlands Ranch Community Association, Inc.

- |  |                  |
|--|------------------|
| 1. Mark Giebel                         | 8. Melissa Park  |
| 2. Lindsey McKissick                   | 9. Mike Bailey   |
| 3. All full-time Backcountry employees | 10. Theresa Hill |
| 4. Jim Allen                           | 11. Ken Joseph   |
| 5. Brock Norris                        | 12. Mark Gunther |
| 6. Dan DeBacco                         | 13. Jamie Noebel |
| 7. Monica Wasden                       |                  |

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Highlands Ranch Backcountry Conservation and Education Fund, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Conservation Fund, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_, and in witness thereof, the undersigned has subscribed his/her name.

**HIGHLANDS RANCH BACKCOUNTRY  
CONSERVATION AND EDUCATION FUND,**  
a Colorado nonprofit corporation,

By: \_\_\_\_\_

**RESOLUTION 23\_01\_01  
OF THE  
HIGHLANDS RANCH BACKCOUNTRY WILDERNESS AREA FUND  
APPOINTING MEMBERS**

**SUBJECT:** Appointment of Members to the Highlands Ranch Backcountry Wilderness Area Fund (the “Wilderness Fund”) to facilitate fundraising opportunities.

**PURPOSE:** To ensure compliance with state law in the context of fundraising efforts for the Wilderness Fund.

**AUTHORITY:** The HRCA Declaration and the Articles of Incorporation and Bylaws of HRCA and the Wilderness Fund, and Colorado law.

**EFFECTIVE DATE:** February 14, 2022

**RESOLUTION:**

The Wilderness Fund appoints as non-voting members the following individuals, effective as of the date of the Wilderness Fund’s creation:

- |  |                  |
|--|------------------|
| 1. Mark Giebel                         | 8. Melissa Park  |
| 2. Lindsey McKissick                   | 9. Mike Bailey   |
| 3. All full-time Backcountry employees | 10. Theresa Hill |
| 4. Jim Allen                           | 11. Ken Joseph   |
| 5. Brock Norris                        | 12. Mark Gunther |
| 6. Dan DeBacco                         | 13. Jamie Noebel |
| 7. Monica Wasden                       |                  |

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Highlands Ranch Backcountry Wilderness Area Fund, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Wilderness Fund, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_, and in witness thereof, the undersigned has subscribed his/her name.

**HIGHLANDS RANCH BACKCOUNTRY  
WILDERNESS AREA FUND,**  
a Colorado nonprofit corporation,

By: \_\_\_\_\_



# HIGHLANDS RANCH

## COMMUNITY ASSOCIATION

**Highlands Ranch Community Association**

**Financial Statements**

**January 31, 2023**

**HRCA Financial Statements**  
**January 31, 2023**  
**Table of Contents**

<b>Item</b>	<b>Page Number</b>
Income Statement - All Funds	3
Balance Sheet - All Funds	4
Statement of Cash Flows - All Funds	6
Variance Analysis Administrative	7
Variance Analysis Recreation	8
Variance Analysis Backcountry	9
Income Statement - Month	10

**Highlands Ranch Community Association, Inc.**  
**Statement of Revenues and Expenses for All Funds**  
**For the One Month Ending January 31, 2023**

	ADMINISTRATIVE			RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE	OSCA	OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
<b>Revenues</b>										
Homeowner assessments	\$ 221,954	\$ -	\$ -	\$ 1,494,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,716,851
Homeowner fees	22,864	-	-	-	-	-	-	-	-	22,864
Community improvement services	29,736	-	-	-	-	-	-	-	-	29,736
Legal Revenue	(1,505)	-	-	-	-	-	-	-	-	(1,505)
Recreation programs	-	-	-	474,270	-	10,778	-	-	-	485,048
Facility operations	-	-	-	135,445	-	1,355	-	-	(5,500)	131,300
Community events	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-
Management Fee Revenue	-	-	-	-	-	-	-	-	-	-
Interest and other Revenue	14,859	10,807	17,373	7,223	17,710	5,831	2,422	12,486	(818)	87,893
<b>Total revenues</b>	<b>287,908</b>	<b>10,807</b>	<b>17,373</b>	<b>2,111,835</b>	<b>17,710</b>	<b>17,964</b>	<b>2,422</b>	<b>12,486</b>	<b>(6,318)</b>	<b>2,472,187</b>
<b>Expenses</b>										
Salaries	114,861	-	-	788,344	-	60,570	-	-	-	963,775
Employee benefits	35,049	-	-	217,134	-	25,570	-	-	-	277,753
Facility operations	1,750	-	-	61,281	7,174	2,365	-	-	-	72,570
Depreciation Expense	-	5,302	-	-	-	-	10,888	224,975	-	241,165
Professional services	24,935	-	-	21,788	-	-	-	-	-	46,723
Advertising	3,152	-	-	1,111	-	(64)	-	-	-	4,199
Office expenses	22,618	-	-	51,081	490	488	-	-	-	74,677
Insurance	5,977	-	-	41,260	-	3,848	-	-	-	51,085
Interest	-	-	-	-	818	-	-	29,700	(818)	29,700
Information Technology Expenses	20,992	-	-	49,599	-	-	-	-	-	70,591
Occupancy	6,143	-	-	167,885	-	-	-	-	(5,500)	168,528
Program	-	-	-	69,481	-	10,457	-	-	-	79,938
Community events	5,544	-	-	-	-	-	-	-	-	5,544
Conferences, meetings and travel	1,990	-	-	594	-	1,390	-	-	-	3,974
Licenses and permits	-	-	-	3,438	-	-	-	-	-	3,438
Dues, subscriptions and memberships	1,048	-	-	139	-	-	-	-	-	1,187
Management Fee Expense	-	-	-	-	-	-	-	-	-	-
Other operating expenses	92	-	-	16,549	-	-	-	-	-	16,641
<b>Total expenses</b>	<b>244,151</b>	<b>5,302</b>	<b>-</b>	<b>1,489,684</b>	<b>8,482</b>	<b>104,624</b>	<b>10,888</b>	<b>254,675</b>	<b>(6,318)</b>	<b>2,111,488</b>
(Gains) / Losses	-	-	-	-	-	-	-	10,465	-	10,465
Excess (deficiency) of revenues over expenses	43,757	5,505	17,373	622,151	9,228	(86,660)	(8,466)	(252,654)	-	350,234
Transfers to Bond Fund	-	-	-	(279,709)	-	-	-	279,709	-	-
Transfers to Backcountry Fund	-	-	-	-	-	-	-	-	-	-
Transfers for Capital Equipment	-	-	-	(11,938)	-	-	-	11,938	-	-
Transfers for Reserves	-	-	(2,000)	-	(110,118)	-	2,000	110,118	-	-
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>(291,647)</b>	<b>(110,118)</b>	<b>-</b>	<b>2,000</b>	<b>401,765</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses)</b>	<b>\$ 43,757</b>	<b>\$ 5,505</b>	<b>\$ 15,373</b>	<b>\$ 330,504</b>	<b>\$ (100,890)</b>	<b>\$ (86,660)</b>	<b>\$ (6,466)</b>	<b>\$ 149,111</b>	<b>\$ -</b>	<b>\$ 350,234</b>

Highlands Ranch Community Association, Inc.  
Balance Sheet for All Funds  
As of January 31, 2023

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE		ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT			
<b>ASSETS</b>											
<b>Current Assets</b>											
<b>Cash &amp; Equivalents</b>											
1000 - Wells Fargo Invest Sweep	\$ 5,919,067	\$ -	\$ -	\$ 3,364,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,283,970
1002 - Wells Fargo Payroll Checking	70,717	-	-	-	-	-	-	-	-	-	70,717
1003 - Wells Fargo Rec Operating Checking	-	-	-	(110,274)	-	-	-	-	-	-	(110,274)
1004 - Wells Fargo BC Operating Checking	-	-	-	-	-	210,116	-	-	-	-	210,116
1005 - Wells Fargo Admin Operating Checking	(22,023)	-	-	-	-	1,590	-	-	-	-	(20,433)
<b>Wells Fargo Checking, Payroll and Sweep</b>	<b>5,967,761</b>	-	-	<b>3,254,629</b>	-	<b>211,706</b>	-	-	-	-	<b>9,434,096</b>
1010 - Front Range Bank MM	-	-	-	247,584	-	-	-	-	-	-	247,584
<b>Other Investment Accounts</b>	-	-	-	<b>247,584</b>	-	-	-	-	-	-	<b>247,584</b>
1017 - WF Bond Fund Suppl. Reserve Trustee	-	-	-	-	-	-	-	1,732,687	-	-	1,732,687
1020 - Wells Fargo Bond Fund Prepayments	-	-	-	-	-	-	-	279,709	-	-	279,709
1021 - Wells Fargo Bond Fund Trustee	-	-	-	-	-	-	-	2,019,418	-	-	2,019,418
<b>Wells Fargo Bond Fund Accounts</b>	-	-	-	-	-	-	-	<b>4,031,814</b>	-	-	<b>4,031,814</b>
1022 - Morgan Stanley Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-
1023 - Morgan Stanley Capital Project CD	-	-	-	-	2,514,674	-	-	-	-	-	2,514,674
1024 - Morgan Stanley OSCA	-	-	42,150	-	-	-	-	-	-	-	42,150
1025 - Morgan Stanley OSCA CD	-	-	4,971,849	-	-	-	-	-	-	-	4,971,849
1026 - Morgan Stanley Rec Reserve MM	-	-	-	-	(83,962)	-	-	-	-	-	(83,962)
1027 - Morgan Stanley Rec Reserve CD	-	-	-	-	2,627,540	-	-	-	-	-	2,627,540
<b>Morgan Stanley</b>	-	-	<b>5,013,999</b>	-	<b>5,058,252</b>	-	-	-	-	-	<b>10,072,251</b>
1028 - RBC Wealth Mgmt Admin Reserve MM	-	148,451	-	-	-	-	-	-	-	-	148,451
1029 - RBC Wealth Mgmt Admin Reserve CD	-	714,176	-	-	-	-	-	-	-	-	714,176
1030 - RBC Wealth Mgmt BC Operating MM	-	-	-	-	-	7,760	221	-	-	-	7,981
1031 - RBC Wealth Mgmt BC Operating CD	-	-	-	-	-	37,867	354	-	-	-	38,221
1032 - RBC Wealth Mgmt BC Reserve CD	-	-	-	-	-	-	42,151	-	-	-	42,151
1033 - RBC Wealth Mgmt BC Reserve	-	-	-	-	-	-	163,171	-	-	-	163,171
1036 - RBC Wealth Mgmt Spec Proj Fund MM	13,530	-	-	-	-	-	-	-	-	-	13,530
1037 - RBC Wealth Mgmt Spec Proj Fund CD	-	-	-	-	-	-	-	-	-	-	-
<b>RBC Wealth Management</b>	<b>13,530</b>	<b>862,627</b>	-	-	-	<b>45,627</b>	<b>205,897</b>	-	-	-	<b>1,127,681</b>
1044 - Cash Drawer Cash on Hand	-	-	-	2,877	-	-	-	-	-	-	2,877
1045 - Program Cash on Hand	200	-	-	-	-	-	-	-	-	-	200
1048 - Deposit Cash Clearing	(581)	-	-	-	-	-	-	-	-	-	(581)
<b>Cash on Hand</b>	<b>(381)</b>	-	-	<b>2,877</b>	-	-	-	-	-	-	<b>2,496</b>
<b>Total Cash &amp; Equivalents</b>	<b>5,980,910</b>	<b>862,627</b>	<b>5,013,999</b>	<b>3,505,090</b>	<b>5,058,252</b>	<b>257,333</b>	<b>205,897</b>	<b>4,031,814</b>	-	-	<b>24,915,922</b>
<b>Accounts Receivable</b>											
1100 - AR-Assessments & Legal	502,106	-	-	4,010,287	-	-	-	-	-	-	4,512,393
1105 - Allowance for Doubtful Accounts	(19,434)	-	-	(55,387)	-	-	-	-	-	-	(74,821)
1180 - AR- Covenants & Legal	505,937	-	-	-	-	-	-	-	-	-	505,937
1191 - Accrued Interest Receivable	-	-	-	-	-	-	-	12,486	-	-	12,486
1195 - Miscellaneous Receivable	7,278	-	-	7,091	4,720	(1,450)	(79)	-	-	-	17,560
1196 - Misc Rec – PM Shared Credit	-	-	-	20,135	-	-	-	-	-	-	20,135
<b>Total Accounts Receivable</b>	<b>995,887</b>	-	-	<b>3,982,126</b>	<b>4,720</b>	<b>(1,450)</b>	<b>(79)</b>	<b>12,486</b>	-	-	<b>4,993,690</b>
<b>Other Current Asset</b>											
1200 - Prepaid Expense	26,534	-	-	106,685	-	-	-	-	-	-	133,219
1205 - Prepaid Insurance	29,130	-	-	175,715	-	15,953	-	-	-	-	220,798
1210 - Inventory	-	-	-	58,765	-	-	-	-	-	-	58,765
1225 - Undeposited Funds	17,929	-	-	-	-	-	-	-	-	-	17,929
<b>Total Other Current Asset</b>	<b>73,593</b>	-	-	<b>341,165</b>	-	<b>15,953</b>	-	-	-	-	<b>430,711</b>
<b>Total Current Assets</b>	<b>7,050,390</b>	<b>862,627</b>	<b>5,013,999</b>	<b>7,828,381</b>	<b>5,062,972</b>	<b>271,836</b>	<b>205,818</b>	<b>4,044,300</b>	-	-	<b>30,340,323</b>
<b>Fixed Assets</b>											
Fixed Assets - Cost	-	601,003	-	-	-	-	1,366,322	77,169,087	-	-	79,136,412
Fixed Assets - Accumulated Depreciation	-	(372,434)	-	-	-	-	(885,060)	(44,259,737)	-	-	(45,517,231)
<b>Total Fixed Assets</b>	-	<b>228,569</b>	-	-	-	-	<b>481,262</b>	<b>32,909,350</b>	-	-	<b>33,619,181</b>
<b>Other Assets</b>											
1110 - PM Cash Clearing	-	-	-	-	-	-	-	-	-	-	-
1250 - Interfund Receivable	3,975,426	-	-	6,558,468	587,981	17,299	-	-	(11,139,174)	-	-
1255 - Loan from OSCA Loan Receivable	-	-	150,000	-	-	-	-	-	(150,000)	-	-
1260 - Intercompany Receivable 501c3	6,990	-	-	992	-	4,523	-	-	-	-	12,505
1600 - Bond Issuance Costs	-	-	-	-	-	-	-	26,085	-	-	26,085
<b>Total Other Assets</b>	<b>3,982,416</b>	-	<b>150,000</b>	<b>6,559,460</b>	<b>587,981</b>	<b>21,822</b>	-	<b>26,085</b>	<b>(11,289,174)</b>	-	<b>38,590</b>
<b>Total ASSETS</b>	<b>\$ 11,032,806</b>	<b>\$ 1,091,196</b>	<b>\$ 5,163,999</b>	<b>\$ 14,387,841</b>	<b>\$ 5,650,953</b>	<b>\$ 293,658</b>	<b>\$ 687,080</b>	<b>\$ 36,979,735</b>	<b>\$ (11,289,174)</b>	<b>\$</b>	<b>\$ 63,998,094</b>

Highlands Ranch Community Association, Inc.  
Balance Sheet for All Funds  
As of January 31, 2023

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
<b>LIABILITIES &amp; EQUITY</b>										
<b>Current Liabilities</b>										
<b>Accounts Payable</b>										
2000 - Accounts Payable	17,348	-	-	286,348	34,195	2,533	-	-	-	340,424
2010 - Wells Fargo CC Clearing	-	-	-	(7,284)	-	6,521	-	-	-	(763)
2015 - Accrued Bond Interest Payable	-	-	-	-	-	-	-	59,401	-	59,401
2025 - Preschool Scrips Pass Through	-	-	-	-	-	-	-	-	-	-
<b>Total Accounts Payable</b>	<b>17,348</b>	<b>-</b>	<b>-</b>	<b>279,064</b>	<b>34,195</b>	<b>9,054</b>	<b>-</b>	<b>59,401</b>	<b>-</b>	<b>399,062</b>
<b>Other Current Liability</b>										
2005 - Accrued Accounts Payable	30,340	-	-	165,187	-	41,600	-	-	-	237,127
2006 - Accrued AP - PM Shared Credit	-	-	-	1,177	-	-	-	-	-	1,177
2009 - Colorado Payback	5,916	-	-	11,294	-	3,658	-	-	-	20,868
2020 - Sales Taxes Payable - State	-	-	-	178	-	-	-	-	-	178
2045 - Accrued Payroll & Vacation Expense	152,579	-	-	206,392	-	24,245	-	-	-	383,216
2050 - AFLAC Pre-Tax	2,523	-	-	(2,165)	-	-	-	-	-	358
2055 - Cafeteria Plan EE Contribution	314	-	-	1,314	-	-	-	-	-	1,628
2060 - Health Savings Acct EE Cont	1,360	-	-	1,848	-	-	-	-	-	3,208
2100 - Unearned Assessments	499,884	-	-	4,230,747	-	-	-	-	-	4,730,631
2101 - Deferred Assessments	432,914	-	-	2,987,527	-	-	-	-	-	3,420,441
2102 - Unearned CIS Fines & Fees	463,573	-	-	-	-	-	-	-	-	463,573
2105 - Unearned Program & Facilities Revenue	10,965	-	-	1,473,288	-	-	-	-	-	1,484,253
2110 - Unearned Other Revenue	-	-	-	14,566	-	14,899	-	-	-	29,465
2250 - Interfund Payable	6,595,097	31,398	-	4,403,272	2,451	106,955	-	-	(11,139,174)	(1)
2260 - Intercompany Payable 501c3	4,097	-	-	3,431	-	-	-	-	-	7,528
<b>Total Other Current Liability</b>	<b>8,199,562</b>	<b>31,398</b>	<b>-</b>	<b>13,498,056</b>	<b>2,451</b>	<b>191,357</b>	<b>-</b>	<b>-</b>	<b>(11,139,174)</b>	<b>10,783,650</b>
<b>Total Current Liabilities</b>	<b>8,216,910</b>	<b>31,398</b>	<b>-</b>	<b>13,777,120</b>	<b>36,646</b>	<b>200,411</b>	<b>-</b>	<b>59,401</b>	<b>(11,139,174)</b>	<b>11,182,712</b>
<b>Long Term Liabilities</b>										
2255 - Loan from OSCA Loan Payable	-	-	-	-	150,000	-	-	-	(150,000)	-
2600 - Bonds Payable - 1999 Series	-	-	-	-	-	-	-	-	-	-
2610 - Bonds Payable - 2004 Series	-	-	-	-	-	-	-	5,990,000	-	5,990,000
<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>5,990,000</b>	<b>(150,000)</b>	<b>5,990,000</b>
<b>Equity</b>										
Restricted Fund Balance	38,659	309,868	1,237,500	-	2,926,527	-	157,779	-	-	4,670,333
Retained Earnings	2,733,479	744,424	3,911,126	280,220	2,638,670	179,905	535,767	30,781,222	-	41,804,813
Net Income	43,757	5,505	15,373	330,504	(100,890)	(86,660)	(6,466)	149,111	-	350,234
<b>Total Equity (Fund Balance)</b>	<b>2,815,895</b>	<b>1,059,797</b>	<b>5,163,999</b>	<b>610,724</b>	<b>5,464,307</b>	<b>93,245</b>	<b>687,080</b>	<b>30,930,333</b>	<b>-</b>	<b>46,825,380</b>
<b>Total LIABILITIES &amp; EQUITY</b>	<b>\$ 11,032,805</b>	<b>\$ 1,091,195</b>	<b>\$ 5,163,999</b>	<b>\$ 14,387,844</b>	<b>\$ 5,650,953</b>	<b>\$ 293,656</b>	<b>\$ 687,080</b>	<b>\$ 36,979,734</b>	<b>\$ (11,289,174)</b>	<b>\$ 63,998,092</b>

**Highlands Ranch Community Association  
Statement of Cash Flows for All Funds  
For the One Month Ending January 31, 2023**

