



ASSOCIATION and METROPOLITAN DISTRICT

Budget & Finance Committee

Agenda

Monday, April 18, 2022, Zoom Meeting

10:00 a.m.

Committee Members: Co-chairs Terry Hostetler (HGA Treasurer) and Bill Archambault (HGMD Treasurer), Ray Nash, Craig Baldwin, Harry Laubach, Randy Lane, Richard Ferguson, Linda Serio

Staff: Jon Rea (CEO) and Jerry Counts (CFO)

1. Call meeting to order. Welcome guests. Chair's comments.
2. Changes or Additions to Budget & Finance Committee Report: March 14, 2022
3. **Monthly Operating Analysis Review** – March 2022
4. **Subcommittee and Other Reports:**
 - a. Audit Subcommittee (Craig Baldwin) – March 28, 2022, Report
 - b. Insurance Subcommittee (Randy Lane) March 18, 2022 Update
 - c. Capital Program Subcommittee (Ray Nash)
 - d. Investment (Terry Hostetler)
5. **Unfinished Business:**
6. **New Business:**
 - a. Review 2021 Audit HGA and HGMD (RubinBrown)
 - b. Information on Emergency Expenditure - Purchased a 100-gallon hot water tank to install for Building 216 (\$34,530)
 - c. Recommend Increasing CEO discretionary Spending Authority to \$20,000
 - d. Recommend the Chair Rail Project for Building 214 (\$25,818)
 - e. Recommend the Chair Rail Project for Building 219 (\$25,818)
 - f. Recommend the Chair Rail Project for Building 243 (\$25,818)
7. Members of the audience wishing to speak on non-agenda items. Time limit-3 minutes.
8. **Adjournment**

Members of the audience wishing to speak on agenda items will be recognized to speak at the time an agenda item is being addressed.

The next regular meeting is on May 16, 2022, at 10 a.m.

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE
MARCH 14, 2022, MEETING REPORT
BOARD ROOM AND ZOOM MEETING**

TO: Members of the Heather Gardens Budget & Finance Committee,
HGA Board of Directors, HGMD Board of Directors, and Chief Executive Officer.

FROM: Terry Hostetler, HGA Treasurer, and Bill Archambault, HGMD Treasurer

Committee: Terry Hostetler, Co-Chair, Bill Archambault, Co-Chair, Craig Baldwin,
Harry Laubach, Ray Nash, Randy Lane, Linda Serio, and Richard Ferguson.
Committee members Ferguson and Serio were absent.

Staff: Jon Rae, CEO; Jerry Counts, CFO.

Audience: Approximately 20 residents, including HGA Board Members and HGMD Board Members

Welcome and Chair Comments: The B&F Committee meeting was called to order at 10:00 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

The February 14, 2022, B&F Committee meeting report was accepted as presented.

Monthly Operating Analysis Review: Jerry Counts, CFO, reviewed the November financial statements for HGA and HGMD. All questions were answered. The CFO mentioned that the 2021 audits should be ready for review at the April Budget and Finance Committee meeting,

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: The committee will hold a workshop on Friday, March 18th.

Capital Projects Subcommittee: No meeting.

Investment Update: There is a motion regarding investments in annuities.

Unfinished Business: None

New Business:

- 1) Motion by Baldwin, seconded by Nash and passed unanimously to recommend that the HGA Board of Directors approve a total investment of \$1,000,000 by HGA into four

fixed annuity contracts at \$250,000 each for a 3-year period as recommended by the Nice Group of Raymond James, HGA's investment advisor.

- 2) Motion by Laubach, seconded by Lane and passed unanimously to recommend that the HGA Board of Directors approve the Carpet Replacement Project at a project cost of \$96,255,
- 3) Motion by Lane, seconded by Baldwin and passes unanimously to recommend that the HGA Board of Directors approve the contract for the Elevator Jack Replacement Project for Building 243, 244, and 250 at a project cost of \$264,000. This is \$94,000 more than the 2022 budget.
- 4) Motion by Baldwin, seconded by Laubach and passed unanimously to recommend that the HGA Board of Directors approve the Concrete Repairs Work project at a cost of \$196,920.
- 5) Motion by Laubach, seconded by Lane and passed unanimously to recommend that the HGA Board of Directors approve the Handrail Repair Project at a cost of \$27,718.
- 6) Motion by Lane, seconded by Baldwin and passed unanimously to recommend that the HGA Board of Directors approve Emergency Elevator Repairs in buildings 209 and 234 for a cost of \$17,297.97.
- 7) Motion by Baldwin, seconded by Laubach and passed unanimously to recommend that the HGMD Board of Directors approve carrying forward the 2021 budget to 2022 for the Maintenance Facility Parking Lot Asphalt Project for a cost of \$59,282.
- 8) Motion by Baldwin, seconded by Laubach and passed to recommend that the HGA Board of Directors increase the CEO's discretionary spending authority to \$25,000. After discussion, the maker of the motion and the second to the motion removed the motion and tabled the motion until the April committee meeting.
- 9) Motion by Lane, seconded by Baldwin and passed unanimously to recommend that the HGMD Board of Directors approve the use of Lottery Funds (Conservation Trust Funds) for the Golf Practice Cage improvement project at a cost of \$5,713.51.