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE & PLANT	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE		
<b>Cash flows from operating activities</b>									
Excess (deficiency) of revenues over expenses	\$ 43,759	\$ 5,505	\$ 15,373	\$ 330,505	\$ (100,891)	\$ (86,662)	\$ (6,466)	\$ 149,109	\$ 350,232
Adjustment to reconcile excess (deficiency) of revenues over expenses to net cash from (used for) operating activities									
Depreciation expense	-	5,302	-	-	-	-	10,888	224,975	241,165
(Gain) loss on asset disposal	-	-	-	-	-	-	-	10,465	10,465
Interest expense attributable to amortization of bond issuance costs	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-
Lease costs on right of use asset	-	-	-	-	-	-	-	-	-
Accretion of lease liability	-	-	-	-	-	-	-	-	-
(Increase) decrease in operating assets									
Assessments receivable, net	(472,508)	-	-	(3,788,740)	-	-	-	-	(4,261,248)
Accounts receivable, other	100,845	-	-	(12,731)	-	6,113	-	(5,676)	88,551
Prepaid expenses and other assets	(25,666)	-	-	(38,079)	-	2,849	-	-	(60,896)
Increase (decrease) in operating liabilities									
Accounts payable and accrued expenses	(381,435)	-	-	83,701	(6,337)	(9,076)	1	29,701	(283,445)
Accrued payroll and related items	-	-	-	-	-	-	-	-	-
Assessments paid in advance	437,930	-	-	2,991,260	-	-	-	-	3,429,190
Deferred revenue	218,644	-	-	2,512,978	-	5,549	-	-	2,737,171
Lease liability	-	-	-	-	-	-	-	-	-
<b>Net cash from (used for) operating activities</b>	<b>(78,431)</b>	<b>10,807</b>	<b>15,373</b>	<b>2,078,894</b>	<b>(107,228)</b>	<b>(81,227)</b>	<b>4,423</b>	<b>408,574</b>	<b>2,251,185</b>
<b>Cash flows from investing activities</b>									
Net (purchases) sales of investments	-	-	-	-	-	-	-	-	-
Purchases of property and equipment	-	(31,399)	-	-	-	-	(2,000)	(122,056)	(155,455)
<b>Net cash from (used for) investing activities</b>	<b>-</b>	<b>(31,399)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>(122,056)</b>	<b>(155,455)</b>
<b>Cash flows from financing activities</b>									
Payment of accounts payable for property and equipment	-	-	-	-	-	-	-	-	-
Bond principal payments	-	-	-	-	-	-	-	-	-
Net borrowing and transfers among funds	757,852	31,398	44,000	(766,696)	(86,288)	19,732	-	-	(2)
<b>Net cash from (used for) financing activities</b>	<b>757,852</b>	<b>31,398</b>	<b>44,000</b>	<b>(766,696)</b>	<b>(86,288)</b>	<b>19,732</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
Net change in cash, cash equivalents, and restricted cash	679,421	10,806	59,373	1,312,198	(193,516)	(61,495)	2,423	286,519	2,095,729
Cash, cash equivalents, and restricted cash, beginning of year	5,301,488	851,820	4,954,626	2,192,894	5,251,768	318,825	203,474	3,745,295	22,820,190
Cash, cash equivalents, and restricted cash, end of year	<b>\$ 5,980,909</b>	<b>\$ 862,626</b>	<b>\$ 5,013,999</b>	<b>\$ 3,505,092</b>	<b>\$ 5,058,252</b>	<b>\$ 257,330</b>	<b>\$ 205,897</b>	<b>\$ 4,031,814</b>	<b>\$ 24,915,919</b>

**HRCA Administrative Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the One Month Ended January 31, 2023**

	Current Month					Year To Date			
	Actual	Budget	Variance			Actual	Budget	Variance	
			\$	%				\$	%
<b>Revenues</b>									
Homeowner assessments	\$ 221,954	\$ 190,754	\$ 31,200	16%	A	\$ 221,954	\$ 190,754	\$ 31,200	16%
Homeowner fees	22,864	67,423	(44,560)	(66%)	B	22,864	67,423	(44,560)	(66%)
Community improvement services	29,736	7,500	22,236	296%	C	29,736	7,500	22,236	296%
Legal Revenue	(1,505)	3,417	(4,922)	(144%)		(1,505)	3,417	(4,922)	(144%)
Facility operations	-	-	-			-	-	-	
Community events	-	1,013	(1,013)	(100%)		-	1,013	(1,013)	(100%)
Advertising	-	-	-			-	-	-	
Management Fee Revenue	-	28,145	(28,145)	(100%)	D	-	28,145	(28,145)	(100%)
Interest and other Revenue	14,859	23,815	(8,956)	(38%)		14,859	23,815	(8,956)	(38%)
<b>Total revenues</b>	<b>287,909</b>	<b>322,067</b>	<b>(34,158)</b>	<b>(11%)</b>		<b>287,909</b>	<b>322,067</b>	<b>(34,158)</b>	<b>(11%)</b>
<b>Expenses</b>									
Salaries	114,861	130,800	15,939	12%	E	114,861	130,800	15,939	12%
Employee benefits	35,049	43,100	8,051	19%		35,049	43,100	8,051	19%
Facility operations	1,750	662	(1,089)	(165%)		1,750	662	(1,089)	(165%)
Professional services	24,935	41,313	16,378	40%	F	24,935	41,313	16,378	40%
Advertising	3,152	833	(2,319)	(278%)		3,152	833	(2,319)	(278%)
Office expenses	22,618	12,338	(10,280)	(83%)	G	22,618	12,338	(10,280)	(83%)
Insurance	5,977	11,900	5,923	50%		5,977	11,900	5,923	50%
Information Technology Expenses	20,992	15,554	(5,438)	(35%)		20,992	15,554	(5,438)	(35%)
Occupancy	6,143	6,122	(21)	0%		6,143	6,122	(21)	0%
Community events	5,544	2,083	(3,460)	(166%)		5,544	2,083	(3,460)	(166%)
Conferences, meetings and travel	1,990	2,490	500	20%		1,990	2,490	500	20%
Dues, subscriptions and memberships	1,048	1,393	346	25%		1,048	1,393	346	25%
Management Fee Expense	-	13,719	13,719	100%	H	-	13,719	13,719	100%
Other operating expenses	92	583	491	84%		92	583	491	84%
<b>Total expenses</b>	<b>244,151</b>	<b>282,891</b>	<b>38,739</b>	<b>14%</b>		<b>244,151</b>	<b>282,891</b>	<b>38,739</b>	<b>14%</b>
<b>Transfers</b>									
Transfers for Capital Equipment	-	-	-			-	-	-	
Transfers for Reserves	-	-	-			-	-	-	
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total expenses after transfers</b>	<b>244,151</b>	<b>282,891</b>	<b>38,739</b>	<b>14%</b>		<b>244,151</b>	<b>282,891</b>	<b>38,739</b>	<b>14%</b>
<b>Net revenue (expense)</b>	<b>\$ 43,757</b>	<b>\$ 39,176</b>	<b>\$ 4,581</b>	<b>12%</b>		<b>\$ 43,757</b>	<b>\$ 39,176</b>	<b>\$ 4,581</b>	<b>12%</b>

Variance materiality = \$10k and 10%

**Variance Discussion - MTD Actual vs. Budget**

- A** - Homeowner assessments revenue exceeded budget by \$31K. Annual payees may need to be spread over twelve months. Will adjust in Feb.
- B** - Homeowner fee revenue is less than budget due to fewer status letter fees, legal fees, and resales than expected.
- C** - CIS revenue exceeded budget because CIS fines were not budgeted for the year. In January, we collected \$25K.
- D** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- E** - Overall salaries were less than budget. Largest variance is CIS Department coming in \$11K under budget.
- F** - Professional services are favorable to budget primarily due to lower legal fees (\$18K less than expected).
- G** - Office expenses were unfavorable to budget due to higher bank/credit card fees (\$3K), office supplies (\$5K), and postage (\$2K).
- H** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.

**HRCA Recreation Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the One Month Ended January 31, 2023**

	Current Month				Year To Date				
	Actual	Budget	Variance		Actual	Budget	Variance		
			\$	%			\$	%	
<b>Revenues</b>									
Homeowner assessments	\$ 1,494,897	\$ 1,493,284	\$ 1,613	0%	\$ 1,494,897	\$ 1,493,284	\$ 1,613	0%	
Recreation programs	474,270	453,827	20,443	5%	474,270	453,827	20,443	5%	
Facility operations	135,445	91,644	43,801	48%	135,445	91,644	43,801	48%	
Advertising	-	-	-		-	-	-		
Management Fee Revenue	-	13,719	(13,719)	(100%)	-	13,719	(13,719)	(100%)	
Interest and other Revenue	7,223	5,696	1,527	27%	7,223	5,696	1,527	27%	
<b>Total revenues</b>	<b>2,111,835</b>	<b>2,058,170</b>	<b>53,665</b>	<b>3%</b>	<b>2,111,835</b>	<b>2,058,170</b>	<b>53,665</b>	<b>3%</b>	
<b>Expenses</b>									
Salaries	788,344	832,840	44,495	5%	788,344	832,840	44,495	5%	
Employee benefits	217,134	221,676	4,543	2%	217,134	221,676	4,543	2%	
Facility operations	61,281	82,593	21,312	26%	61,281	82,593	21,312	26%	
Professional services	21,788	21,472	(317)	(1%)	21,788	21,472	(317)	(1%)	
Advertising	1,111	833	(277)	(33%)	1,111	833	(277)	(33%)	
Office expenses	51,081	39,535	(11,547)	(29%)	51,081	39,535	(11,547)	(29%)	
Insurance	41,260	35,750	(5,510)	(15%)	41,260	35,750	(5,510)	(15%)	
Information Technology Expenses	49,599	57,758	8,158	14%	49,599	57,758	8,158	14%	
Occupancy	167,885	125,309	(42,576)	(34%)	167,885	125,309	(42,576)	(34%)	
Program	69,481	64,851	(4,631)	(7%)	69,481	64,851	(4,631)	(7%)	
Conferences, meetings and travel	594	838	244	29%	594	838	244	29%	
Licenses and permits	3,438	37,700	34,262	91%	3,438	37,700	34,262	91%	
Dues, subscriptions and memberships	139	563	424	75%	139	563	424	75%	
Management Fee Expense	-	28,145	28,145	100%	-	28,145	28,145	100%	
Other operating expenses	16,549	458	(16,091)	(3,511%)	16,549	458	(16,091)	(3,511%)	
<b>Total expenses</b>	<b>1,489,685</b>	<b>1,550,320</b>	<b>60,636</b>	<b>4%</b>	<b>1,489,685</b>	<b>1,550,320</b>	<b>60,636</b>	<b>4%</b>	
<b>Transfers</b>									
Transfers to Bond Fund	279,709	267,200	(12,509)	(5%)	279,709	267,200	(12,509)	(5%)	
Transfers to Backcountry Fund	-	41,650	41,650	100%	-	41,650	41,650	100%	
Transfers for Capital Equipment	11,938	16,500	4,562	28%	11,938	16,500	4,562	28%	
Transfers for Reserves	-	64,575	64,575	100%	-	64,575	64,575	100%	
<b>Total transfers</b>	<b>291,648</b>	<b>389,925</b>	<b>98,277</b>	<b>25%</b>	<b>291,648</b>	<b>389,925</b>	<b>98,277</b>	<b>25%</b>	
<b>Total expenses after transfers</b>	<b>1,781,332</b>	<b>1,940,245</b>	<b>158,913</b>	<b>8%</b>	<b>1,781,332</b>	<b>1,940,245</b>	<b>158,913</b>	<b>8%</b>	
<b>Net revenue (expense)</b>	<b>\$ 330,503</b>	<b>\$ 117,925</b>	<b>\$ 212,578</b>	<b>180%</b>	<b>\$ 330,503</b>	<b>\$ 117,925</b>	<b>\$ 212,578</b>	<b>180%</b>	

Variance materiality = \$25k and 10%

**Variance Discussion - MTD Actual vs. Budget**

- A** - Facility rental for aquatics exceeded budget by \$12K due to XXXXX. Non-resident memberships exceeded budget by \$10K.
- B** - Natural Gas cost exceeded budget by \$20K due to increased usage and increased rates. Electricity exceed budget by \$16K
- C** - Ellis permitting of \$37K was budgeted all in January, was recorded to PPD and will be amortized over the year
- D** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- E** - Transfers will be made quarterly or as needed to fund Backcountry
- F** - Transfers will be made quarterly to Reserve Fund

**HRCA Backcountry Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the One Month Ended January 31, 2023**

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
<b>Revenues</b>								
Recreation programs	10,778	12,000	(1,222)	(10%)	10,778	12,000	(1,222)	(10%)
Facility operations	1,355	2,205	(851)	(39%)	1,355	2,205	(851)	(39%)
Interest and other Revenue	5,831	8,400	(2,569)	(31%)	5,831	8,400	(2,569)	(31%)
<b>Total revenues</b>	<b>17,963</b>	<b>22,605</b>	<b>(4,642)</b>	<b>(21%)</b>	<b>17,963</b>	<b>22,605</b>	<b>(4,642)</b>	<b>(21%)</b>
<b>Expenses</b>								
Salaries	60,570	66,744	6,173	9%	60,570	66,744	6,173	9%
Employee benefits	25,570	22,738	(2,832)	(12%)	25,570	22,738	(2,832)	(12%)
Facility operations	2,365	7,443	5,078	68% <b>A</b>	2,365	7,443	5,078	68%
Professional services	-	283	283	100%	-	283	283	100%
Advertising	(64)	-	64		(64)	-	64	
Office expenses	488	855	367	43%	488	855	367	43%
Insurance	3,848	3,605	(243)	(7%)	3,848	3,605	(243)	(7%)
Program	10,457	22,000	11,543	52% <b>B</b>	10,457	22,000	11,543	52%
Conferences, meetings and travel	1,390	1,525	135	9%	1,390	1,525	135	9%
Licenses and permits	-	47	47	100%	-	47	47	100%
<b>Total expenses</b>	<b>104,623</b>	<b>125,239</b>	<b>20,616</b>	<b>16%</b>	<b>104,623</b>	<b>125,239</b>	<b>20,616</b>	<b>16%</b>
(Gains) / Losses	-	-	-		-	-	-	
<b>Transfers</b>								
Transfers to Backcountry Fund	-	(41,650)	(41,650)	100% <b>C</b>	-	(41,650)	(41,650)	100%
Transfers for Capital Equipment	-	-	-		-	-	-	
Transfers for Reserves	-	-	-		-	-	-	
<b>Total transfers</b>	<b>-</b>	<b>(41,650)</b>	<b>(41,650)</b>	<b>100%</b>	<b>-</b>	<b>(41,650)</b>	<b>(41,650)</b>	<b>100%</b>
<b>Total expenses after transfers</b>	<b>104,623</b>	<b>83,589</b>	<b>(21,034)</b>	<b>(25%)</b>	<b>104,623</b>	<b>83,589</b>	<b>(21,034)</b>	<b>(25%)</b>
<b>Net revenue (expense)</b>	<b>\$ (86,660)</b>	<b>\$ (60,984)</b>	<b>(25,676)</b>	<b>42%</b>	<b>\$ (86,660)</b>	<b>\$ (60,984)</b>	<b>(25,676)</b>	<b>42%</b>

Variance materiality = \$5k and 10%

**Variance Discussion - MTD Actual vs. Budget**

- A** - Facility operations expenses are favorable to budget due to lower than expected uniforms, supplies, and noxious weeds expenses for the month.
- B** - Program expenses are less than budget primarily due to \$14K bill for archery targets budgeted in January, received in February.
- C** - Transfers to Backcountry from Rec Fund will be made quarterly or as needed

**HRCA**  
**Statement of Revenues and Expenses**  
**For the Month Ending January 31, 2023**

	Current Month Actuals				Current Month Budget				Current Month Variance				Month to Date % Variance			
	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total
<b>Revenues</b>																
Homeowner assessments and fees	221,954	1,494,897	-	1,716,851	190,754	1,493,284	-	1,684,038	31,200	1,613	-	32,813	16%	0%		2%
Homeowner fees	22,864	-	-	22,864	67,423	-	-	67,423	(44,560)	-	-	(44,560)	-66%			-66%
Community Improvement Services	29,736	-	-	29,736	7,500	-	-	7,500	22,236	-	-	22,236	296%			296%
Legal Revenue	(1,505)	-	-	(1,505)	3,417	-	-	3,417	(4,922)	-	-	(4,922)	-144%			-144%
Recreation programs	-	474,270	10,778	485,048	-	453,827	12,000	465,827	-	20,443	(1,222)	19,221		5%	-10%	4%
Facility operations	-	135,445	1,355	136,800	-	91,644	2,205	93,850	-	43,801	(851)	42,950		48%	-39%	46%
Community Events	-	-	-	-	1,013	-	-	1,013	(1,013)	-	-	(1,013)	-100%			-100%
Advertising	-	-	-	-	-	-	-	-	-	-	-	-				
Management Fee	-	-	-	-	28,145	13,719	-	41,864	(28,145)	(13,719)	-	(41,864)	-100%	-100%		-100%
Interest and other revenue	14,859	7,223	5,831	27,913	23,815	5,696	8,400	37,911	(8,956)	1,527	(2,569)	(9,998)	-38%	27%	-31%	-26%
<b>Total revenues</b>	<b>287,909</b>	<b>2,111,835</b>	<b>17,963</b>	<b>2,417,707</b>	<b>322,067</b>	<b>2,058,170</b>	<b>22,605</b>	<b>2,402,842</b>	<b>(34,158)</b>	<b>53,665</b>	<b>(4,642)</b>	<b>14,865</b>	<b>-11%</b>	<b>3%</b>	<b>-21%</b>	<b>1%</b>
<b>Expenses</b>																
Salaries	114,861	788,344	60,570	963,776	130,800	832,840	66,744	1,030,384	15,939	44,495	6,173	66,608	12%	5%	9%	6%
Employee benefits	35,049	217,134	25,570	277,753	43,100	221,676	22,738	287,515	8,051	4,543	(2,832)	9,762	19%	2%	-12%	3%
Facility operations	1,750	61,281	2,365	65,396	662	82,593	7,443	90,698	(1,089)	21,312	5,078	25,302	-165%	26%	68%	28%
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-				
Professional services	24,935	21,788	-	46,724	41,313	21,472	283	63,067	16,378	(317)	283	16,344	40%	-1%	100%	26%
Advertising	3,152	1,111	(64)	4,198	833	833	-	1,667	(2,319)	(277)	64	(2,532)	-278%	-33%		-152%
Office expenses	22,618	51,081	488	74,187	12,338	39,535	855	52,727	(10,280)	(11,547)	367	(21,459)	-83%	-29%	43%	-41%
Insurance	5,977	41,260	3,848	51,085	11,900	35,750	3,605	51,255	5,923	(5,510)	(243)	170	50%	-15%	-7%	0%
Interest	-	-	-	-	-	-	-	-	-	-	-	-				
IT Expenses	20,992	49,599	-	70,591	15,554	57,758	-	73,312	(5,438)	8,158	-	2,720	-35%	14%		4%
Occupancy	6,143	167,885	-	174,029	6,122	125,309	-	131,431	(21)	(42,576)	-	(42,597)	0%	-34%		-32%
Program	-	69,481	10,457	79,938	-	64,851	22,000	86,851	-	(4,631)	11,543	6,913		-7%	52%	8%
Community events	5,544	-	-	5,544	2,083	-	-	2,083	(3,460)	-	-	(3,460)	-166%			-166%
Conferences, meetings and travel	1,990	594	1,390	3,974	2,490	838	1,525	4,853	500	244	135	879	20%	29%	9%	18%
Licenses and permits	-	3,438	-	3,438	-	37,700	47	37,747	-	34,262	47	34,309		91%	100%	91%
Dues, subscriptions and memberships	1,048	139	-	1,187	1,393	563	-	1,956	346	424	-	769	25%	75%		39%
Management Fee	-	-	-	-	13,719	28,145	-	41,864	13,719	28,145	-	41,864	100%	100%		100%
Other operating expenses	92	16,549	-	16,641	583	458	-	1,042	491	(16,091)	-	(15,600)	84%	-3511%		-1498%
<b>Total expenses</b>	<b>244,151</b>	<b>1,489,685</b>	<b>104,623</b>	<b>1,838,459</b>	<b>282,891</b>	<b>1,550,320</b>	<b>125,239</b>	<b>1,958,450</b>	<b>38,739</b>	<b>60,636</b>	<b>20,616</b>	<b>119,991</b>	<b>14%</b>	<b>4%</b>	<b>16%</b>	<b>6%</b>
<b>Transfers</b>																
Transfers to Bond Fund	-	279,709	-	279,709	-	267,200	-	267,200	-	(12,509)	-	(12,509)		-5%		-5%
Transfers to Backcountry Fund	-	-	-	-	-	41,650	(41,650)	-	-	41,650	(41,650)	-		100%	100%	
Transfers for Capital Equipment	-	11,938	-	11,938	-	16,500	-	16,500	-	4,562	-	4,562		28%		28%
Transfers for Reserves	-	-	-	-	-	64,575	-	64,575	-	64,575	-	64,575		100%		100%
<b>Total Transfers</b>	<b>-</b>	<b>291,648</b>	<b>-</b>	<b>291,648</b>	<b>-</b>	<b>389,925</b>	<b>(41,650)</b>	<b>348,275</b>	<b>-</b>	<b>98,277</b>	<b>(41,650)</b>	<b>56,627</b>		<b>25%</b>	<b>100%</b>	<b>16%</b>
<b>Total expense after transfers</b>	<b>244,151</b>	<b>1,781,332</b>	<b>104,623</b>	<b>2,130,107</b>	<b>282,891</b>	<b>1,940,245</b>	<b>83,589</b>	<b>2,306,725</b>	<b>38,739</b>	<b>158,913</b>	<b>(21,034)</b>	<b>176,619</b>	<b>14%</b>	<b>8%</b>	<b>-25%</b>	<b>8%</b>
<b>Net revenue (expense)</b>	<b>43,757</b>	<b>330,503</b>	<b>(86,660)</b>	<b>287,600</b>	<b>39,176</b>	<b>117,925</b>	<b>(60,984)</b>	<b>96,117</b>	<b>4,581</b>	<b>212,578</b>	<b>(25,676)</b>	<b>191,483</b>	<b>12%</b>	<b>180%</b>	<b>42%</b>	<b>199%</b>



# HIGHLANDS RANCH

## COMMUNITY ASSOCIATION

**Highlands Ranch Community Association**

**Financial Statements**

**February 28, 2023**

**HRCA Financial Statements**  
**February 28, 2023**  
**Table of Contents**

<b>Item</b>	<b>Page Number</b>
Income Statement - All Funds	3
Balance Sheet - All Funds	4
Statement of Cash Flows - All Funds	6
Variance Analysis Administrative	7
Variance Analysis Recreation	9
Variance Analysis Backcountry	11
Income Statement - Month	12
Income Statement - Year	13

**Highlands Ranch Community Association, Inc.**  
**Statement of Revenues and Expenses for All Funds**  
**For the Two Months Ending February 28, 2023**

	ADMINISTRATIVE			RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE	OSCA	OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
<b>Revenues</b>										
Homeowner assessments	\$ 378,275	\$ -	\$ -	\$ 2,989,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,367,458
Homeowner fees	101,729	-	-	-	-	-	-	-	-	101,729
Community improvement services	37,670	-	-	-	-	-	-	-	-	37,670
Legal Revenue	(421)	-	-	-	-	-	-	-	-	(421)
Recreation programs	-	-	-	946,309	-	24,415	-	-	-	970,724
Facility operations	-	-	-	221,178	-	2,709	-	-	(11,000)	212,887
Community events	21,767	-	-	-	-	-	-	-	-	21,767
Advertising	-	-	-	-	-	-	-	-	-	-
Management Fee Revenue	-	-	-	-	-	-	-	-	-	-
Interest and other Revenue	21,159	(1,454)	32,263	21,242	34,686	18,714	230	24,823	(818)	150,845
<b>Total revenues</b>	<b>560,179</b>	<b>(1,454)</b>	<b>32,263</b>	<b>4,177,912</b>	<b>34,686</b>	<b>45,838</b>	<b>230</b>	<b>24,823</b>	<b>(11,818)</b>	<b>4,862,659</b>
<b>Expenses</b>										
Salaries	233,325	-	-	1,542,862	-	118,803	-	-	-	1,894,990
Employee benefits	70,193	-	-	430,280	-	49,729	-	-	-	550,202
Facility operations	3,374	-	-	133,548	27,079	7,719	-	-	-	171,720
Depreciation Expense	-	11,365	-	-	-	-	21,303	449,883	-	482,551
Professional services	48,299	-	-	35,866	-	40	-	-	-	84,205
Advertising	8,810	-	-	1,602	-	(64)	-	-	-	10,348
Office expenses	48,057	-	-	121,578	490	706	-	-	-	170,831
Insurance	12,454	-	-	81,098	-	7,695	-	-	-	101,247
Interest	-	-	-	-	818	-	-	59,401	(818)	59,401
Information Technology Expenses	41,284	-	-	117,794	-	-	-	-	-	159,078
Occupancy	12,204	-	-	306,094	-	-	-	-	(11,000)	307,298
Program	-	-	-	133,538	-	29,340	-	-	-	162,878
Community events	23,656	-	-	-	-	-	-	-	-	23,656
Conferences, meetings and travel	2,608	-	-	1,775	-	1,625	-	-	-	6,008
Licenses and permits	-	-	-	6,876	-	-	-	-	-	6,876
Dues, subscriptions and memberships	1,666	-	-	280	-	-	-	-	-	1,946
Management Fee Expense	-	-	-	-	-	-	-	-	-	-
Other operating expenses	224	-	-	6,869	-	-	-	-	-	7,093
<b>Total expenses</b>	<b>506,154</b>	<b>11,365</b>	<b>-</b>	<b>2,920,060</b>	<b>28,387</b>	<b>215,593</b>	<b>21,303</b>	<b>509,284</b>	<b>(11,818)</b>	<b>4,200,328</b>
(Gains) / Losses	-	-	-	-	-	-	-	10,465	-	10,465
Excess (deficiency) of revenues over expenses	54,025	(12,819)	32,263	1,257,852	6,299	(169,755)	(21,073)	(494,926)	-	651,866
Transfers to Bond Fund	-	-	-	(357,937)	-	-	-	357,937	-	-
Transfers to Backcountry Fund	-	-	-	-	-	-	-	-	-	-
Transfers for Capital Equipment	-	-	-	(11,938)	-	-	-	11,938	-	-
Transfers for Reserves	-	-	(15,819)	(4,425)	(207,550)	13,819	2,000	211,975	-	-
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>(15,819)</b>	<b>(374,300)</b>	<b>(207,550)</b>	<b>13,819</b>	<b>2,000</b>	<b>581,850</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses)</b>	<b>\$ 54,025</b>	<b>\$ (12,819)</b>	<b>\$ 16,444</b>	<b>\$ 883,552</b>	<b>\$ (201,251)</b>	<b>\$ (155,936)</b>	<b>\$ (19,073)</b>	<b>\$ 86,924</b>	<b>\$ -</b>	<b>\$ 651,866</b>

Highlands Ranch Community Association, Inc.  
Balance Sheet for All Funds  
As of February 28, 2023

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE		ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT			
<b>ASSETS</b>											
<b>Current Assets</b>											
<b>Cash &amp; Equivalents</b>											
1000 - Wells Fargo Invest Sweep	\$ 3,432,724	\$ -	\$ -	\$ 5,271,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,703,782
1002 - Wells Fargo Payroll Checking	100,079	-	-	-	-	-	-	-	-	-	100,079
1003 - Wells Fargo Rec Operating Checking	-	-	-	(27,198)	-	-	-	-	-	-	(27,198)
1004 - Wells Fargo BC Operating Checking	-	-	-	-	-	113,931	-	-	-	-	113,931
1005 - Wells Fargo Admin Operating Checking	(46,122)	-	-	-	-	-	-	-	-	-	(46,122)
<b>Wells Fargo Checking, Payroll and Sweep</b>	<b>3,486,681</b>	-	-	<b>5,243,860</b>	-	<b>113,931</b>	-	-	-	-	<b>8,844,472</b>
1010 - Front Range Bank MM	-	-	-	247,605	-	-	-	-	-	-	247,605
<b>Other Investment Accounts</b>	-	-	-	<b>247,605</b>	-	-	-	-	-	-	<b>247,605</b>
1017 - WF Bond Fund Suppl. Reserve Trustee	-	-	-	-	-	-	-	1,738,120	-	-	1,738,120
1020 - Wells Fargo Bond Fund Prepayments	-	-	-	-	-	-	-	358,655	-	-	358,655
1021 - Wells Fargo Bond Fund Trustee	-	-	-	-	-	-	-	2,025,648	-	-	2,025,648
<b>Wells Fargo Bond Fund Accounts</b>	-	-	-	-	-	-	-	<b>4,122,423</b>	-	-	<b>4,122,423</b>
1022 - Morgan Stanley Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-
1023 - Morgan Stanley Capital Project CD	-	-	-	-	2,523,141	-	-	-	-	-	2,523,141
1024 - Morgan Stanley OSCA	-	-	29,070	-	-	-	-	-	-	-	29,070
1025 - Morgan Stanley OSCA CD	-	-	4,986,000	-	-	-	-	-	-	-	4,986,000
1026 - Morgan Stanley Rec Reserve MM	-	-	-	-	(18,537)	-	-	-	-	-	(18,537)
1027 - Morgan Stanley Rec Reserve CD	-	-	-	-	2,462,169	-	-	-	-	-	2,462,169
<b>Morgan Stanley</b>	-	-	<b>5,015,070</b>	-	<b>4,966,773</b>	-	-	-	-	-	<b>9,981,843</b>
1028 - RBC Wealth Mgmt Admin Reserve MM	-	149,052	-	-	-	-	-	-	-	-	149,052
1029 - RBC Wealth Mgmt Admin Reserve CD	-	701,315	-	-	-	-	-	-	-	-	701,315
1030 - RBC Wealth Mgmt BC Operating MM	-	-	-	-	-	7,760	323	-	-	-	8,083
1031 - RBC Wealth Mgmt BC Operating CD	-	-	-	-	-	37,867	(414)	-	-	-	37,453
1032 - RBC Wealth Mgmt BC Reserve CD	-	-	-	-	-	-	40,401	-	-	-	40,401
1033 - RBC Wealth Mgmt BC Reserve	-	-	-	-	-	-	163,395	-	-	-	163,395
1036 - RBC Wealth Mgmt Spec Proj Fund MM	13,543	-	-	-	-	-	-	-	-	-	13,543
1037 - RBC Wealth Mgmt Spec Proj Fund CD	-	-	-	-	-	-	-	-	-	-	-
<b>RBC Wealth Management</b>	<b>13,543</b>	<b>850,367</b>	-	-	-	<b>45,627</b>	<b>203,705</b>	-	-	-	<b>1,113,242</b>
1044 - Cash Drawer Cash on Hand	-	-	-	2,875	-	-	-	-	-	-	2,875
1045 - Program Cash on Hand	200	-	-	-	-	-	-	-	-	-	200
1048 - Deposit Cash Clearing	(581)	-	-	-	-	-	-	-	-	-	(581)
<b>Cash on Hand</b>	<b>(381)</b>	-	-	<b>2,875</b>	-	-	-	-	-	-	<b>2,494</b>
<b>Total Cash &amp; Equivalents</b>	<b>3,499,843</b>	<b>850,367</b>	<b>5,015,070</b>	<b>5,494,340</b>	<b>4,966,773</b>	<b>159,558</b>	<b>203,705</b>	<b>4,122,423</b>	-	-	<b>24,312,079</b>
<b>Accounts Receivable</b>											
1100 - AR-Assessments & Legal	57,726	-	-	461,320	-	-	-	-	-	-	519,046
1105 - Allowance for Doubtful Accounts	(19,434)	-	-	(55,387)	-	-	-	-	-	-	(74,821)
1180 - AR- Covenants & Legal	504,794	-	-	-	-	-	-	-	-	-	504,794
1191 - Accrued Interest Receivable	-	-	-	-	-	-	-	12,441	-	-	12,441
1195 - Miscellaneous Receivable	1,598	-	-	7,492	4,720	(1,450)	(79)	-	-	-	12,281
1196 - Misc Rec – PM Shared Credit	-	-	-	15,493	-	-	-	-	-	-	15,493
<b>Total Accounts Receivable</b>	<b>544,684</b>	-	-	<b>428,918</b>	<b>4,720</b>	<b>(1,450)</b>	<b>(79)</b>	<b>12,441</b>	-	-	<b>989,234</b>
<b>Other Current Asset</b>											
1200 - Prepaid Expense	40,571	-	-	184,101	-	7,000	-	-	-	-	231,672
1205 - Prepaid Insurance	25,299	-	-	151,167	-	13,713	-	-	-	-	190,179
1210 - Inventory	-	-	-	57,779	-	-	-	-	-	-	57,779
1225 - Undeposited Funds	16,533	-	-	-	-	-	-	-	-	-	16,533
<b>Total Other Current Asset</b>	<b>82,403</b>	-	-	<b>393,047</b>	-	<b>20,713</b>	-	-	-	-	<b>496,163</b>
<b>Total Current Assets</b>	<b>4,126,930</b>	<b>850,367</b>	<b>5,015,070</b>	<b>6,316,305</b>	<b>4,971,493</b>	<b>178,821</b>	<b>203,626</b>	<b>4,134,864</b>	-	-	<b>25,797,476</b>
<b>Fixed Assets</b>											
Fixed Assets - Cost	-	613,946	-	-	-	-	1,366,322	77,264,835	-	-	79,245,103
Fixed Assets - Accumulated Depreciation	-	(378,497)	-	-	-	-	(895,475)	(44,478,538)	-	-	(45,752,510)
<b>Total Fixed Assets</b>	-	<b>235,449</b>	-	-	-	-	<b>470,847</b>	<b>32,786,297</b>	-	-	<b>33,492,593</b>
<b>Other Assets</b>											
1110 - PM Cash Clearing	-	-	-	-	-	-	-	-	-	-	-
1250 - Interfund Receivable	3,410,516	-	-	3,738,500	587,981	18,638	-	-	(7,755,635)	-	-
1255 - Loan from OSCA Loan Receivable	-	-	150,000	-	-	-	-	-	(150,000)	-	-
1260 - Intercompany Receivable 501c3	6,798	-	-	1,985	-	8,055	-	-	-	-	16,838
1600 - Bond Issuance Costs	-	-	-	-	-	-	-	26,085	-	-	26,085
<b>Total Other Assets</b>	<b>3,417,314</b>	-	<b>150,000</b>	<b>3,740,485</b>	<b>587,981</b>	<b>26,693</b>	-	<b>26,085</b>	<b>(7,905,635)</b>	-	<b>42,923</b>
<b>Total ASSETS</b>	<b>\$ 7,544,244</b>	<b>\$ 1,085,816</b>	<b>\$ 5,165,070</b>	<b>\$ 10,056,790</b>	<b>\$ 5,559,474</b>	<b>\$ 205,514</b>	<b>\$ 674,473</b>	<b>\$ 36,947,246</b>	<b>\$ (7,905,635)</b>	<b>\$</b>	<b>\$ 59,332,992</b>

Highlands Ranch Community Association, Inc.  
Balance Sheet for All Funds  
As of January 31, 2023

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
<b>LIABILITIES &amp; EQUITY</b>										
<b>Current Liabilities</b>										
<b>Accounts Payable</b>										
2000 - Accounts Payable	18,690	-	-	290,487	38,511	1,163	-	-	-	348,851
2010 - Wells Fargo CC Clearing	-	-	-	(7,494)	-	6,521	-	-	-	(973)
2015 - Accrued Bond Interest Payable	-	-	-	-	-	-	-	89,101	-	89,101
2025 - Preschool Scrips Pass Through	-	-	-	-	-	-	-	-	-	-
<b>Total Accounts Payable</b>	<b>18,690</b>	<b>-</b>	<b>-</b>	<b>282,993</b>	<b>38,511</b>	<b>7,684</b>	<b>-</b>	<b>89,101</b>	<b>-</b>	<b>436,979</b>
<b>Other Current Liability</b>										
2005 - Accrued Accounts Payable	38,060	-	-	281,993	-	41,600	-	-	-	361,653
2006 - Accrued AP - PM Shared Credit	-	-	-	1,421	-	-	-	-	-	1,421
2009 - Colorado Payback	5,916	-	-	11,294	-	3,658	-	-	-	20,868
2020 - Sales Taxes Payable - State	-	-	-	-	-	-	-	-	-	-
2045 - Accrued Payroll & Vacation Expense	153,041	-	-	206,392	-	24,245	-	-	-	383,678
2050 - AFLAC Pre-Tax	2,523	-	-	(2,165)	-	-	-	-	-	358
2055 - Cafeteria Plan EE Contribution	314	-	-	1,314	-	-	-	-	-	1,628
2060 - Health Savings Acct EE Cont	1,360	-	-	1,848	-	-	-	-	-	3,208
2100 - Unearned Assessments	74,579	-	-	892,042	-	-	-	-	-	966,621
2101 - Deferred Assessments	271,918	-	-	1,493,681	-	-	-	-	-	1,765,599
2102 - Unearned CIS Fines & Fees	463,554	-	-	-	-	-	-	-	-	463,554
2105 - Unearned Program & Facilities Revenue	11,465	-	-	1,741,202	-	-	-	-	-	1,752,667
2110 - Unearned Other Revenue	-	-	-	14,402	-	13,545	-	-	-	27,947
2250 - Interfund Payable	3,656,974	44,342	-	3,956,491	7,016	90,812	-	-	(7,755,635)	-
2260 - Intercompany Payable 501c3	19,686	-	-	10,110	-	-	-	-	-	29,796
<b>Total Other Current Liability</b>	<b>4,699,390</b>	<b>44,342</b>	<b>-</b>	<b>8,610,025</b>	<b>7,016</b>	<b>173,860</b>	<b>-</b>	<b>-</b>	<b>(7,755,635)</b>	<b>5,778,998</b>
<b>Total Current Liabilities</b>	<b>4,718,080</b>	<b>44,342</b>	<b>-</b>	<b>8,893,018</b>	<b>45,527</b>	<b>181,544</b>	<b>-</b>	<b>89,101</b>	<b>(7,755,635)</b>	<b>6,215,977</b>
<b>Long Term Liabilities</b>										
2255 - Loan from OSCA Loan Payable	-	-	-	-	150,000	-	-	-	(150,000)	-
2600 - Bonds Payable - 1999 Series	-	-	-	-	-	-	-	-	-	-
2610 - Bonds Payable - 2004 Series	-	-	-	-	-	-	-	5,990,000	-	5,990,000
<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>5,990,000</b>	<b>(150,000)</b>	<b>5,990,000</b>
<b>Equity</b>										
Restricted Fund Balance	38,659	309,868	1,237,500	-	2,926,527	-	157,779	-	-	4,670,333
Retained Earnings	2,733,480	744,425	3,911,126	280,220	2,638,671	179,906	535,767	30,781,221	-	41,804,816
Net Income	54,025	(12,819)	16,444	883,552	(201,251)	(155,936)	(19,073)	86,924	-	651,866
<b>Total Equity (Fund Balance)</b>	<b>2,826,164</b>	<b>1,041,474</b>	<b>5,165,070</b>	<b>1,163,772</b>	<b>5,363,947</b>	<b>23,970</b>	<b>674,473</b>	<b>30,868,145</b>	<b>-</b>	<b>47,127,015</b>
<b>Total LIABILITIES &amp; EQUITY</b>	<b>\$ 7,544,244</b>	<b>\$ 1,085,816</b>	<b>\$ 5,165,070</b>	<b>\$ 10,056,790</b>	<b>\$ 5,559,474</b>	<b>\$ 205,514</b>	<b>\$ 674,473</b>	<b>\$ 36,947,246</b>	<b>\$ (7,905,635)</b>	<b>\$ 59,332,992</b>

**Highlands Ranch Community Association**  
**Statement of Cash Flows for All Funds**  
**For the Two Months Ending February 28, 2023**

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE & PLANT	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE		
<b>Cash flows from operating activities</b>									
Excess (deficiency) of revenues over expenses	\$ 54,025	\$ (12,819)	\$ 16,444	\$ 883,552	\$ (201,251)	\$ (155,936)	\$ (19,073)	\$ 86,924	\$ 651,866
Adjustment to reconcile excess (deficiency) of revenues over expenses to net cash from (used for) operating activities									
Depreciation expense	-	11,365	-	-	-	-	21,303	449,883	482,551
(Gain) loss on asset disposal	-	-	-	-	-	-	-	10,465	10,465
Interest expense attributable to amortization of bond issuance costs	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-
Lease costs on right of use asset	-	-	-	-	-	-	-	-	-
Accretion of lease liability	-	-	-	-	-	-	-	-	-
(Increase) decrease in operating assets									
Assessments receivable, net	(28,128)	-	-	(239,772)	-	-	-	-	(267,900)
Accounts receivable, other	107,860	-	-	(9,483)	-	2,582	-	(5,632)	95,327
Prepaid expenses and other assets	(34,476)	-	-	(89,961)	-	(1,911)	-	-	(126,348)
Increase (decrease) in operating liabilities									
Accounts payable and accrued expenses	(356,322)	-	-	211,181	(2,021)	(10,446)	1	59,401	(98,206)
Accrued payroll and related items	-	-	-	-	-	-	-	-	-
Assessments paid in advance	276,934	-	-	1,497,414	-	-	-	-	1,774,348
Deferred revenue	(206,180)	-	-	(557,977)	-	4,195	-	-	(759,962)
Lease liability	-	-	-	-	-	-	-	-	-
<b>Net cash from (used for) operating activities</b>	<b>(186,287)</b>	<b>(1,454)</b>	<b>16,444</b>	<b>1,694,954</b>	<b>(203,272)</b>	<b>(161,516)</b>	<b>2,231</b>	<b>601,042</b>	<b>1,762,142</b>
<b>Cash flows from investing activities</b>									
Net (purchases) sales of investments	-	-	-	-	-	-	-	-	-
Purchases of property and equipment	-	(44,342)	-	-	-	-	(2,000)	(223,911)	(270,253)
<b>Net cash from (used for) investing activities</b>	<b>-</b>	<b>(44,342)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>(223,911)</b>	<b>(270,253)</b>
<b>Cash flows from financing activities</b>									
Payment of accounts payable for property and equipment	-	-	-	-	-	-	-	-	-
Bond principal payments	-	-	-	-	-	-	-	-	-
Net borrowing and transfers among funds	(1,615,358)	44,343	44,000	1,606,492	(81,723)	2,249	-	(3)	-
<b>Net cash from (used for) financing activities</b>	<b>(1,615,358)</b>	<b>44,343</b>	<b>44,000</b>	<b>1,606,492</b>	<b>(81,723)</b>	<b>2,249</b>	<b>-</b>	<b>(3)</b>	<b>-</b>
Net change in cash, cash equivalents, and restricted cash	(1,801,645)	(1,453)	60,444	3,301,446	(284,995)	(159,267)	231	377,128	1,491,889
Cash, cash equivalents, and restricted cash, beginning of year	5,301,488	851,820	4,954,626	2,192,894	5,251,768	318,825	203,474	3,745,295	22,820,190
Cash, cash equivalents, and restricted cash, end of year	<b>\$ 3,499,843</b>	<b>\$ 850,367</b>	<b>\$ 5,015,070</b>	<b>\$ 5,494,340</b>	<b>\$ 4,966,773</b>	<b>\$ 159,558</b>	<b>\$ 203,705</b>	<b>\$ 4,122,423</b>	<b>\$ 24,312,079</b>

**HRCA Administrative Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the Month Ending February 28, 2023**

	Current Month				Year To Date					
	Actual	Budget	Variance		Actual	Budget	Variance			
			\$	%			\$	%		
<b>Revenues</b>										
Homeowner assessments	\$ 156,321	\$ 190,754	\$ (34,433)	(18%)	A	\$ 378,275	\$ 381,509	\$ (3,234)	(1%)	
Homeowner fees	78,866	106,123	(27,258)	(26%)	B	101,729	173,547	(71,817)	(41%)	A
Community improvement services	7,934	7,500	434	6%		37,670	15,000	22,670	151%	B
Legal Revenue	1,084	3,417	(2,333)	(68%)		(421)	6,833	(7,254)	(106%)	
Facility operations	-	-	-			-	-	-		
Community events	21,767	22,213	(445)	(2%)		21,767	23,225	(1,458)	(6%)	
Advertising	-	-	-			-	-	-		
Management Fee Revenue	-	28,145	(28,145)	(100%)	C	-	56,290	(56,290)	(100%)	C
Interest and other Revenue	6,300	6,215	85	1%		21,159	30,030	(8,871)	(30%)	
<b>Total revenues</b>	<b>272,272</b>	<b>364,367</b>	<b>(92,095)</b>	<b>(25%)</b>		<b>560,180</b>	<b>686,434</b>	<b>(126,254)</b>	<b>(18%)</b>	
<b>Expenses</b>										
Salaries	118,464	118,223	(240)	0%		233,325	249,024	15,699	6%	
Employee benefits	35,144	41,899	6,755	16%		70,193	84,999	14,806	17%	D
Facility operations	1,624	657	(967)	(147%)		3,374	1,318	(2,056)	(156%)	
Professional services	23,363	41,313	17,950	43%	D	48,299	82,627	34,328	42%	E
Advertising	5,658	833	(4,825)	(579%)		8,810	1,667	(7,144)	(429%)	
Office expenses	25,439	13,608	(11,832)	(87%)	E	48,057	25,945	(22,112)	(85%)	F
Insurance	6,477	11,900	5,423	46%		12,454	23,800	11,346	48%	G
Information Technology Expenses	20,292	15,554	(4,738)	(30%)		41,284	31,108	(10,176)	(33%)	H
Occupancy	6,061	6,122	61	1%		12,204	12,243	40	0%	
Community events	18,112	21,083	2,971	14%		23,656	23,167	(489)	(2%)	
Conferences, meetings and travel	617	2,490	1,873	75%		2,608	4,980	2,372	48%	
Dues, subscriptions and memberships	618	1,393	775	56%		1,666	2,787	1,121	40%	
Management Fee Expense	-	13,719	13,719	100%	F	-	27,438	27,438	100%	I
Other operating expenses	132	583	451	77%		224	1,167	942	81%	
<b>Total expenses</b>	<b>262,001</b>	<b>289,378</b>	<b>27,377</b>	<b>9%</b>		<b>506,153</b>	<b>572,269</b>	<b>66,116</b>	<b>12%</b>	
<b>Transfers</b>										
Transfers for Capital Equipment	-	-	-			-	-	-		
Transfers for Reserves	-	-	-			-	-	-		
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total expenses after transfers</b>	<b>262,001</b>	<b>289,378</b>	<b>27,377</b>	<b>9%</b>		<b>506,153</b>	<b>572,269</b>	<b>66,116</b>	<b>12%</b>	
<b>Net revenue (expense)</b>	<b>\$ 10,270</b>	<b>\$ 74,989</b>	<b>\$ (64,718)</b>	<b>(86%)</b>		<b>\$ 54,027</b>	<b>\$ 114,165</b>	<b>\$ (60,137)</b>	<b>(53%)</b>	

Variance materiality = \$10k and 10%

**HRCA Administrative Fund**  
**Variance Analysis - Actual vs. Budget (AvB)**  
**For the Month Ending February 28, 2023**

**Variance Discussion - MTD Actual vs. Budget**

---

- A** - Adjustment made in February to correct for annual assessments recorded in January. YTD revenue is at budget.
- B** - Homeowner fee revenue is less than budget due to fewer status letter fees (\$11K), legal fees (\$17K), and resales (\$11K) than expected. Late fees exceeded budget by \$12K.
- C** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- D** - Professional services are favorable to budget primarily due to lower legal fees (\$18K less than expected). This decrease offsets Homeowner Legal Fee revenue shortfall.
- E** - Office expenses were unfavorable to budget due to higher bank/credit card fees (\$7K) as we are no longer able to pass along fees to Homeowners who pay assessments with Debit Cards.
- F** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.

**Variance Discussion - YTD Actual vs. Budget**

---

- A** - Homeowner Fees underbudget due to lower transfer fees, legal fees, and status letter fees than anticipated.
- B** - CIS revenue exceeds budget due to fines not being budgeted for due to prior period accounting issues.
- C** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- D** - Employee benefits were less than budget consistent with lower salary expense. Employee medical costs were \$8K less than budget.
- E** - Professional services are favorable to budget primarily due to lower legal fees (\$34K less than expected).
- F** - Office expenses were unfavorable to budget due to higher bank/credit card fees (\$10K) and office supplies (\$7K).
- G** - Insurance premiums allocated to Admin lower than budgeted. Overall HRCA insurance expense \$1K below budget YTD.
- H** - IT Expenses exceed budget due to 3rd party support. This line item is forecasted to be below budget as we have implemented many cost saving measures.
- I** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.

**HRCR Recreation Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the Month Ending February 28, 2023**

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
<b>Revenues</b>								
Homeowner assessments	\$ 1,494,286	\$ 1,493,284	\$ 1,002	0%	\$ 2,989,183	\$ 2,986,568	\$ 2,615	0%
Recreation programs	472,039	446,803	25,235	6%	946,309	900,630	45,678	5%
Facility operations	85,733	81,994	3,738	5%	221,178	173,639	47,539	27% <b>A</b>
Management Fee Revenue	-	13,719	(13,719)	(100%)	-	27,438	(27,438)	(100%) <b>B</b>
Interest and other Revenue	14,019	28,446	(14,426)	(51%)	21,242	34,142	(12,899)	(38%)
<b>Total revenues</b>	<b>2,066,077</b>	<b>2,064,247</b>	<b>1,830</b>	<b>0%</b>	<b>4,177,912</b>	<b>4,122,417</b>	<b>55,495</b>	<b>1%</b>
<b>Expenses</b>								
Salaries	754,517	760,599	6,082	1%	1,542,862	1,593,439	50,577	3%
Employee benefits	213,147	215,178	2,031	1%	430,280	436,855	6,574	2%
Facility operations	72,268	81,408	9,140	11%	133,548	164,001	30,453	19% <b>C</b>
Professional services	14,077	21,472	7,394	34%	35,866	42,943	7,077	16%
Advertising	492	833	341	41%	1,602	1,667	64	4%
Office expenses	70,497	30,535	(39,962)	(131%) <b>A</b>	121,578	70,069	(51,509)	(74%) <b>D</b>
Insurance	39,838	35,750	(4,088)	(11%)	81,098	71,501	(9,597)	(13%)
Information Technology Expenses	68,195	57,758	(10,437)	(18%)	117,794	115,515	(2,279)	(2%)
Occupancy	138,209	125,585	(12,624)	(10%)	306,094	250,894	(55,200)	(22%) <b>E</b>
Program	64,057	68,087	4,030	6%	133,538	132,938	(601)	0%
Conferences, meetings and travel	1,181	838	(343)	(41%)	1,775	1,676	(99)	(6%)
Licenses and permits	3,438	2,712	(726)	(27%)	6,876	40,412	33,536	83% <b>F</b>
Dues, subscriptions and memberships	141	563	422	75%	280	1,125	845	75%
Management Fee Expense	-	28,145	28,145	100% <b>B</b>	-	56,290	56,290	100% <b>G</b>
Other operating expenses	(9,680)	458	10,138	2,212%	6,869	917	(5,952)	(649%)
<b>Total expenses</b>	<b>1,430,377</b>	<b>1,429,921</b>	<b>(456)</b>	<b>0%</b>	<b>2,920,062</b>	<b>2,980,241</b>	<b>60,180</b>	<b>2%</b>
<b>Transfers</b>								
Transfers to Bond Fund	78,227	267,200	188,973	71% <b>C</b>	357,937	534,400	176,463	33% <b>H</b>
Transfers to Backcountry Fund	-	41,650	41,650	100%	-	83,300	83,300	100%
Transfers for Capital Equipment	-	16,500	16,500	100%	11,938	33,000	21,062	64%
Transfers for Reserves	4,425	64,575	60,150	93%	4,425	129,150	124,725	97%
<b>Total transfers</b>	<b>82,652</b>	<b>389,925</b>	<b>307,273</b>	<b>79%</b>	<b>374,300</b>	<b>779,850</b>	<b>405,550</b>	<b>52%</b>
<b>Total expenses after transfers</b>	<b>1,513,029</b>	<b>1,819,846</b>	<b>306,817</b>	<b>17%</b>	<b>3,294,361</b>	<b>3,760,091</b>	<b>465,730</b>	<b>12%</b>
<b>Net revenue (expense)</b>	<b>\$ 553,048</b>	<b>\$ 244,401</b>	<b>\$ 308,647</b>	<b>126%</b>	<b>\$ 883,550</b>	<b>\$ 362,326</b>	<b>\$ 521,225</b>	<b>144%</b>

Variance materiality = \$25k and 10%

**HRCRA Recreation Fund  
Variance Analysis - Actual vs. Budget (AvB)  
For the Month Ending February 28, 2023**

**Variance Discussion - MTD Actual vs. Budget**

---

- A** - Office expenses were unfavorable to budget due to higher bank/credit card fees (\$28K) as we are no longer able to pass along fees to Homeowners who pay assessments with Debit Cards. Postage and Printing exceeded budget by \$11K due to budget timing issue of assessments invoice.
- B** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- C** - Transfers will be made quarterly or as needed

**Variance Discussion - YTD Actual vs. Budget**

---

- A** - Favorable variance for facility operations revenue primarily due Tennis time block (\$11K), Tennis Court rental (\$5K), Pool rentals (\$11K) and golf simulator (\$8K)
- B** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- C** - Facility operations expenses YTD favorable variance is due to lower snow removal costs (\$18K) and facility maintenance costs (\$13K)
- D** - Office Expense were unfavorable to budget due to higher bank/credit card fees (\$14K), Postage (\$22K) and Printing (\$14K). Postage and printing were budgeted for in March.
- E** - Occupancy expenses exceeded budget YTD due to higher than anticipated utility bills (Gas \$42K & Electricity \$16K)
- F** - Licenses and Permits are favorable to budget as we are amortizing Ellis certification expense over the year vs. the budget of January. At end of year we will be at budget.
- G** - Management fee revenue/expense between Rec and Admin was discontinued in 2023.
- H** - Transfers will be made quarterly or as needed

**HRCA Backcountry Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the Month Ending February 28, 2023**

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
<b>Revenues</b>								
Recreation programs	13,638	12,000	1,638	14%	24,415	24,000	415	2%
Facility operations	1,354	2,205	(851)	(39%)	2,709	4,411	(1,702)	(39%)
Interest and other Revenue	12,883	8,400	4,483	53%	18,714	16,800	1,914	11%
<b>Total revenues</b>	<b>27,875</b>	<b>22,605</b>	<b>5,270</b>	<b>23%</b>	<b>45,838</b>	<b>45,211</b>	<b>628</b>	<b>1%</b>
<b>Expenses</b>								
Salaries	58,233	60,230	1,997	3%	118,803	126,974	8,170	6%
Employee benefits	24,159	21,366	(2,793)	(13%)	49,729	44,104	(5,625)	(13%)
Facility operations	5,354	5,193	(160)	(3%)	7,719	12,637	4,918	39%
Professional services	40	218	178	82%	40	500	460	92%
Advertising	-	-	-		(64)	-	64	
Office expenses	218	855	637	74%	706	1,710	1,004	59%
Insurance	3,848	3,605	(243)	(7%)	7,695	7,210	(485)	(7%)
Program	18,883	17,000	(1,883)	(11%)	29,340	39,000	9,660	25%
Conferences, meetings and travel	235	1,525	1,290	85%	1,625	3,050	1,425	47%
Licenses and permits	-	47	47	100%	-	93	93	100%
<b>Total expenses</b>	<b>110,970</b>	<b>110,039</b>	<b>(931)</b>	<b>(1%)</b>	<b>215,593</b>	<b>235,278</b>	<b>19,685</b>	<b>8%</b>
(Gains) / Losses	-	-	-		-	-	-	
<b>Transfers</b>								
Transfers to Backcountry Fund	-	(41,650)	(41,650)	100%	-	(83,300)	(83,300)	100%
Transfers for Capital Equipment	-	-	-		-	-	-	
Transfers for Reserves	(13,819)	-	13,819		(13,819)	-	13,819	
<b>Total transfers</b>	<b>(13,819)</b>	<b>(41,650)</b>	<b>(27,831)</b>	<b>67%</b>	<b>(13,819)</b>	<b>(83,300)</b>	<b>(69,481)</b>	<b>83%</b>
<b>Total expenses after transfers</b>	<b>97,151</b>	<b>68,389</b>	<b>(28,762)</b>	<b>(42%)</b>	<b>201,774</b>	<b>151,978</b>	<b>(49,796)</b>	<b>(33%)</b>
<b>Net revenue (expense)</b>	<b>\$ (69,276)</b>	<b>\$ (45,783)</b>	<b>\$ (23,492)</b>	<b>51%</b>	<b>\$ (155,936)</b>	<b>\$ (106,767)</b>	<b>\$ (49,168)</b>	<b>46%</b>

Variance materiality = \$5k and 10%

**Variance Discussion - MTD Actual vs. Budget**

**A** - Transfers to Backcountry from Rec Fund will be made quarterly or as needed

**Variance Discussion - YTD Actual vs. Budget**

**A** - Employee Benefits exceed budget primarily due to higher medical plan costs

**B** - Program expenses are favorable to budget due to \$5K of Equine expenses

**C** - Transfers to Backcountry from Rec Fund will be made quarterly or as needed

**HRCA**  
**Statement of Revenues and Expenses**  
**For the Month Ending February 28, 2023**

	Current Month Actuals				Current Month Budget				Current Month Variance				Month to Date % Variance				
	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	
<b>Revenues</b>																	
Homeowner assessments and fees	156,321	1,494,286	-	1,650,607	190,754	1,493,284	-	1,684,038	(34,433)	1,002	-	(33,431)	-18%	0%		-2%	
Homeowner fees	78,866	-	-	78,866	106,123	-	-	106,123	(27,258)	-	-	(27,258)	-26%			-26%	
Community Improvement Services	7,934	-	-	7,934	7,500	-	-	7,500	434	-	-	434	6%			6%	
Legal Revenue	1,084	-	-	1,084	3,417	-	-	3,417	(2,333)	-	-	(2,333)	-68%			-68%	
Recreation programs	-	472,039	13,638	485,676	-	446,803	12,000	458,803	-	25,235	1,638	26,873		6%	14%	6%	
Facility operations	-	85,733	1,354	87,087	-	81,994	2,205	84,200	-	3,738	(851)	2,887		5%	-39%	3%	
Community Events	21,767	-	-	21,767	22,213	-	-	22,213	(445)	-	-	(445)	-2%			-2%	
Advertising	-	-	-	-	-	-	-	-	-	-	-	-					
Management Fee	-	-	-	-	28,145	13,719	-	41,864	(28,145)	(13,719)	-	(41,864)	-100%	-100%		-100%	
Interest and other revenue	6,300	14,019	12,883	33,202	6,215	28,446	8,400	43,061	85	(14,426)	4,483	(9,858)	1%	-51%	53%	-23%	
<b>Total revenues</b>	<b>272,272</b>	<b>2,066,077</b>	<b>27,875</b>	<b>2,366,223</b>	<b>364,367</b>	<b>2,064,247</b>	<b>22,605</b>	<b>2,451,219</b>	<b>(92,095)</b>	<b>1,830</b>	<b>5,270</b>	<b>(84,996)</b>	<b>-25%</b>	<b>0%</b>	<b>23%</b>	<b>-3%</b>	
<b>Expenses</b>																	
Salaries	118,464	754,517	58,233	931,214	118,223	760,599	60,230	939,053	(240)	6,082	1,997	7,839	0%	1%	3%	1%	
Employee benefits	35,144	213,147	24,159	272,450	41,899	215,178	21,366	278,443	6,755	2,031	(2,793)	5,993	16%	1%	-13%	2%	
Facility operations	1,624	72,268	5,354	79,245	657	81,408	5,193	87,258	(967)	9,140	(160)	8,013	-147%	11%	-3%	9%	
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-					
Professional services	23,363	14,077	40	37,481	41,313	21,472	218	63,002	17,950	7,394	178	25,522	43%	34%	82%	41%	
Advertising	5,658	492	-	6,150	833	833	-	1,667	(4,825)	341	-	(4,484)	-579%	41%		-269%	
Office expenses	25,439	70,497	218	96,154	13,608	30,535	855	44,997	(11,832)	(39,962)	637	(51,157)	-87%	-131%	74%	-114%	
Insurance	6,477	39,838	3,848	50,163	11,900	35,750	3,605	51,255	5,423	(4,088)	(243)	1,093	46%	-11%	-7%	2%	
Interest	-	-	-	-	-	-	-	-	-	-	-	-					
IT Expenses	20,292	68,195	-	88,487	15,554	57,758	-	73,312	(4,738)	(10,437)	-	(15,175)	-30%	-18%		-21%	
Occupancy	6,061	138,209	-	144,270	6,122	125,585	-	131,707	61	(12,624)	-	(12,563)	1%	-10%		-10%	
Program	-	64,057	18,883	82,940	-	68,087	17,000	85,087	-	4,030	(1,883)	2,147		6%	-11%	3%	
Community events	18,112	-	-	18,112	21,083	-	-	21,083	2,971	-	-	2,971	14%			14%	
Conferences, meetings and travel	617	1,181	235	2,033	2,490	838	1,525	4,853	1,873	(343)	1,290	2,820	75%	-41%	85%	58%	
Licenses and permits	-	3,438	-	3,438	-	2,712	47	2,759	-	(726)	47	(679)		-27%	100%	-25%	
Dues, subscriptions and memberships	618	141	-	759	1,393	563	-	1,956	775	422	-	1,197	56%	75%		61%	
Management Fee	-	-	-	-	13,719	28,145	-	41,864	13,719	28,145	-	41,864	100%	100%		100%	
Other operating expenses	132	(9,680)	-	(9,548)	583	458	-	1,042	451	10,138	-	10,590	77%	2212%		1017%	
<b>Total expenses</b>	<b>262,001</b>	<b>1,430,377</b>	<b>110,970</b>	<b>1,803,348</b>	<b>289,378</b>	<b>1,429,921</b>	<b>110,039</b>	<b>1,829,338</b>	<b>27,377</b>	<b>(456)</b>	<b>(931)</b>	<b>25,989</b>	<b>9%</b>	<b>0%</b>	<b>-1%</b>	<b>1%</b>	
<b>Transfers</b>																	
Transfers to Bond Fund	-	78,227	-	78,227	-	267,200	-	267,200	-	188,973	-	188,973		71%		71%	
Transfers to Backcountry Fund	-	-	-	-	-	41,650	(41,650)	-	-	41,650	(41,650)	-	100%	100%			
Transfers for Capital Equipment	-	-	-	-	-	16,500	-	16,500	-	16,500	-	16,500	100%			100%	
Transfers for Reserves	-	4,425	(13,819)	(9,394)	-	64,575	-	64,575	-	60,150	13,819	73,969		93%		115%	
<b>Total Transfers</b>	<b>-</b>	<b>82,652</b>	<b>(13,819)</b>	<b>68,833</b>	<b>-</b>	<b>389,925</b>	<b>(41,650)</b>	<b>348,275</b>	<b>-</b>	<b>307,273</b>	<b>(27,831)</b>	<b>279,442</b>		<b>79%</b>	<b>67%</b>	<b>80%</b>	
<b>Total expense after transfers</b>	<b>262,001</b>	<b>1,513,029</b>	<b>97,151</b>	<b>1,872,181</b>	<b>289,378</b>	<b>1,819,846</b>	<b>68,389</b>	<b>2,177,613</b>	<b>27,377</b>	<b>306,817</b>	<b>(28,762)</b>	<b>305,431</b>	<b>9%</b>	<b>17%</b>	<b>-42%</b>	<b>14%</b>	
<b>Net revenue (expense)</b>	<b>10,270</b>	<b>553,048</b>	<b>(69,276)</b>	<b>494,042</b>	<b>74,989</b>	<b>244,401</b>	<b>(45,783)</b>	<b>273,606</b>	<b>(64,718)</b>	<b>308,647</b>	<b>(23,492)</b>	<b>220,436</b>	<b>-86%</b>	<b>126%</b>	<b>51%</b>	<b>81%</b>	

**HRCA**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending February 28, 2023**

	YTD Actuals				YTD Budget				YTD Variance				YTD % Variance			
	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total
<b>Revenues</b>																
Homeowner assessments and fees	378,275	2,989,183	-	3,367,458	381,509	2,986,568	-	3,368,077	(3,234)	2,615	-	(619)	-1%	0%		0%
Homeowner fees	101,729	-	-	101,729	173,547	-	-	173,547	(71,817)	-	-	(71,817)	-41%			-41%
Community Improvement Services	37,670	-	-	37,670	15,000	-	-	15,000	22,670	-	-	22,670	151%			151%
Legal Revenue	(421)	-	-	(421)	6,833	-	-	6,833	(7,254)	-	-	(7,254)	-106%			-106%
Recreation programs	-	946,309	24,415	970,724	-	900,630	24,000	924,630	-	45,678	415	46,094		5%	2%	5%
Facility operations	-	221,178	2,709	223,887	-	173,639	4,411	178,049	-	47,539	(1,702)	45,838		27%	-39%	26%
Community Events	21,767	-	-	21,767	23,225	-	-	23,225	(1,458)	-	-	(1,458)	-6%			-6%
Advertising	-	-	-	-	-	-	-	-	-	-	-	-				
Management Fee	-	-	-	-	56,290	27,438	-	83,728	(56,290)	(27,438)	-	(83,728)	-100%	-100%		-100%
Interest and other revenue	21,159	21,242	18,714	61,116	30,030	34,142	16,800	80,972	(8,871)	(12,899)	1,914	(19,856)	-30%	-38%	11%	-25%
<b>Total revenues</b>	<b>560,180</b>	<b>4,177,912</b>	<b>45,838</b>	<b>4,783,930</b>	<b>686,434</b>	<b>4,122,417</b>	<b>45,211</b>	<b>4,854,061</b>	<b>(126,254)</b>	<b>55,495</b>	<b>628</b>	<b>(70,131)</b>	<b>-18%</b>	<b>1%</b>	<b>1%</b>	<b>-1%</b>
<b>Expenses</b>																
Salaries	233,325	1,542,862	118,803	1,894,990	249,024	1,593,439	126,974	1,969,436	15,699	50,577	8,170	74,446	6%	3%	6%	4%
Employee benefits	70,193	430,280	49,729	550,203	84,999	436,855	44,104	565,958	14,806	6,574	(5,625)	15,755	17%	2%	-13%	3%
Facility operations	3,374	133,548	7,719	144,641	1,318	164,001	12,637	177,956	(2,056)	30,453	4,918	33,315	-156%	19%	39%	19%
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-				
Professional services	48,299	35,866	40	84,205	82,627	42,943	500	126,070	34,328	7,077	460	41,865	42%	16%	92%	33%
Advertising	8,810	1,602	(64)	10,349	1,667	1,667	-	3,333	(7,144)	64	64	(7,015)	-429%	4%		-210%
Office expenses	48,057	121,578	706	170,341	25,945	70,069	1,710	97,724	(22,112)	(51,509)	1,004	(72,617)	-85%	-74%	59%	-74%
Insurance	12,454	81,098	7,695	101,247	23,800	71,501	7,210	102,510	11,346	(9,597)	(485)	1,263	48%	-13%	-7%	1%
Interest	-	-	-	-	-	-	-	-	-	-	-	-				
IT Expenses	41,284	117,794	-	159,078	31,108	115,515	-	146,623	(10,176)	(2,279)	-	(12,455)	-33%	-2%		-8%
Occupancy	12,204	306,094	-	318,298	12,243	250,894	-	263,138	40	(55,200)	-	(55,160)	0%	-22%		-21%
Program	-	133,538	29,340	162,878	-	132,938	39,000	171,938	-	(601)	9,660	9,060		0%	25%	5%
Community events	23,656	-	-	23,656	23,167	-	-	23,167	(489)	-	-	(489)	-2%			-2%
Conferences, meetings and travel	2,608	1,775	1,625	6,007	4,980	1,676	3,050	9,706	2,372	(99)	1,425	3,699	48%	-6%	47%	38%
Licenses and permits	-	6,876	-	6,876	-	40,412	93	40,505	-	33,536	93	33,629		83%	100%	83%
Dues, subscriptions and memberships	1,666	280	-	1,946	2,787	1,125	-	3,912	1,121	845	-	1,966	40%	75%		50%
Management Fee	-	-	-	-	27,438	56,290	-	83,728	27,438	56,290	-	83,728	100%	100%		100%
Other operating expenses	224	6,869	-	7,093	1,167	917	-	2,083	942	(5,952)	-	(5,010)	81%	-649%		-240%
<b>Total expenses</b>	<b>506,153</b>	<b>2,920,062</b>	<b>215,593</b>	<b>3,641,807</b>	<b>572,269</b>	<b>2,980,241</b>	<b>235,278</b>	<b>3,787,788</b>	<b>66,116</b>	<b>60,180</b>	<b>19,685</b>	<b>145,981</b>	<b>12%</b>	<b>2%</b>	<b>8%</b>	<b>4%</b>
<b>Transfers</b>																
Transfers to Bond Fund	-	357,937	-	357,937	-	534,400	-	534,400	-	176,463	-	176,463		33%		33%
Transfers to Backcountry Fund	-	-	-	-	-	83,300	(83,300)	-	-	83,300	(83,300)	-	100%	100%		
Transfers for Capital Equipment	-	11,938	-	11,938	-	33,000	-	33,000	-	21,062	-	21,062		64%		64%
Transfers for Reserves	-	4,425	(13,819)	(9,394)	-	129,150	-	129,150	-	124,725	13,819	138,544		97%		107%
<b>Total Transfers</b>	<b>-</b>	<b>374,300</b>	<b>(13,819)</b>	<b>360,481</b>	<b>-</b>	<b>779,850</b>	<b>(83,300)</b>	<b>696,550</b>	<b>-</b>	<b>405,550</b>	<b>(69,481)</b>	<b>336,069</b>		<b>52%</b>	<b>83%</b>	<b>48%</b>
<b>Total expense after transfers</b>	<b>506,153</b>	<b>3,294,361</b>	<b>201,774</b>	<b>4,002,288</b>	<b>572,269</b>	<b>3,760,091</b>	<b>151,978</b>	<b>4,484,338</b>	<b>66,116</b>	<b>465,730</b>	<b>(49,796)</b>	<b>482,050</b>	<b>12%</b>	<b>12%</b>	<b>-33%</b>	<b>11%</b>
<b>Net revenue (expense)</b>	<b>54,027</b>	<b>883,550</b>	<b>(155,936)</b>	<b>781,642</b>	<b>114,165</b>	<b>362,326</b>	<b>(106,767)</b>	<b>369,723</b>	<b>(60,137)</b>	<b>521,225</b>	<b>(49,168)</b>	<b>411,919</b>	<b>-53%</b>	<b>144%</b>	<b>46%</b>	<b>111%</b>



# HIGHLANDS RANCH

## COMMUNITY ASSOCIATION

### Highlands Ranch Community Association



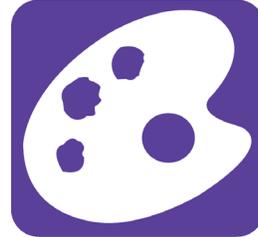
### Non-profit 501 (c) 3 Financial Statements

**As of December 31, 2022**

**HRCA 501c3 Financial Statements**  
**December 31, 2022**  
**Table of Contents**

<u>Item</u>	<u>Page Number</u>
Variance Analysis HRCAA	4
HRCAA Balance Sheet	5
HRCAA Income Statement	6
HRCAA Events Profit/Loss Summary	8
HRCAA Events Budget by Month	9
Variance Analysis HRCSF	11
HRCSF Balance Sheet	12
HRCSF Income Statement - SCHOLARSHIP	13
HRCSF Income Statement - THERAPEUTIC REC	14
Variance Analysis HRBCEF	16
HRBCEF Balance Sheet	17
HRBCEF Income Statement	18

*Celebrating 20 Years!*



**HIGHLANDS RANCH**  
Cultural Affairs Association

**Financial Statements**

As of December 31, 2022

**Highlands Ranch Cultural Affairs Association**  
**Variance Analysis - Actual vs. Budget**  
**For the Twelve Months Ended December 31, 2022**

	Current Month					Year To Date				
	Actual	Budget	Variance			Actual	Budget	Variance		
			\$	%			\$	%		
<b>Revenues</b>										
Grant Revenue	\$ -	\$ -	\$ -			\$ 123,665	\$ 105,000	\$ 18,665	18%	<b>A</b>
Sponsorship revenue	7,000	42,000	(35,000)	(83%)	<b>A</b>	43,985	42,000	1,985	5%	
Donations & fundraising	935	1,450	(515)	(36%)		7,589	15,300	(7,712)	(50%)	<b>B</b>
HRCAA Events	10,220	11,367	(1,147)	(10%)		124,414	126,750	(2,336)	(2%)	
Interest & dividends	2	5	(3)	(66%)		5	5	(0)	(6%)	
<b>Total revenues</b>	<b>18,156</b>	<b>54,822</b>	<b>(36,665)</b>	<b>(67%)</b>		<b>299,658</b>	<b>289,055</b>	<b>10,603</b>	<b>4%</b>	
<b>Expenses</b>										
HRCAA Events	5,653	13,000	7,348	57%	<b>B</b>	204,283	194,600	(9,683)	(5%)	<b>C</b>
Reimburse HRCA	881	3,111	2,230	72%		21,389	40,000	18,611	47%	<b>D</b>
Advertising	-	200	200	100%		48	2,500	2,452	98%	
Audit & accounting	-	208	208	100%		3,289	2,500	(789)	(32%)	
Bank, credit card	-	67	67	100%		1,233	800	(433)	(54%)	
Community & Business Relations	-	83	83	100%		49	1,000	951	95%	
Office Supply	337	1,542	1,205	78%		23,000	21,000	(2,000)	(10%)	
Postage	3	13	9	75%		75	150	75	50%	
Insurance	3,536	1,500	(2,036)	(136%)		21,285	18,000	(3,285)	(18%)	
Office lease	350	350	-	0%		4,200	4,000	(200)	(5%)	
Grant Expense	15,000	20,000	5,000	25%	<b>C</b>	15,051	20,000	4,949	25%	<b>E</b>
<b>Total Expenses</b>	<b>10,759</b>	<b>20,074</b>	<b>9,315</b>	<b>46%</b>		<b>271,260</b>	<b>289,050</b>	<b>17,790</b>	<b>6%</b>	
<b>Net Revenue (Expense)</b>	<b>\$ 7,397</b>	<b>\$ 34,748</b>	<b>\$ (27,351)</b>	<b>(79%)</b>		<b>\$ 28,398</b>	<b>\$ 5</b>	<b>\$ 28,393</b>	<b>567,860%</b>	

Variance materiality = \$5k and 5% (items primarily attributable to timing excluded from materiality analysis)

**Variance Discussion - MTD Actual vs. Budget**

- A** - HRCAA received \$7K donation from WLPP in December. YTD, we received what we expected.
- B** - Positive variance primarily due to: timing of expense to budget for Nutcracker (event was in Nov, budget in December) resulting in 3K variance; Hometown Holiday coming in at \$1.5K less than budget; and timing of Princess Tea expense to budget (exp in November, budget in December) resulting in 1K variance.
- C** - HRCAA gave \$5K each to BC Operating, Arts & Education and Therapeutic Rec in support of art, dance and drama classes, and conservation initiatives.

**Variance Discussion - YTD Actual vs. Budget**

- A** - Budget for Grant revenue is an estimate based on previous year grant award. 2022 came in higher than expected.
- B** - Variance is due to lower donations received than anticipated.
- C** - Due to Unfavorable variances in Encore Chorale (\$6.8K), Comedy Night (\$8.9K), and Highland Ranch Days (\$6.3K) . Comedy has had 3 events in 2022, but only budgeted for 1. this was offset by favorable variances in Chamber Music (4.9k), Winter Cultural Series,(2.9K), and Misc Pop up Events ((3K).
- D** - Favorable variance attributable to fewer community relations hours charged to HRCAA than budgeted.
- E** - HRCAA gave \$5K each to BC Operating, Arts & Education and Therapeutic Rec in support of art, dance and drama classes, and conservation initiatives.

**Highlands Ranch Cultural  
Affairs Association  
Balance Sheet  
As of December 31, 2022**

**ASSETS**

**Current Assets**

**Bank**

1038 - Wells Fargo HRCAA Checking	184,252
1039 - Wells Fargo HRCAA Savings	33,245

**Total Bank** 217,497

**Other Current Asset**

1195 - Miscellaneous Receivable	256
1200 - Prepaid Expense	3,500
1205 - Prepaid Insurance	9,174

**Total Other Current Asset** 12,929

**Total Current Assets** 230,426

**Fixed Assets**

1305 - Property & Equipment	4,720
1398 - Sculptures	65,911

**Total Fixed Assets** 70,631

**Other Assets**

1260 - Intercompany Receivable 501c3	1,992
--------------------------------------	-------

**Total Other Assets** 1,992

**Total ASSETS** \$ 303,049

**LIABILITIES & EQUITY**

**Current Liabilities**

**Accounts Payable**

2010 - Wells Fargo CC Clearing	408
--------------------------------	-----

**Total Accounts Payable** 408

**Other Current Liability**

2005 - Accrued Accounts Payable	7,652
2260 - Intercompany Payable 501c3	4,849
2115 - Unearned Sponsorship & Grant Revenue	-

**Total Other Current Liability** 12,501

**Total Current Liabilities** 12,910

**Equity**

**Equity**

**Total - Equity**

Retained Earnings	261,741
Net Income	28,398

**Total Equity** 290,139

**Total LIABILITIES & EQUITY** \$ 303,049

**Highlands Ranch Cultural Affairs Association**  
**Statement of Revenues and Expenses**  
**For the Month and Year-to-Date Ending December 31 2022**

Financial Row	Program	CURRENT MONTH				YEAR TO DATE				2022 BUDGET		
		Actual	Budget	Favorable / (Unfavorable)	%	Actual	Budget	Favorable / (Unfavorable)	%	Approved	Remaining	
<b>Ordinary Income/Expense</b>												
<b>Income</b>												
4110 - Grant Revenue	HRCAA Grants	\$ -	\$ -	\$ -	-	123,665	105,000	18,665	18%	\$ 105,000	\$ -	0%
4120 - Sponsorship Revenue	General	7,000	42,000	(35,000)	-83%	43,985	42,000	1,985	5%	42,000	-	0%
4140 - Donation & Fundraising Revenue	General	935	1,250	(315)	-25%	7,589	15,000	(7,412)	-49%	15,000	-	0%
4270 - Postcard, Calendar & Notecard	General	-	200	(200)	-100%	-	300	(300)	-100%	300	-	0%
<b>4410 - HRCAA Events Revenue</b>												
	Barre & Bubbles	-	-	-	-	-	-	-	-	-	-	-
	British Invasion	-	-	-	-	-	-	-	-	-	-	-
	Chamber Music Series	-	250	(250)	-100%	700	3,000	(2,300)	-77%	3,000	-	0%
	Chinese New Year	-	-	-	-	-	3,000	(3,000)	-100%	3,000	-	-
	Classic Car Show	-	-	-	-	4,534	4,500	34	1%	4,500	-	-
	Classical Music Series	5,550	5,000	550	11%	9,825	10,000	(175)	-2%	10,000	-	0%
	Classics and Cocktails	-	-	-	-	-	-	-	-	-	-	-
	Curtain Call at the Mansion	-	-	-	-	9,080	9,000	80	1%	9,000	-	0%
	Dueling Pianos	-	-	-	-	5,588	4,000	1,588	40%	4,000	-	0%
	Encore Chorale	-	-	-	-	13,780	12,500	1,280	10%	12,500	-	-
	Fishing on the Fly	-	-	-	-	-	300	(300)	-100%	300	-	-
	General	200	-	200	-	200	-	200	-	-	-	-
	Highlands Ranch Days	-	-	-	-	6,067	8,500	(2,433)	-29%	8,500	-	-
	Hooked on Fishing	-	-	-	-	484	700	(216)	-31%	700	-	-
	Jazz at the Mansion	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous Pop Up Events	-	417	(417)	-100%	-	5,000	(5,000)	-100%	5,000	-	0%
	Oaked & Smoked	-	-	-	-	-	-	-	-	-	-	-
	Oktoberfest	-	-	-	-	48,460	45,000	3,460	8%	45,000	-	-
	Rose in the Ranch	-	-	-	-	-	-	-	-	-	-	-
	Showtime at Southridge : Comedy Show	-	-	-	-	14,062	3,500	10,562	302%	3,500	-	-
	Showtime at Southridge : Magic Show	-	-	-	-	1,680	2,800	(1,120)	-40%	2,800	-	-
	Showtime at Southridge : Nutcracker	4,470	5,700	(1,230)	-22%	4,500	5,700	(1,200)	-21%	5,700	-	0%
	Sip & Savor	-	-	-	-	-	-	-	-	-	-	-
	SR Speakeasy	-	-	-	-	-	-	-	-	-	-	-
	Summer Concert Series	-	-	-	-	-	750	(750)	-100%	750	-	-
	Summer Sunset Concert	-	-	-	-	-	1,500	(1,500)	-100%	1,500	-	0%
	Winter Cultural Series	-	-	-	-	5,454	7,000	(1,546)	-22%	7,000	-	-
<b>Total - 4410 - HRCAA Events Revenue</b>		<b>10,220</b>	<b>11,367</b>	<b>(1,147)</b>	<b>-10%</b>	<b>124,414</b>	<b>126,750</b>	<b>(2,336)</b>	<b>-2%</b>	<b>289,050</b>	<b>-</b>	<b>0%</b>
4555 - Investment Interest/Divnd Rev	General	2	5	(3)	-66%	5	5	(0)	-6%	5	-	0%
<b>Total - Income</b>		<b>\$ 18,156</b>	<b>\$ 54,822</b>	<b>\$ (36,665)</b>	<b>-67%</b>	<b>299,658</b>	<b>289,055</b>	<b>10,603</b>	<b>4%</b>	<b>289,055</b>	<b>-</b>	<b>0%</b>
<b>Expense</b>												
<b>5150 - HRCAA Events Exp</b>												
	Art Encounters	-	-	-	-	1,452	-	(1,452)	-	-	-	-
	Chamber Music Series	-	542	542	100%	1,549	6,500	4,951	76%	6,500	-	-
	Chinese New Year	\$ -	\$ -	\$ -	-	58	1,700	1,642	97%	\$ 1,700	\$ -	-
	Classic Car Show	-	-	-	-	2,677	4,000	1,323	33%	4,000	-	-
	Classical Music Series	3,053	2,500	(553)	-22%	8,752	8,000	(752)	-9%	8,000	-	0%
	Classics and Cocktails	-	-	-	-	-	-	-	-	-	-	-
	Culture on the Green	-	-	-	-	7,571	6,500	(1,071)	-16%	6,500	-	-
	Curtain Call at the Mansion	-	-	-	-	6,240	9,000	2,760	31%	9,000	-	0%
	Dueling Pianos	-	-	-	-	4,731	4,000	(731)	-18%	4,000	-	0%
	Encore Chorale	-	-	-	-	16,810	10,000	(6,810)	-68%	10,000	-	-
	Father Daughter Sweetheart Ball	-	-	-	-	-	-	-	-	-	-	-
	Fishing on the Fly	-	-	-	-	-	200	200	100%	200	-	-
	General	100	208	108	52%	100	2,500	2,400	96%	2,500	-	0%
	Highlands Ranch Days	-	-	-	-	26,332	20,000	(6,332)	-32%	20,000	-	0%
	Hometown Holiday Celebration	2,000	3,500	1,500	43%	2,000	3,500	1,500	43%	3,500	-	0%
	Hooked on Fishing	-	-	-	-	170	500	330	66%	500	-	-
	HRCAA Grants	-	750	750	100%	10,040	9,000	(1,040)	-12%	9,000	-	0%
	Jazz at the Mansion	-	-	-	-	-	-	-	-	-	-	-
	July 4th Celebration	-	-	-	-	-	-	-	-	-	-	-
	Misc. Concerts/Events	-	-	-	-	819	-	(819)	-	-	-	-
	Miscellaneous Pop Up Events	-	333	333	100%	990	4,000	3,010	75%	4,000	-	0%
	Miscellaneous Tastings	-	-	-	-	-	-	-	-	-	-	-

**Highlands Ranch Cultural Affairs Association**  
**Statement of Revenues and Expenses**  
**For the Month and Year-to-Date Ending December 31 2022**

Financial Row	Program	CURRENT MONTH				YEAR TO DATE				2022 BUDGET	
		Actual	Budget	Favorable / (Unfavorable)	%	Actual	Budget	Favorable / (Unfavorable)	%	Approved	Remaining
	Music Licensing	-	667	667	100%	7,155	8,000	845	11%	8,000	-
	Nutcracker	-	-	-		-	-	-		-	-
	Oaked & Smoked	-	-	-		-	-	-		-	-
	Oktoberfest	-	-	-		48,360	43,000	(5,360)	-12%	43,000	-
	Princess Teas	-	1,000	1,000	100%	262	1,000	738	74%	1,000	-
	Recycling Events	-	-	-		-	-	-		-	-
	Rose in the Ranch	-	-	-		-	-	-		-	-
	Senior Clubs	500	500	-	0%	545	500	(45)	-9%	500	-
	Showtime at Southridge : Comedy Night	-	-	-		10,548	1,600	(8,948)	-559%	1,600	-
	Showtime at Southridge : Magic Show	-	-	-		750	600	(150)	-25%	600	-
	Showtime at Southridge : Nutcracker	-	3,000	3,000	100%	2,535	3,000	466	16%	3,000	-
	Sip & Savor	-	-	-		-	-	-		-	-
	Summer Concert Series	-	-	-		29,049	35,000	5,951	17%	35,000	-
	Summer Sunset Concert	-	-	-		8,739	3,500	(5,239)	-150%	3,500	-
	Taste of Highlands Ranch	-	-	-		-	-	-		-	-
	Winter Cultural Series	-	-	-		6,049	9,000	2,951	33%	9,000	-
		<b>5,653</b>	<b>13,000</b>	<b>7,348</b>	<b>57%</b>	<b>204,283</b>	<b>194,600</b>	<b>(9,683)</b>	<b>-5%</b>	<b>194,600</b>	<b>-</b>
	5200 Volunteer and Community Expens General	327	500	173	35%	327	500	173	35%	500	-
	5290 - Postcard, Calendar & Notecard I General	-	83	83	100%	-	1,000	1,000	100%	1,000	-
	5535 - Miscellaneous Expense General	10	1,000	990	99%	30	2,000	1,970	99%	2,000	-
	5555 - Reimburse HRCA expenses General	881	3,111	2,230	72%	21,389	40,000	18,611	47%	40,000	-
	5615 - Advertising Expense General	-	200	200	100%	48	2,500	2,452	98%	2,500	-
	5710 - Audit and Accounting Services General	-	208	208	100%	3,289	2,500	(789)	-32%	2,500	-
	5725 - Computer Equipment / Software General	-	125	125	100%	-	1,500	1,500	100%	1,500	-
	5730 - Bank, Credit Card and ACH Exp General	-	67	67	100%	1,233	800	(433)	-54%	800	-
	5745 - Community & Business Relation: General	-	83	83	100%	49	1,000	951	95%	1,000	-
	5770 - Office Supply Expense General	-	42	42	100%	-	500	500	100%	500	-
	5775 - Postage Expense General	3	13	9	75%	75	150	75	50%	150	-
	5800 - Liability Insurance Expense General	3,536	1,500	(2,036)	-136%	21,285	18,000	(3,285)	-18%	18,000	-
	5900 - Office Lease Expense General	350	350	-	0%	4,200	4,000	(200)	-5%	4,000	-
	6020 - Grants and Donations General	15,000	20,000	5,000	25%	15,051	20,000	4,949	25%	20,000	-
	<b>Total - Expense</b>	<b>25,759</b>	<b>40,282</b>	<b>14,523</b>	<b>36%</b>	<b>271,260</b>	<b>289,050</b>	<b>17,790</b>	<b>6%</b>	<b>289,050</b>	<b>-</b>
	<b>Net Ordinary Income</b>	<b>(7,603)</b>	<b>14,540</b>	<b>(22,142)</b>		<b>28,398</b>	<b>5</b>	<b>28,393</b>		<b>5</b>	<b>-</b>
	<b>Net Income</b>	<b>(7,603)</b>	<b>\$ 14,540</b>	<b>\$ (22,142)</b>		<b>28,398</b>	<b>5</b>	<b>28,393</b>		<b>5</b>	<b>-</b>

**HRCAA Events**  
**December 31, 2022**  
**Year to Date**

	<b>Revenue</b>	<b>Expense</b>	<b>Profit/(Loss)</b>
Art Encounters		1,452	(1,452)
Chamber Music Series	700	1,549	(849)
Chinese New Year		58	(58)
Classic Car Show	4,534	2,677	1,857
Classical Music Series	9,825	8,752	1,073
Culture on the Green		7,571	(7,571)
Curtain Call at the Mansion	9,080	6,240	2,840
Dueling Pianos	5,588	4,731	857
Encore Chorale	13,780	16,810	(3,030)
General	200	100	100
Highlands Ranch Days	6,067	26,332	(20,265)
Hometown Holiday Celebration		2,000	(2,000)
Hooked on Fishing	484	170	314
HRCAA Grants		10,040	(10,040)
Misc. Concerts/Events		819	(819)
Miscellaneous Pop Up Events		990	(990)
Music Licensing		7,155	(7,155)
Oktoberfest	48,460	48,360	100
Princess Teas		262	(262)
Senior Clubs		545	(545)
Showtime at Southridge : Comedy Show	8,965	7,106	1,859
Showtime at Southridge : Drag Show	5,097	3,442	1,655
Showtime at Southridge : Magic Show	1,680	750	930
Showtime at Southridge : Nutcracker	4500	2,535	1,966
Summer Concert Series		29,049	(29,049)
Summer Sunset Concert		8,739	(8,739)
Winter Cultural Series	5,454	6,049	(595)
<b>Total Programs</b>	<b>124,414</b>	<b>204,283</b>	<b>(79,869)</b>

**HRCAA Events Budget by month - 2022**

	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY22
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>4410 - HRCAA Events Revenue:</b>													
Chamber Music Series	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Chinese New Year	3,000												3,000
Classic Car Show						500	4,000						4,500
Classical Music Series										2,000	3,000	5,000	10,000
Curtain Call at the Mansion						2,000		2,000			5,000		9,000
Dueling Pianos											4,000		4,000
Encore Chorale									4,000	4,000	4,500		12,500
Fishing on the Fly										300			300
Highlands Ranch Days										8,500			8,500
Hooked on Fishing					700								700
Miscellaneous Pop Up Events	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Oktoberfest										45,000			45,000
Showtime at Southridge : Comedy Night						3,500							3,500
Showtime at Southridge : Magic Show	2,800												2,800
Showtime at Southridge : Nutcracker												5,700	5,700
Summer Concert Series								750					750
Summer Sunset Concert						500	500	500					1,500
Winter Cultural Series	2,500	2,250	2,250										7,000
<b>Total Events Revenue</b>	<b>8,967</b>	<b>2,917</b>	<b>2,917</b>	<b>667</b>	<b>1,367</b>	<b>7,167</b>	<b>5,167</b>	<b>3,917</b>	<b>58,467</b>	<b>6,667</b>	<b>17,167</b>	<b>11,367</b>	<b>126,750</b>
<b>5150 - HRCAA Events Expense</b>													
Chamber Music Series	542	542	542	542	542	542	542	542	542	542	542	542	6,500
Chinese New Year	1,700												1,700
Classic Car Show				500	700	1,200	1,600						4,000
Classical Music Series			1,200							2,150	2,150	2,500	8,000
Culture on the Green				500	2,500	2,000	1,500						6,500
Curtain Call at the Mansion								4,500			4,500		9,000
Dueling Pianos											4,000		4,000
Encore Chorale									10,000				10,000
Fishing on the Fly									200				200
General	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Highlands Ranch Days									19,500	500			20,000
Hometown Holiday Celebration												3,500	3,500
Hooked on Fishing					500								500
HRCAA Grants	750	750	750	750	750	750	750	750	750	750	750	750	9,000
July 4th Celebration						-							-
Miscellaneous Pop Up Events	333	333	333	333	333	333	333	333	333	333	333	333	4,000
Music Licensing	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Oktoberfest										43,000			43,000
Princess Teas												1,000	1,000
Senior Clubs												500	500
Showtime at Southridge : Comedy Night						1,600							1,600
Showtime at Southridge : Magic Show	600												600
Showtime at Southridge : Nutcracker												3,000	3,000
Summer Concert Series						15,000	15,000	5,000					35,000
Summer Sunset Concert								3,500					3,500
Winter Cultural Series	3,000	3,000	3,000										9,000
<b>Total Events Expense</b>	<b>7,800</b>	<b>5,500</b>	<b>6,700</b>	<b>3,500</b>	<b>6,200</b>	<b>22,300</b>	<b>20,600</b>	<b>15,500</b>	<b>75,200</b>	<b>5,150</b>	<b>13,150</b>	<b>13,000</b>	<b>194,600</b>
<b>Net Income from Events</b>	<b>1,167</b>	<b>(2,583)</b>	<b>(3,783)</b>	<b>(2,833)</b>	<b>(4,833)</b>	<b>(15,133)</b>	<b>(15,433)</b>	<b>(11,583)</b>	<b>(16,733)</b>	<b>1,517</b>	<b>4,017</b>	<b>(1,633)</b>	<b>(67,850)</b>



# HIGHLANDS RANCH

## Community Scholarship Fund

### **Financial Statements**

**As of December 31, 2022**

**Highlands Ranch Community Scholarship Fund  
Variance Analysis - Actual vs. Budget  
For the Twelve Months Ended December 31, 2022**

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
<b>Revenues</b>								
Sponsorship revenue	2,600	2,000	600	30%	2,600	2,000	600	30%
Donations & fundraising	(4,000)	0	(4,000)		52,146	50,000	2,146	4%
Interest & dividends	2	0	2		3	0	3	
<b>Total revenues</b>	<b>(1,398)</b>	<b>2,000</b>	<b>(3,398)</b>	<b>(170%)</b>	<b>54,749</b>	<b>52,000</b>	<b>2,749</b>	<b>5%</b>
<b>Expenses</b>								
HRCSF Events		42	42	100%	-	500	500	100%
Administrative Expense	357	125	(232)	(185%)	1,446	1,500	54	4%
Advertising	-	25	25	100%		300	300	100%
Audit & accounting	-	58	58	100%	1,200	700	(500)	(71%)
Bank, credit card	-	-	-		-	-	-	
Insurance	92	-	-		772	500	(272)	(54%)
Scholarship Award Expense	-	4	4	100%	50,000	50,200	200	0%
<b>Total Expenses</b>	<b>448</b>	<b>254</b>	<b>(194)</b>	<b>(76%)</b>	<b>53,418</b>	<b>53,700</b>	<b>282</b>	<b>1%</b>
<b>Net Revenue (Expense)</b>	<b>\$ (1,846)</b>	<b>\$ 1,746</b>	<b>\$ (3,592)</b>	<b>(206%)</b>	<b>\$ 1,331</b>	<b>\$ (1,700)</b>	<b>\$ 3,031</b>	<b>(178%)</b>

Variance materiality = \$5k and 5% (items primarily attributable to timing excluded from materiality analysis)

**Variance Discussion - MTD and YTD Actual vs. Budget**

---

**Highlands Ranch Community  
Scholarship Fund  
Balance Sheet  
As of December 31, 2022**

Financial Row	COMMUNITY SCHOLARSHIP	THERAPEUTIC RECREATION	TOTAL
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Bank</b>			
1040 - Wells Fargo HRCSF Checking	\$ 93,999	\$ 13,330	\$ 107,329
1041 - Wells Fargo HRCSF Savings	20,748	-	20,748
1043 - Wells Fargo HRCSF TR Checking	20	6,667	6,687
1046 - Wells Fargo HRCSF TR Savings	1	20,011	20,012
<b>Total Bank</b>	<b>114,768</b>	<b>40,008</b>	<b>154,776</b>
<b>Accounts Receivable</b>			
1190 - AR - Miscellaneous		-	-
1195 - Miscellaneous Receivable		-	-
1205 - AR - Prepaid Insurance	488	-	488
<b>Total Accounts Receivable</b>	<b>488</b>	<b>-</b>	<b>488</b>
<b>Total Current Assets</b>	<b>115,256</b>	<b>40,008</b>	<b>155,263</b>
<b>Other Assets</b>			
1260 - Intercompany Receivable 501c3	600	-	600
<b>Total Other Assets</b>	<b>600</b>	<b>-</b>	<b>600</b>
<b>Total ASSETS</b>	<b>\$ 115,856</b>	<b>\$ 40,008</b>	<b>\$ 155,263</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
2010 - Wells Fargo CC Clearing	20	-	20
<b>Total Accounts Payable</b>	<b>20</b>	<b>-</b>	<b>20</b>
2005 - Accrued Accounts Payable	61	-	61
2260 - Intercompany Payable 501c3	357	-	357
<b>Total Current Liabilities</b>	<b>438</b>	<b>-</b>	<b>438</b>
<b>Equity</b>			
Retained Earnings	114,107	32,771	146,878
Net Income	1,311	7,836	9,148
<b>Total Equity</b>	<b>115,418</b>	<b>40,608</b>	<b>156,026</b>
<b>Total LIABILITIES &amp; EQUITY</b>	<b>\$ 115,856</b>	<b>\$ 40,608</b>	<b>\$ 156,463</b>

**Highlands Ranch Community Scholarship Fund  
Statement of Revenues and Expenses  
For the Month and Year-to-Date Ending December 31, 2022**

Financial Row	SCHOLARSHIP									
	CURRENT MONTH				YEAR TO DATE				2022 BUDGET	
	Actual	Budget	Favorable / (Unfavorable)	%	Actual	Budget	Favorable / (Unfavorable)	%	APPROVED	REMAINING
<b>Ordinary Income/Expense</b>										
<b>Income</b>										
4120 - Sponsorship Revenue	2,600	2,000	600	30%	2,600	2,000	600	30%	2,000	-
<b>4140 - Donation &amp; Fundraising Revenue</b>										
	(4,000)	-	(4,000)		52,146	50,000	2,146	4%	50,000	-
	-	-	-		-	-	-		-	-
<b>Total - 4140 - Donation &amp; Fundraising Revenue</b>	<b>(4,000)</b>	<b>-</b>	<b>(4,000)</b>		<b>52,146</b>	<b>50,000</b>	<b>2,146</b>		<b>50,000</b>	<b>-</b>
4555 - Investment Interest/Divdnd Rev	-	-	-		-	-	-		-	-
4555 - Investment Interest/Divdnd Rev	2	-	2		3	-	3		-	-
<b>Total - Income</b>	<b>(1,398)</b>	<b>2,000</b>	<b>(3,398)</b>		<b>54,749</b>	<b>52,000</b>	<b>2,749</b>		<b>52,000</b>	<b>-</b>
<b>Expense</b>										
5155 - HRCSF Events Expense	-	42	42	100%	-	500	500	100%	500	-
5165 - Scholarship Award Expense	-	-	-		50,000	50,000	-	0%	50,000	-
5200 - Volunteer and Committee Expense	20	-	(20)		20	200	180	90%	200	-
5555 - Reimburse HRCA expenses	357	125	(232)	-185%	1,446	1,500	54	4%	1,500	-
5615 - Advertising Expense	-	25	25	100%	-	300	300	100%	300	-
5730 - Bank, Credit Card and ACH Expense	-	-	-		-	-	-		-	-
5710 - Audit and Accounting Services	-	58	58	100%	1,200	700	(500)	-71%	700	-
5770 - Office Supply Expense	-	4	4	100%	-	50	50	100%	50	-
5800 - Liability Insurance Expense	92	42	(50)	-118%	772	500	(272)	-54%	500	-
<b>Total - Expense</b>	<b>468</b>	<b>296</b>	<b>(172)</b>		<b>53,438</b>	<b>53,750</b>	<b>312</b>		<b>53,750</b>	<b>-</b>
<b>Net Ordinary Income</b>	<b>(1,866)</b>	<b>1,704</b>	<b>(3,570)</b>		<b>1,311</b>	<b>(1,750)</b>	<b>3,061</b>		<b>(1,750)</b>	<b>-</b>
<b>Net Income</b>	<b>\$ (1,866)</b>	<b>\$ 1,704</b>	<b>\$ (3,570)</b>		<b>\$ 1,311</b>	<b>\$ (1,750)</b>	<b>\$ 3,062</b>		<b>\$ (1,750)</b>	<b>\$ -</b>

Highlands Ranch Community Scholarship Fund  
Statement of Revenues and Expenses  
For the Month and Year-to-Date Ending December 31, 2022

Financial Row	THERAPEUTIC RECREATION									
	CURRENT MONTH				YEAR TO DATE				2022 BUDGET	
	Actual	Budget	Favorable / (Unfavorable)	%	Actual	Budget	Favorable / (Unfavorable)	%	APPROVED	REMAINING
Ordinary Income/Expense										
Income										
4140 - Donation & Fundraising Revenue	600	833	\$ (233)	-28%	17,250	10,000	(7,250)	100%	\$ 10,000	-
<b>Total - 4140- Donation &amp; Fundraising Revenue</b>	<b>600</b>	<b>833</b>	<b>(233)</b>		<b>17,250</b>	<b>10,000</b>	<b>(7,250)</b>		<b>10,000</b>	-
4120- Sponsorship Revenue	-	-	-	0%	-	-	-	0%	-	-
<b>Total - 4120- Sponsorship Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
4555 - Investment Interest/Divdnd Rev	-	-	-		2	-	2		-	-
<b>Total - Income</b>	<b>600</b>	<b>833</b>	<b>(233)</b>	<b>-28%</b>	<b>17,252</b>	<b>10,000</b>	<b>(7,248)</b>	<b>-72%</b>	<b>10,000</b>	<b>-</b>
Expense										
5130 - Therapeutic Rec Grant Expenses	-	333	333	0%		4,000	4,000	0%	4,000	-
5155 - HRCSF Events Expense	-	-	-	0%		-	-	0%	-	-
5162 - TR HRCSF Event Expense	-	458	458	0%	9,415	5,500	(3,915)	0%	5,500	-
6020 - TR Grants and Donations	-	-	-		-	-	-		-	-
5305 - Therapeutic Recreation Scholarship Expense	-	-	-		-	-	-		-	-
<b>Total - Expense</b>	<b>-</b>	<b>791</b>	<b>791</b>	<b>0%</b>	<b>9,415</b>	<b>9,500</b>	<b>85</b>	<b>0%</b>	<b>9,500</b>	<b>-</b>
<b>Net Ordinary Income</b>	<b>600</b>	<b>42</b>	<b>558</b>		<b>7,836</b>	<b>500</b>	<b>(7,164)</b>		<b>500</b>	<b>-</b>
<b>Net Income</b>	<b>\$ 600</b>	<b>\$ 42</b>	<b>\$ 558</b>		<b>7,836</b>	<b>\$ 500</b>	<b>\$ (7,164)</b>		<b>\$ 500</b>	<b>\$ -</b>



# Financial Statements

As of December 31, 2022

**Highlands Ranch Backcountry Conservation & Education Fund**  
**Variance Analysis - Actual vs. Budget**  
**For the Twelve Months Ended December 31, 2022**

	Current Month					Year To Date				
	Actual	Budget	Variance			Actual	Budget	Variance		
			\$	%			\$	%		
<b>Revenues</b>										
Donations & fundraising	14,062	3,000	11,062	369%	A	117,389	100,000	17,389	17%	A
HRBCEF Events	-	-	-			26,705	44,000	(17,295)	(39%)	B
Interest & dividends	1	-	1			2	-	2		
<b>Total revenues</b>	<b>14,062</b>	<b>3,000</b>	<b>11,062</b>	<b>369%</b>		<b>144,095</b>	<b>144,000</b>	<b>95</b>	<b>0%</b>	
<b>Expenses</b>										
HRBCEF Events	(837)	-	837			17,482	38,500	21,018	55%	C
Reimburse HRCA	5,800	6,000	200	3%		77,206	81,000	3,794	5%	
Advertising	16	-	(16)			117	500	383	77%	
Audit & accounting	-	125	125	100%		4,570	1,500	(3,070)	(205%)	
Bank, credit card	-	33	33	100%		844	400	(444)	(111%)	
Office Supply	-	33	33	100%		-	400	400	100%	
Postage	55	8	(47)	(583%)		69	100	31	31%	
Insurance	390	258	(132)	(51%)		3,840	3,100	(740)	(24%)	
Grant Expense	-	4,250	4,250	100%		618	17,000	16,382	96%	D
<b>Total Expenses</b>	<b>5,423</b>	<b>10,707</b>	<b>5,284</b>	<b>49%</b>		<b>104,746</b>	<b>142,500</b>	<b>37,754</b>	<b>26%</b>	
<b>Net Revenue (Expense)</b>	<b>\$ 8,640</b>	<b>\$ (7,707)</b>	<b>\$ 16,347</b>	<b>(212%)</b>		<b>\$ 39,350</b>	<b>\$ 1,500</b>	<b>\$ 37,850</b>	<b>2,523%</b>	

Variance materiality = \$5k and 5% (items primarily attributable to timing excluded from materiality analysis)

**Variance Discussion - Month-to-Date Actual vs. Month-to-Date Budget**

**A** - An unexpected \$9.6K in donations were received in December. Donations occur sporadically throughout the year, and the budget is an estimate.

**Variance Discussion - Year-to-Date Actual vs. Year-to-Date Budget**

**A.** An unexpected \$9.6K in donations were received in December. Donations occur sporadically throughout the year, and the budget is an estimate.

**B** - Unfavorable variance due in part to the early ending of the Movie Night series due to permit issues. Movie nights ended in late July, half-way through the planned series, resulting in \$10K less revenue than expected. Haunted forest revenue is also lower than budgeted.

**C** - Lower expenses consistent with lower events revenues.

**D** - Difference due to minimal grants allocated. \$17K was budgeted.

**Highlands Ranch Backcountry Conservation  
& Education Fund  
Balance Sheet  
December 31, 2022**

**ASSETS**

**Current Assets**

**Bank**

1042 - Wells Fargo Checking HRBCEF	252,940
1047 - Wells Fargo Savings HRBCEF	10,890
<b>Total Bank</b>	<b>263,831</b>

**Other Current Asset**

1195 - Miscellaneous Receivable	10,407
1200 - Prepaid Expense	-
1205 - Prepaid Insurance	1,890
1210 - Inventory	13,106
<b>Total Other Current Asset</b>	<b>25,403</b>

**Total Current Assets**

**289,233**

**Other Assets**

1260 - Intercompany Receivable 501c3	2,380
<b>Total Other Assets</b>	<b>2,380</b>

**Total ASSETS**

**291,613**

**LIABILITIES & EQUITY**

**Accounts Payable**

2000 - Accounts Payable	110
2010 - Wells Fargo CC Clearing	242
<b>Total Accounts Payable</b>	<b>352</b>

**Other Current Liability**

2005 - Accrued Accounts Payable	1,420
2009 - Colorado Payback	46
2260 - Intercompany Payable 501c3	5,855
<b>Total Other Current Liability</b>	<b>7,320</b>

**Total Current Liabilities**

**7,672**

**Equity**

Retained Earnings	244,591
Net Income	39,350
<b>Total Equity</b>	<b>283,941</b>

**Total LIABILITIES & EQUITY**

**\$ 291,613**

**Highlands Ranch Backcountry Conservation & Education Fund**  
**Statement of Revenues and Expenses**  
**For the Month and Year-to-Date Ending December 31, 2022**

Financial Row	Program	CURRENT MONTH				YEAR TO DATE				2022 BUDGET		
		Actual	Budget	Favorable / (Unfavorable)	%	Actual	Budget	Favorable / (Unfavorable)	%	APPROVED	REMAINING	
<b>Ordinary Income/Expense</b>												
<b>Income</b>												
4120 - Sponsorship Revenue	General	2,000	\$ 3,000	\$ (1,000)	-33%	6,151	\$ 100,000	\$ (93,849)	\$(1)	\$ 100,000	-	0%
4140 - Donation & Fundraising Revenue	General	12,062	-	12,062		111,238	-	111,238		-	-	
4420 - HRBCEF Events Revenue	General	-	-	-		26,705	44,000	(17,295)	-39%	44,000	-	0%
<b>Total - Revenue</b>		<b>14,062</b>	<b>3,000</b>	<b>11,062</b>	<b>369%</b>	<b>144,094</b>	<b>144,000</b>	<b>94</b>	<b>0%</b>	<b>144,000</b>	<b>-</b>	<b>0%</b>
4555 - Interest	General	1	-	1		2	-	2		-	-	
<b>Total - Income</b>		<b>14,062</b>	<b>3,000</b>	<b>11,062</b>	<b>369%</b>	<b>144,095</b>	<b>144,000</b>	<b>95</b>	<b>0%</b>	<b>144,000</b>	<b>-</b>	<b>0%</b>
<b>Expense</b>												
5120 - Program Supplies Exp	General	-	-	-		-	-	-		-	-	
5160 - Gear Swap	Gear Swap	-	-	-		-	-	-		-	-	
5160 - HRBCEF Events Exp	Haunted Forest	-	-	-		1,352	-	(1,352)		-	-	
5160 - HRBCEF Events Exp	Elk Banquet	-	-	-		230	-	(230)		-	-	
5160 - HRBCEF Events Exp	General	130	-	(130)		7,379	13,500	6,121	45%	13,500	-	0%
5212 - Donation & Membership Expenses	General	-	-	-		16,066	25,000	8,934	36%	25,000	-	0%
5275 - Pro Shop Supply Expense	General	(967)	-	967		(7,545)	-	7,545		-	-	
5555 - Reimburse HRCA expenses	General	5,800	6,000	200	3%	77,206	81,000	3,794	5%	81,000	-	0%
5615 - Advertising Expense	General	16	-	(16)		117	500	383	77%	500	-	0%
5710 - Audit and Accounting Services	General	-	125	125	100%	4,570	1,500	(3,070)	-205%	1,500	-	0%
5730 - Bank, Credit Card and ACH Expense	General	-	33	33	100%	844	400	(444)	-111%	400	-	0%
5745 - Community & Business Relations Expe	General	-	-	-		-	-	-		-	-	
5770 - Office Supply Expense	General	-	33	33	100%	-	400	400	100%	400	-	0%
5775 - Postage Expense	General	55	8	(47)	-583%	69	100	31	31%	100	-	0%
5800 - Liability Insurance	General	390	258	(132)	-51%	3,840	3,100	(740)	-24%	3,100	-	0%
6020 - Grants and Donations	General	-	4,250	4,250	100%	618	17,000	16,382	96%	17,000	-	0%
<b>Total - Expense</b>		<b>5,423</b>	<b>10,707</b>	<b>5,284</b>	<b>49%</b>	<b>104,746</b>	<b>142,500</b>	<b>37,754</b>	<b>26%</b>	<b>142,500</b>	<b>-</b>	<b>0%</b>
<b>Net Ordinary Income</b>		<b>8,640</b>	<b>(7,707)</b>	<b>16,346</b>	<b>-212%</b>	<b>39,350</b>	<b>1,500</b>	<b>37,848</b>	<b>2523%</b>	<b>1,500</b>	<b>-</b>	<b>0%</b>
<b>Net Income</b>		<b>8,640</b>	<b>\$(7,707)</b>	<b>\$16,346</b>	<b>-212%</b>	<b>39,350</b>	<b>\$1,500</b>	<b>\$37,848</b>	<b>2523%</b>	<b>\$1,500</b>	<b>\$-</b>	<b>0%</b>

# Highlands Ranch Community Association

Annual Financial Statements and  
Independent Auditor's Report

**December 31, 2022**



# Table of Contents

	<b>Page</b>
<b>Independent Auditor's Report</b> .....	I-II
<b>Consolidated Financial Statements</b>	
Balance Sheet .....	1
Statement of Revenues, Expenses and Changes in Fund Balances .....	2
Statement of Cash Flows .....	3
Notes to Financial Statements .....	4
Supplementary Information .....	16

## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management  
Highlands Ranch Community Association, Inc.

### Opinion

We have audited the accompanying financial statements of Highlands Ranch Community Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Highlands Ranch Community Association, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

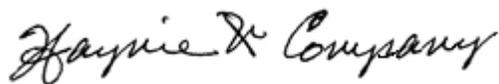
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Reserve Study on Future Major Repairs and Replacements on pages 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Sincerely,



Littleton, Colorado  
March 16, 2023

## **Financial Statements**

**Highlands Ranch Community Association**  
**Balance Sheet**  
**December 31, 2022**

	Administrative Fund			Recreation Fund					Totals	
	Operating	Reserves	OSCA Fund	Operating	Reserves	Backcountry Operating	Backcountry Reserves	Debt Service and Plant	Eliminations	2022
<b>Assets</b>										
Cash and cash equivalents	\$ 5,301,488	\$ 645,818	\$ 240,272	\$ 1,946,002	\$ 223,552	\$ 280,958	\$ 162,927	\$ -	\$ -	\$ 8,801,017
Money market investments	-	-	2,242,766	247,563	5,028,216	-	-	538,890	-	8,057,435
Restricted assets under debt obligations:										
Money market investments	-	-	-	-	-	-	-	3,206,405	-	3,206,405
Investments in debt securities	-	206,004	2,471,589	-	-	37,867	40,546	-	-	2,756,006
Assessments receivable, net	58,302	-	-	166,160	-	-	-	-	-	224,462
Accounts receivable, other	13,509	-	-	15,487	4,720	9,186	-	6,810	-	49,712
Prepaid expenses and other assets	47,927	-	-	303,086	-	18,802	-	-	-	369,815
Due from other fund	601,358	-	6,500	2,448,182	587,685	19,907	-	-	(3,663,632)	-
Interfund loan receivable	-	-	187,500	-	-	-	-	-	(187,500)	-
Property, plant and equipment, net	-	202,472	-	-	-	-	490,151	33,022,734	-	33,715,357
<b>Total Assets</b>	<u>\$ 6,022,584</u>	<u>\$ 1,054,294</u>	<u>\$ 5,148,627</u>	<u>\$ 5,126,480</u>	<u>\$ 5,844,173</u>	<u>\$ 366,720</u>	<u>\$ 693,624</u>	<u>\$ 36,774,839</u>	<u>\$ (3,851,132)</u>	<u>\$ 57,180,209</u>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable and accrued expenses	\$ 60,539	\$ -	\$ -	\$ 380,284	\$ 40,532	\$ 63,388	\$ 78	\$ 29,700	\$ -	\$ 574,521
Accrued payroll and related items	535,373	-	-	204,406	-	24,245	-	-	-	764,024
Assessments paid in advance	191,359	-	-	2,148,076	-	-	-	-	-	2,339,435
Deferred revenue	-	-	-	1,053,814	-	9,350	-	-	-	1,063,164
Due to other funds	2,463,175	-	-	1,059,688	50,944	89,825	-	-	(3,663,632)	-
Interfund loan payable	-	-	-	-	187,500	-	-	-	(187,500)	-
Bonds payable, net	-	-	-	-	-	-	-	5,963,915	-	5,963,915
<b>Total liabilities</b>	<u>\$ 3,250,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846,268</u>	<u>\$ 278,976</u>	<u>\$ 186,808</u>	<u>\$ 78</u>	<u>\$ 5,993,615</u>	<u>\$ (3,851,132)</u>	<u>\$ 10,705,059</u>
<b>Fund Balances</b>										
Undesignated	\$ 2,755,016	\$ -	\$ 5,148,627	\$ 280,212	\$ -	\$ 179,912	\$ -	\$ 27,574,819	\$ -	\$ 35,938,586
Designated for special projects	17,122	-	-	-	-	-	-	-	-	17,122
Designated for reserves	-	1,054,294	-	-	5,565,197	-	693,546	-	-	7,313,037
Designated for bond principal and interest payments	-	-	-	-	-	-	-	3,206,405	-	3,206,405
<b>Total Fund Balances</b>	<u>\$ 2,772,138</u>	<u>\$ 1,054,294</u>	<u>\$ 5,148,627</u>	<u>\$ 280,212</u>	<u>\$ 5,565,197</u>	<u>\$ 179,912</u>	<u>\$ 693,546</u>	<u>\$ 30,781,224</u>	<u>\$ -</u>	<u>\$ 46,475,150</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,022,584</u>	<u>\$ 1,054,294</u>	<u>\$ 5,148,627</u>	<u>\$ 5,126,480</u>	<u>\$ 5,844,173</u>	<u>\$ 366,720</u>	<u>\$ 693,624</u>	<u>\$ 36,774,839</u>	<u>\$ (3,851,132)</u>	<u>\$ 57,180,209</u>

The accompanying notes are an integral part of these financial statements.

**Highlands Ranch Community Association**  
**Statement of Revenues, Expenses and Changes in Fund Balances**  
**For the Year Ended December 31, 2022**

	Administrative Fund			Recreation Fund					Totals	
	Operating	Reserves	OSCA Fund	Operating	Reserves	Backcountry Operating	Backcountry Reserves	Debt Service and Plant	Eliminations	2022
<b>Revenues</b>										
Homeowner assessments and fees	\$ 3,678,534	\$ -	\$ -	\$16,837,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$20,516,415
Recreation programs	-	-	-	5,690,927	-	934,520	-	-	-	6,625,447
Facility operations	-	-	-	926,364	-	6,904	-	-	(61,800)	871,468
Community events	330,217	-	-	32,100	-	-	-	-	-	362,317
Management fee	270,352	-	-	152,904	-	-	-	-	(423,256)	-
Interest and other revenue (expense)	136,023	(83,230)	6,920	8,941	81,194	170,210	(10,889)	49,414	(982)	357,601
<b>Total Revenues</b>	<u>\$ 4,415,126</u>	<u>\$ (83,230)</u>	<u>\$ 6,920</u>	<u>\$23,649,117</u>	<u>\$ 81,194</u>	<u>\$ 1,111,634</u>	<u>\$ (10,889)</u>	<u>\$ 49,414</u>	<u>\$ (486,038)</u>	<u>\$28,733,248</u>
<b>Expenses</b>										
Salaries, employee benefits and taxes	\$ 1,823,543	\$ -	\$ -	\$11,869,305	\$ -	\$ 1,149,161	\$ -	\$ -	\$ -	\$14,842,009
Supplies and contract labor	247,376	-	-	1,485,999	-	261,147	-	-	-	1,994,522
Professional services	420,002	-	-	449,598	-	621	-	-	-	870,221
Community advertising and marketing	25,152	-	-	66,896	-	-	-	-	-	92,048
Office expenses	209,758	20	-	583,199	9,256	4,407	1,327	-	-	807,967
Depreciation	-	55,862	-	-	-	-	127,217	2,613,143	-	2,796,222
Information technology	234,746	-	-	676,209	-	-	-	-	-	910,955
Insurance	57,784	-	-	403,112	-	37,403	-	-	-	498,299
Interest	-	-	-	-	982	-	-	521,608	(982)	521,608
Occupancy and utilities	70,020	-	-	2,416,976	77,508	46,093	-	-	(61,800)	2,548,797
Conferences, meetings and travel	25,102	-	-	14,368	-	23,796	-	-	-	63,266
Management fee	152,904	-	-	270,352	-	-	-	-	(423,256)	-
Other operating expenses	(26,553)	4,293	607	37,521	11,323	15,124	-	-	-	42,315
<b>Total expenses</b>	<u>\$ 3,239,834</u>	<u>\$ 60,175</u>	<u>\$ 607</u>	<u>\$18,273,535</u>	<u>\$ 99,069</u>	<u>\$ 1,537,752</u>	<u>\$ 128,544</u>	<u>\$ 3,134,751</u>	<u>\$ (486,038)</u>	<u>\$25,988,229</u>
<b>Losses</b>										
(Gain) Loss on asset disposal	-	51,455	-	-	-	-	(42)	339,047	-	390,460
<b>Total Losses</b>	-	51,455	-	-	-	-	(42)	339,047	-	390,460
<b>Excess (Deficiency) of Revenues Over Expenses</b>	\$ 1,175,292	\$ (194,860)	\$ 6,313	\$ 5,375,582	\$ (17,875)	\$ (426,118)	\$ (139,391)	\$ (3,424,384)	\$ -	\$ 2,354,559
Transfers	(248,040)	148,505	(72,027)	(7,396,365)	311,312	366,650	80,959	6,809,006	-	-
<b>Change in Fund Balance</b>	\$ 927,252	\$ (46,355)	\$ (65,714)	\$ (2,020,783)	\$ 293,437	\$ (59,468)	\$ (58,432)	\$ 3,384,622	\$ -	\$ 2,354,559
<b>FUND BALANCE, January 1</b>	1,844,886	1,100,649	5,214,341	2,300,995	5,271,760	239,380	751,978	27,396,603	-	44,120,592
<b>FUND BALANCE, December 31</b>	<u>\$ 2,772,138</u>	<u>\$ 1,054,294</u>	<u>\$ 5,148,627</u>	<u>\$ 280,212</u>	<u>\$ 5,565,197</u>	<u>\$ 179,912</u>	<u>\$ 693,546</u>	<u>\$30,781,225</u>	<u>\$ -</u>	<u>\$46,475,151</u>

The accompanying notes are an integral part of these financial statements.

**Highlands Ranch Community Association**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**

	Administrative Fund			Recreation Fund					Totals
	Operating	Reserves	OSCA Fund	Operating	Reserves	Backcountry Operating	Backcountry Reserves	Debt Service and Plant	2022
<b>Operating Activities</b>									
Excess (deficiency) of revenues over expenses	\$ 927,252	\$ (46,355)	\$ (65,714)	\$ (2,020,783)	\$ 293,437	\$ (59,468)	\$ (58,432)	\$ 3,384,622	\$ 2,354,559
Adjustment to reconcile excess (deficiency) of revenues over expenses to net cash from (used for) operating activities									
Depreciation expense	-	55,862	-	-	-	-	127,217	2,613,143	2,796,222
(Gain) loss on asset disposal	-	51,455	-	-	-	-	(42)	339,047	390,460
Interest expense attributable to amortization of bond issuance costs	-	-	-	-	-	-	-	24,485	24,485
(Increase) decrease in operating assets									
Assessments receivable, net	(36,787)	-	-	(20,692)	-	-	-	-	(57,479)
Accounts receivable, other	(5,832)	-	20,360	53,890	2,741	(6,596)	-	(5,259)	59,304
Prepaid expenses and other assets	16,609	-	-	23,108	-	(4,202)	-	260	35,775
Increase (decrease) in operating liabilities									
Accounts payable and accrued expenses	377,440	-	-	(182,670)	(3,560)	(57,826)	(935)	(13,659)	118,790
Assessments paid in advance	(406,075)	-	-	368,063	-	-	-	-	(38,012)
Deferred revenue	(1,517)	-	-	58,979	-	(46,467)	-	-	10,995
<b>Net Cash from (used for) Operating Activities</b>	<u>\$ 871,090</u>	<u>60,962</u>	<u>(45,354)</u>	<u>(1,720,105)</u>	<u>292,618</u>	<u>(174,559)</u>	<u>67,808</u>	<u>6,342,639</u>	<u>5,695,099</u>
<b>Investing Activities</b>									
Net sales (purchases) of investments	-	17,937	(529,648)	(247,563)	81,032	(37,867)	16,186	(998,929)	(1,698,852)
Purchases of property and equipment	-	(101,173)	-	-	-	-	(79,096)	(2,954,774)	(3,135,043)
<b>Net Cash from (used for) investing Activities</b>	<u>\$ -</u>	<u>(83,236)</u>	<u>(529,648)</u>	<u>(247,563)</u>	<u>81,032</u>	<u>(37,867)</u>	<u>(62,910)</u>	<u>(3,953,703)</u>	<u>(4,833,895)</u>
<b>Financing Activities</b>									
Bond principal payments	-	-	-	-	-	-	-	(2,580,000)	(2,580,000)
Net borrowing and transfers among funds	(4,896)	-	150,000	506,460	(678,567)	35,939	-	(8,936)	-
<b>Net Cash from (used for) Financing Activities</b>	<u>\$ (4,896)</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 506,460</u>	<u>\$ (678,567)</u>	<u>\$ 35,939</u>	<u>\$ -</u>	<u>\$ (2,588,936)</u>	<u>(2,580,000)</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	\$ 866,194	\$ (22,274)	\$ (425,002)	\$ (1,461,208)	\$ (304,917)	\$ (176,487)	\$ 4,898	\$ (200,000)	(1,718,796)
<b>Cash, Cash Equivalents, and Restricted Cash, Beginning of Year</b>	<u>4,435,294</u>	<u>668,092</u>	<u>665,274</u>	<u>3,407,210</u>	<u>528,469</u>	<u>457,445</u>	<u>158,029</u>	<u>200,000</u>	<u>10,519,813</u>
<b>Cash, Cash Equivalents, and Restricted Cash, End of Year</b>	<u>\$ 5,301,488</u>	<u>\$ 645,818</u>	<u>\$ 240,272</u>	<u>\$ 1,946,002</u>	<u>\$ 223,552</u>	<u>\$ 280,958</u>	<u>\$ 162,927</u>	<u>\$ -</u>	<u>\$ 8,801,017</u>

The accompanying notes are an integral part of these financial statements.

# Highlands Ranch Community Association

## Notes to Financial Statements

### December 31, 2022

---

#### 1. Definition of Reporting Entity

---

Highlands Ranch Community Association, Inc. (the Association, we, us, our) was incorporated in September 1981 as a non-profit corporation to enhance the quality and value of all property that becomes part of the Community Association Area, to act as manager of Association-owned properties, and to perform functions for the benefit of owners of privately owned sites within the Community Association Area. The Community Association Area, located in what is known as Highlands Ranch, contains approximately 22,000 acres located in Douglas County, Colorado. As of December 31, 2022, the membership consisted of approximately 31,530 privately owned sites and 390 commercial sites.

The Association owns and operates four recreation centers, providing year-round youth and adult fitness programs and educational opportunities, administers architectural control and covenant enforcement activities, manages the Backcountry Wilderness Area (the Backcountry), and hosts over 50 community events per year. The Association operates as a common interest realty association (commonly referred to as “homeowner association”).

#### 2. Summary of Significant Accounting Policies

---

The more significant accounting policies of the Association are described as follows:

##### **Basis of Presentation**

The accompanying financial statements are presented in accordance with the Audit and Accounting Guide for Common Interest Realty Associations published by the American Institute of Certified Public Accountants. The Association follows the accrual method of accounting whereby assessments and revenues are recorded when due and expenses are recorded when incurred.

##### **Fund Accounting**

The Association has elected certain guidelines for governing our financial activities. To ensure observance of limitations and restrictions on the use of financial resources, we maintain our accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the financial statements in the following funds and subsidiary funds established according to their nature and purpose:

- Administrative Fund
  - Operating Fund
  - Reserve Fund
- Open Space Conservation Agreement Fund (OSCA Fund)
- Recreation Fund
  - Operating Fund
  - Reserve Fund
  - Backcountry Operating Fund
  - Backcountry Reserve Fund
  - Debt Service and Plant Fund

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

## 2. Summary of Significant Accounting Policies (continued)

---

Operating funds account for all current operating transactions of the Association. Reserve funds are accumulated in separate bank accounts to provide for the future repair and replacement of common areas. The debt service and plant fund accounts for the recreational property and equipment and related debt. The OSCA fund accounts for all transactions related to the agreement with Shea Homes Limited Partnership (Shea Homes), the declarant.

### **Cash, Cash Equivalents, and Restricted Cash**

The Association considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Restricted cash represents funds designated for special projects, reserves, or held for bond principal and interest payments.

### **Money Market Investments**

Cash held by brokers in money market funds are considered investments and not cash equivalents for the purposes of the statement of cash flows. The Association's money market investments are reported at their fair values in the balance sheet. All money market investments held are Level 1, refer to footnote 3 for more information on fair value hierarchy. Restricted money market investments represents funds designated for special projects, reserves, or held for bond principal and interest payments.

### **Investments in Debt Securities**

The Association's marketable debt investments are classified as available-for-sale based on management's intent. Investments are reported at their fair values in the balance sheet.

### **Assessments Receivable**

Assessment fees are billed quarterly to all privately-owned sites based on annually budgeted amounts, which consider formulas contained in the Community Declaration. Under Colorado law, we have a statutory right to lien members' properties to ensure payment of assessments due. Balances are stated net of an allowance for uncollectable assessments. We determine the allowance for uncollectable assessments receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Assessments receivable are written off when deemed uncollectable. At December 31, 2022, the allowance was \$74,821.

### **Accounts Receivable, Other**

Other accounts receivable are comprised of interest and other miscellaneous receivables. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2022, no allowance for accounts receivable, other was considered necessary.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

## 2. Summary of Significant Accounting Policies (continued)

### Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of expenses paid in advance but not yet incurred, and inventory of recreation center merchandise, which is carried at the lower of cost or net realizable value using the first-in, first-out method.

### Property, Plant and Equipment

The Association capitalizes all common real property to which we have title or other evidence of ownership and the legal right and/or ability either to dispose of the property at the discretion of the Board of Directors for cash or claims to cash, and retain the proceeds therefrom, or to use the property to generate significant cash flows from members on the basis of usage.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Capitalization Threshold	Useful Life
Buildings and Improvements	\$ 20,000	5-20
Furniture and Equipment	3,000	3-10
Land	All	N/A

Common areas are generally restricted to use by Association members, their tenants, and guests. We are responsible for the preservation and maintenance of the common areas.

Replacements and improvements to the real property and common areas are capitalized at cost. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of revenues, expenses and changes in fund balances. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Association reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2022.

Under the terms of the Open Space Conservation Agreement (the OSCA Agreement) between the Association, Douglas County, and Shea Homes, we received 7,363 acres of land for use as open space or other permitted recreational, cultural, or educational purposes pursuant to the OSCA Plan. The land, known as the Backcountry, is not reflected as an asset in our financial statements because it is not severable and saleable at the Board's discretion without member delegates' approval, nor is it used to generate significant cash flows from the members of the Association.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

## 2. Summary of Significant Accounting Policies (continued)

---

### Assets Designated for Reserves

Assets designated for reserves are comprised of accumulated funds designated by the Board of Directors to ensure the availability of funds for future major repairs and replacements of common areas, and for general operations when needed.

### Assets Held for Bond Principal and Interest Payments

Under the terms of our bond agreements, we are required to maintain a bond reserve fund equal to the scheduled maximum annual principal and interest payments on the bond for the following year. The account funded at December 31, 2022 totaled \$3,206,405.

### Revenue and Revenue Recognition

The Association recognizes revenue from homeowner assessments over the assessment period, which is generally one year, during which time members have continuous access to four recreation centers and common areas, architectural control and covenant enforcement, other services, and certain community events. The assessments are used to cover the costs of operating the Association, to maintain the common elements and improvements, and to provide for the repair and replacement of facilities. Assessments for 2022 were \$155.72 per quarter/\$622.88 per year per site. Assessments were increased to \$165 per quarter/\$660 per year per site starting January 1, 2023. Privately-owned sites designated for commercial use are billed for administrative purposes only.

Facility operations, including recreation programs, facility rentals, and product sales, as well as community events revenue is recognized when the programs, rentals, product sales or community events take place.

Homeowner assessments paid in advance are deferred to the assessment period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying program, rental, product delivery or special community event takes place. Due to the nature and timing of the performance and/or transfer of services and products, substantially all deferred revenue at December 31 of each year is earned in the following year.

### Advertising Costs

Advertising costs are expensed as incurred and totaled \$92,048 during the year ended December 31, 2022.

### Income Taxes

The Association is organized as a Colorado non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purpose, and we file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

## 2. Summary of Significant Accounting Policies (continued)

---

### Income Taxes (continued)

Unrelated business income primarily represents advertising revenue associated with our activity guide. We did not incur any material income tax expense from these unrelated activities for the year ended December 31, 2022.

We believe that we have appropriate support for any tax positions taken affecting our annual filing requirements, and as such, do not have any uncertain tax positions that are material to the financial statements. We will recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Our Form 990-T and related state income tax filings are no longer subject to tax examinations for years before 2019.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and investments with financial institutions we believe to be creditworthy. As of December 31, 2022, balances of cash and cash equivalents exceeded federally insured limits, but the Association has never experienced a loss. Credit risk associated with assessments, and accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from homeowners, whose properties are subject to statutory limit to ensure payment.

### Recently Issued Accounting Pronouncements

In February of 2016, the FASB issued ASU 2016-02 *Leases*. Under the new guidance, lessees will be required to recognize so called right of use assets and liabilities for most leases having lease terms of 12 months or more. This update is effective in annual reporting periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. The Association has evaluated all lease agreements and determined there are no material leases required to be reported under the new standard.

### Subsequent Events

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued. During this period, the Association was not aware of any material recognizable subsequent events.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

### 3. Investments in Debt Securities

---

In accordance with the Fair Value Measurements of FASB Accounting Standards Codification (ASC) 820-10, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect HRCA's own estimates of assumptions that market participants would use in pricing the asset or liability.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Association's assessment of the quality, risk, or liquidity profile of the asset or liability.

Debt securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange as well as other U.S. government securities that are traded by dealers or brokers in active over-the-counter markets.

All securities held at December 31, 2022 were Level 1.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

### 3. Investments in Debt Securities (continued)

In 2022, available-for-sale debt securities are reported at fair market value based on quoted prices in active markets. The cost of debt securities and their approximate fair values at December 31, 2022 are as follows:

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<u>2022</u>				
U.S. Government Agencies	\$ 2,853,372	\$ 9,175	\$ (106,541)	\$ 2,756,006
	\$ 2,853,372	\$ 9,175	\$ (106,541)	\$ 2,756,006

Change in unrealized holding gains (losses) for debt securities during 2022 was (\$97,366) and is included in Interest and Other Revenue, displayed in the statement of Statement of Revenues, Expenses and Changes in Fund Balances.

The following is a summary of maturities of investments classified as corporate bonds, government bonds and municipal bonds:

	Amortized Cost	Fair Value
Amounts maturing in:		
One year or less	\$ 2,463,164	\$ 2,471,589
Asset-backed securities	390,208	284,417
	\$ 2,853,372	\$ 2,756,006

Information pertaining to securities with gross unrealized losses at December 31, 2022, aggregated by length of time individual securities have been in a continuous loss position, is as follows:

	Less than 12 months		12 months or more		Total	
	Unrealized		Unrealized		Unrealized	
	Fair Value	Loss	Fair Value	Loss	Fair Value	Loss
U.S. Government Agencies	\$ 720,951	\$ (18,373)	\$ 188,553	\$ (88,169)	\$ 909,504	\$ (106,541)
	\$ 720,951	\$ (18,373)	\$ 188,553	\$ (88,169)	\$ 909,504	\$ (106,541)

Unrealized losses at December 31, 2022 were due to fluctuations in the market interest rates. Management has the ability to hold these investment securities until the fair value or unamortized cost is recovered, which may be maturity, and therefore, does not consider them to be other-than-temporarily impaired at December 31, 2022.

Management evaluates securities for other-than-temporary impairment on a regular basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Association to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

#### 3. Investments in Debt Securities (continued)

Investment income at December 31, 2022 consisted of the following:

Interest and dividends: Debt Securities	\$ 7,108
Interest and dividends: Money Market	136,427
Unrealized gains (losses)	<u>(97,366)</u>
	\$ 46,169

As of December 31, 2022, accrued interest on investments of \$6,810, is included in the accompanying balance sheet.

#### 4. Property, Plant and Equipment

Property and equipment, consists of the following at December 31, 2022:

	Administrative	Recreation		Total
	Fund	Fund		
	Reserves	Backcountry Reserves	Debt Service and Plant	
Buildings and improvements	\$ 569,604	\$ 313,088	\$ 68,822,070	\$ 69,704,762
Furniture and equipment	-	1,017,216	6,281,451	7,298,667
Land	-	-	1,925,000	1,925,000
	<u>569,604</u>	<u>1,330,304</u>	<u>77,028,521</u>	<u>78,928,429</u>
Accumulated depreciation	<u>(367,132)</u>	<u>(874,171)</u>	<u>(44,078,059)</u>	<u>(45,319,362)</u>
	202,472	456,133	32,950,462	33,609,067
Construction in progress	-	34,018	72,272	106,290
Property and equipment, net	<u>\$ 202,472</u>	<u>\$ 490,151</u>	<u>\$ 33,022,734</u>	<u>\$ 33,715,357</u>

#### 5. Interfund Agreement and Transactions

The Association accounts for transactions that impact multiple funds by recognizing amounts due to other funds and amounts due from other funds in the balance sheet. These transactions are cash settled on a regular basis, are non- interest bearing and generally are short-term in nature.

In April 2014, we entered into a \$1,500,000 OSCA Loan Agreement (the OSCA Loan), between the OSCA Fund and the Recreation Reserve Fund, which matures in January 2024. The proceeds of the OSCA Loan were utilized to fund an energy savings project and associated repair and replacement costs. The OSCA Loan bears interest at a rate commensurate with the highest current interest rate for a one-year certificate of deposit available to us through Morgan Stanley as of January 1 and July 1 of each calendar year (0.35% at December 31, 2022), with interest and principal payable quarterly. The Recreation Reserve Fund may prepay the OSCA Loan at any time without penalty. The balance outstanding at December 31, 2022 is \$187,500.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

#### 5. Interfund Agreement and Transactions (continued)

---

In addition, the administrative operating fund and the recreation operating fund charge an interfund management fee for legal and other related costs associated with assessment fees. This fee is recognized based on the Association's Community Declaration in which a portion of assessment fees is allocated pro-ratably among the administrative operating fund and the recreation operating fund.

---

#### 6. Bonds Payable

---

Bonds payable consist of the following at December 31, 2022:

Series 2004 Homeowners Assessment Revenue Bonds, dated August 19, 2004 <sup>(a)(b)</sup> \$ 5,963,915

- (a) Payable in annually-increasing amounts through 2024, with interest due semi-annually at 5.95%, net of unamortized bond issuance costs of \$26,085 (based upon an effective interest rate of 6.27%).
- (b) The bonds are callable in whole or in part at any time, are subject to a call premium based on the net present value of the future cash flows of the bonds called, discounted using a defined market rate at the time of redemption. The bonds and interest are insured as to repayment by MBIA Insurance Corporation.

The Association is subject to various bond covenants, including a requirement that the Association make deposits equal to one-fourth of the annual principal and interest due for the fiscal year to the Bond Fund each quarter. The fourth quarter deposit must be made prior to December 1st each year.

Future bond principal and interest payments, and amortization of bond issuance costs, are as follows for the years ending December 31:

Year	Principal	Interest	Total
2023	\$ 2,850,000	\$ 356,405	\$ 3,206,405
2024	3,140,000	186,830	3,326,830
	5,990,000	543,235	6,533,235
Less unamortized debt issuance costs	(26,085)	-	(26,085)
	\$ 5,963,915	\$ 543,235	\$ 6,507,150

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

#### 7. Revenue from Contracts with Customers

---

The following table provides information about significant changes in the assessments paid in advance and deferred revenue for the year ended December 31, 2022:

Assessments paid in advance, beginning of year	\$ 2,060,709
Homeowner assessments and fees recognized	(20,516,415)
Collections of homeowner assessments and fees	<u>20,795,141</u>
Assessments, paid in advance, end of year	<u>\$ 2,339,435</u>
Deferred revenue, beginning of year	\$ 1,052,169
Recreational programs, facility operations, and community events revenue recognized	(7,856,972)
Collections of program, facility and community fees	<u>7,866,941</u>
Deferred revenue, end of year	<u>\$ 1,062,138</u>

---

#### 8. Future Major Repairs and Replacements

---

The Association's Community Declaration requires the accumulation of funds for future major repairs and replacements of common areas, and for general operations to ensure the availability of funds when needed. We fund these reserves on a quarterly, or as-needed, basis. We annually review the reserve funding program as part of its budgeting process.

The Association retained an engineering firm to perform a study of our recreational buildings and equipment in 2022. Based on this analysis, we have accumulated funds totaling \$5,565,197 in the Recreation Reserve Fund, \$1,054,294 in the Administrative Reserve Fund, and \$693,546 in the Backcountry Reserve Fund for the future repair and replacement of recreation facilities and equipment, future repair and replacement of administrative office equipment and backcountry trails and property improvements, respectively. See Required Supplemental Information for further detail.

The Association established funding requirements of \$775,000, \$0, and \$0 in the 2023 Recreational Reserve Fund budget, the 2023 Administrative Reserve Fund budget and the 2023 Backcountry Reserve Fund budget, respectively.

The reserve funds are being accumulated based upon estimated future costs. Actual expenditures vary from those estimates and variations may be material. Therefore, amounts accumulated in the Recreation Reserve Fund, the Administrative Reserve Fund and Backcountry Reserve Fund may not be adequate to meet future needs. If additional funds are needed, we have the right, subject to member delegates' approval, to pass special assessments or delay major repairs and replacements until funds are available.

# Highlands Ranch Community Association

## Notes to Financial Statements (continued)

### December 31, 2022

---

#### **9. Solar Contracts**

---

The Association entered into three separate 20-year agreements with a solar garden operator for subscription to solar energy production. The agreements expire at various dates during the years ending December 31, 2038 through 2040. The solar gardens are constructed, owned, operated and maintained by the operators. Colorado law allows us to produce solar energy and attribute the share of such production to one or more of our metered premises through credits received from Xcel Energy. Our share of production is assigned a rate of 1 kilowatt per hour (kwh) in effect during the year in which the production month occurs, regulated by the Colorado Public Utilities Commission. Total production capacity from three solar gardens is estimated at approximately 6.2 million kwh. The payments for solar energy depend on the actual production of solar energy from the specific solar garden in which we subscribe times the rate in effect in any given year. During the year ended December 31, 2022, we made payments of \$424,191 to the solar garden operator and received \$452,482 Xcel Energy credits in return. The agreements allow us to continue our efforts in evaluating alternative energy and conservation opportunities in our community, further our sustainability initiatives and reduce the overall dependence on conventional sources of energy.

#### **10. Retirement Plan**

---

The Association sponsors a tax-deferred defined contribution retirement plan (the Plan) qualified under Section 401(k) of the Internal Revenue Code covering substantially all employees meeting the eligibility requirements. The plan provides that employees who have attained the age of 21 and completed either six months of continuous service in a full-time designated benefited position or completed 1,000 hours of service in an eligibility period in a part-time position, may voluntarily contribute part of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year.

During the year ended December 31, 2022, we matched employee voluntary contributions dollar-for-dollar up to 5%, resulting in total contributions to the Plan of \$268,870. Employees' voluntary contributions are immediately vested; our contributions vest at 20% per year of participation.

#### **11. Contingency**

---

The Association may become involved in claims and pending litigation arising in the normal course of operations and carries liability insurance to mitigate against such risks.

#### **12. Related Party Transactions**

---

The Association presents its transactions with related parties and affiliated entities in accordance with FASB ASC 850, Related Party Disclosures.

**Highlands Ranch Community Association**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

---

**12. Related Party Transactions (continued)**

---

As identified within FASB ASC 850, related parties could include, but are not limited to, owners of more than 10% of the voting interests of the Association, management of the Association, or other parties with significant influence over the management and/or operating policies of the Association.

During the year the Association collected assessment revenue from five members of management and five board of directors totaling \$6,228.

The Association performs certain accounting and back office services for three 501(c)3 affiliated entities, Highlands Ranch Cultural Affairs, Highlands Ranch Scholarship Fund, and Highlands Ranch Backcountry Conservation and Education Fund for which recorded revenue was \$107,446 with a receivable of \$19,163 owing as of December 31, 2022. Grant revenue was also recorded from Highlands Ranch Cultural Affairs of \$15,000. Additionally, the Association collects program and other revenue on behalf of the entities for which recorded expenses were \$50,000 with a payable of \$15,590 owed as of December 31, 2022.

## **Supplementary Information**

**Highlands Ranch Community Association**  
**Schedule of Estimated Future Major Repairs and Replacements**  
**December 31, 2022**

The Association commissioned a study in 2022 by an independent engineering firm to assess the condition of all common area components and to estimate the remaining useful lives and the replacement costs in order to establish adequate reserve funds for the upkeep of the properties. Historically, we have commissioned a study every three to five years. During the intervening periods, we adjust the most recent estimate of current replacement costs by applying the inflation index built into the study in addition to obtaining bids for current-year projects. A funding plan has been established using cash flow method, which develops a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund, with provisions for inflation and interest rates of 3.5%.

Our policy is to maintain sufficient funds designated for reserves to accommodate a minimum of one year and maximum of two years of capital expenditures calculated using a 3-year average of actual costs incurred. Our budgeted outlook for capital expenditures is based on the schedule of anticipated repair and replacement projects in the reserve study to cover major capital repairs, replacements, maintenance, care, restoration and improvements.

The following table is based on the 2022 study through end of year 2040, adjusted for projected inflation and interest rates built into the study, and presents significant information about the components of the buildings, furniture and equipment, and assets designated for reserves as of December 31, 2022.

<u>Major Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Future Replacement Costs</u>
Paving	0-20	\$ 2,773,072
Flatwork	0-2	413,902
Landscaping and appurtenances	0-30	1,897,387
Façade	0-30	1,166,981
Roofing	0-50	3,884,279
Interior	0-40	19,285,720
Mechanical	0-40	12,781,292
Fire and safety	0-20	739,303
Amenities	0-40	20,875,818
Miscellaneous	0-25	4,916,279
IT	0-2	6,996,405
		<u>\$ 75,730,438</u>
 <b><u>Replacement Costs by Location</u></b>		
Northridge Recreation Center		\$ 13,796,980
Eastridge Recreation Center		24,172,657
Westridge Recreation Center		12,759,256
Southbridge Recreation Center		16,522,388
Backcountry		1,410,401
Administrative office		7,068,756
Total		<u>\$ 75,730,438</u>