Discussion of HOA assessment Accounts Receivable. Jerry Counts, CFO, reviewed a summary analysis of assessments receivable. The analysis covered month end assessments receivable from June 2021 through February 2022. Total assessments receivable have been reduced by approximately \$164,000 over that period. The committee and residents who made comments were highly complementary of the efforts by the CFO in collecting and reducing the assessments receivable.

Members of the audience wishing to speak on non-agenda items: None

The meeting was adjourned at 11:35 AM.
The next meeting will be on April 18, 2022.

HEATHER GARDENS ASSOCIATION

Budget Exceptions Report

Through: 03/31/22

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% of Budget	Annual Budget	% of Annual Budget Spent
OPERATIONS						
Assessment Income - 2022	\$ 2,617,230	\$ 2,616,676	\$ 554	0.02%	\$ 10,466,713	25%
Assessment Surplus - 2020	\$ 54,966	\$ 54,966	\$ -	0.00%	\$ 219,850	25%
Misc Income	\$ 41,099	\$ 38,503	\$ 2,596	6.74%	\$ 162,508	25%
Total Income	\$ 2,713,295	\$ 2,710,145	\$ 3,150	0.12%	\$ 10,849,071	25%
Expenses:						
General	\$ 1,042,063	\$ 1,074,178	\$ 32,115	2.99%	\$ 4,361,134	24%
Custodial	\$ 116,455	\$ 110,920	\$ (5,535)	-4.99%	\$ 446,004	26%
Contracts	\$ 51,878	\$ 55,039	\$ 3,161	5.74%	\$ 225,531	23%
Maintenance	\$ 573,548	\$ 610,888	\$ 37,340	6.11%	\$ 2,445,823	23%
Administration	\$ 293,667	\$ 327,926	\$ 34,259	10.45%	\$ 1,347,061	22%
Paint	\$ 83,412	\$ 88,251	\$ 4,839	5.48%	\$ 347,964	24%
Roads & Grounds	\$ 269,064	\$ 267,411	\$ (1,653)	-0.62%	\$ 1,161,178	23%
Security	\$ 136,290	\$ 157,124	\$ 20,834	13.26%	\$ 617,380	22%
Total Expenses	\$ 2,566,377	\$ 2,691,737	\$ 125,360	4.66%	\$ 10,952,075	23%
Net Operating Income/(Loss)	\$ 146,918	\$ 18,408	\$ 128,510		\$ (103,004)	
CAPITAL RESERVES						
Capital Reserve Income	\$ 850,360	\$ 850,458	\$ (98)	-0.01%	\$ 3,401,830	25%
Interest Income	\$ 2,346	\$ 1,470	\$ 876		\$ 8,900	
Capital Expenditures	\$ 151,298	\$ 584,893	\$ 433,595	74.13%	\$ 3,935,461	4%
Net Capital Reserve Income	\$ 701,408	\$ 267,035	\$ 434,373		\$ (524,731)	
GRAND TOTALS	\$ 848,326	\$ 285,443	\$ 562,883		\$ (627,735)	

Executive Summary						
	YTD ACTUAL	YTD BUDGET	VARIANCE	% of Budget	Annual Budget	% of Annual Budget Spent
Income Summary	\$ 2,713,295	\$ 2,710,145	\$ 3,150	0.12%	\$ 10,849,071	25%
Expense Summary	\$ 2,566,377	\$ 2,691,737	\$ 125,360	4.66%	\$ 10,952,075	23%
Overall Expenses						
General	For March, General Expenses came in about \$13K below budget primarily due to not incurring any special election costs as budgeted. Utilities and Insurance expenses were about \$0.6K under budget for March.					
Custodial	Custodial net wages/benefits for March were below budget by \$4K due to having 7 FTEs vs a budget of 8. Supplies were over budget in March due to the purchase of 2 vacuum cleaners.					
Contracts	March overall expenses were slightly below budget.					
Maintenance	Net wages/benefits were \$13K below budget in March primarily due to one less FTE, and larger charge-outs to other departments and residents than budgeted. 13 OPX line items exceeded budget in March totaling \$40K. These over budget amounts included \$6.4K for glass replacements, \$6K for heat pumps parts, \$5K for lights, \$4.7K for fire system backflow tests and alarm service calls for 5 blgs, and \$4.7K for breakers and power supply for the Starry Internet. However, these were offset by 18 OPX line items that were below budget by \$32K.					
Administration	March net wages/benefits were below primarily due to being down 2.5 FTEs.					
Paint	March Paint costs came in \$1.7K above budget primarily due to supply costs. However, for YTD, Paint's total cost is \$4.8K below budget.					
Roads & Grounds	March FT salaries are lower due to being down 2 FTEs. However, the savings were partially offset by higher OT wages resulting from the snow events in March. Snow Removal Supplies have exceeded the annual budget. We have had several snow events in the last 3 months that required multiple applications. We do have inventory available for another 2-3 storms. Equipment Repairs exceeded budget by \$3K due to snowplow parts, suspension upgrade, and purchase of shop supplies.					
Security	March costs were nearly breakeven compared to budget. The \$5K savings from not incurring the ProVigil cost were partially offset by \$1.6K for 3 security cameras in the maintenance building. A radio that failed was replaced with a like product that included blue tooth hands-free capability for officers while driving/patrolling - \$1K. \$0.5K was incurred for 7 wearable safety lights.					

**HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:
MARCH 2022**

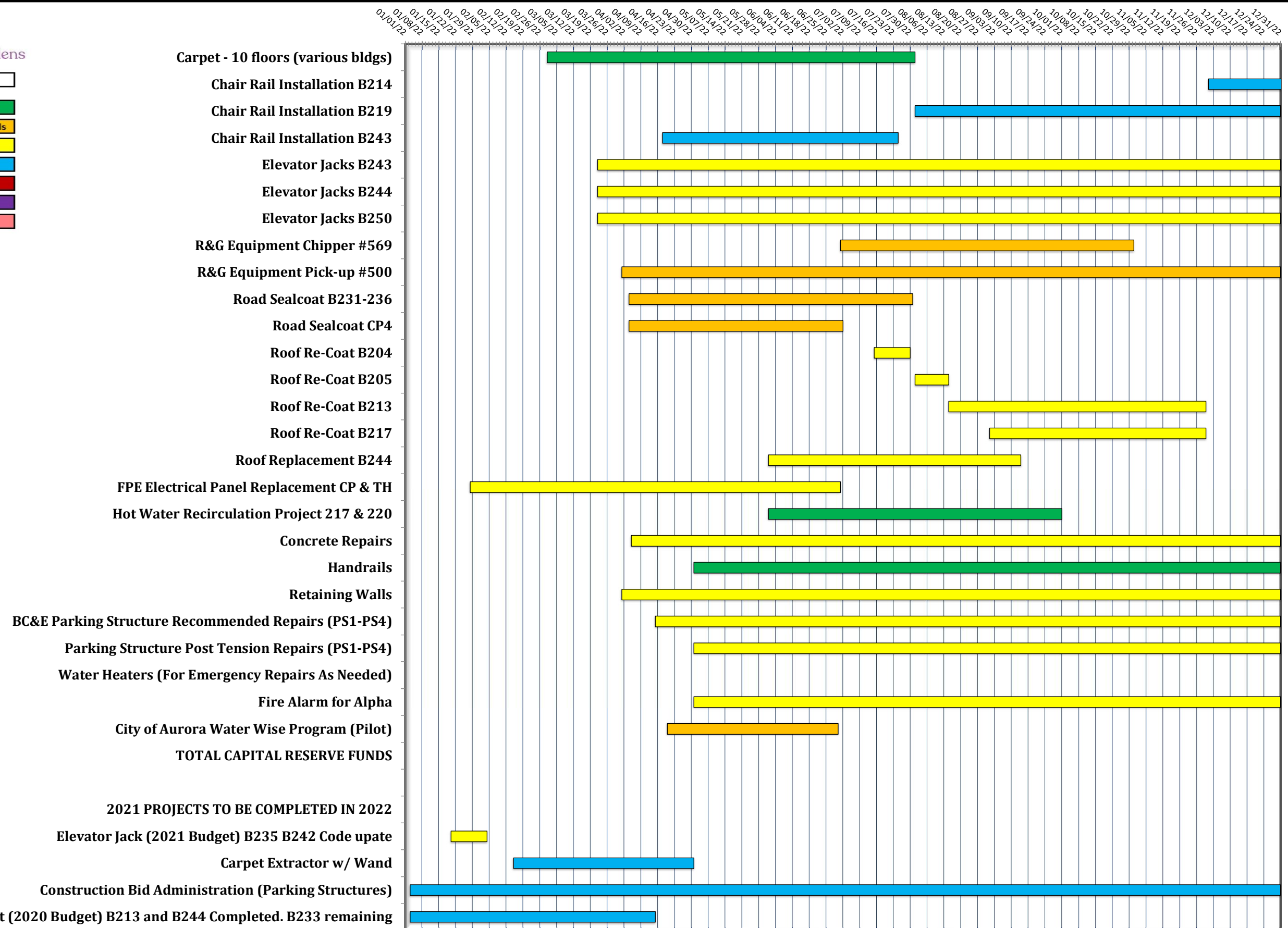
2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D		A-C-D	
Carpet - 10 floors (various bldgs)	F780	\$96,255		-100%	03/01/22	08/01/22	153		\$0	#DIV/0!	\$96,255	Board Approved. Working with Vendor for Schedule
Chair Rail Installation B214	F781	\$25,819		-100%	12/01/22	04/01/23	121		\$0	#DIV/0!	\$25,819	Board Approved
Chair Rail Installation B219	F782	\$25,819		-100%	08/01/22	12/31/22	152		\$0	#DIV/0!	\$25,819	Board Approved
Chair Rail Installation B243	F783	\$25,819		-100%	04/18/22	07/25/22	98		\$0	#DIV/0!	\$25,819	Board Approved. Construction to Start 4/18/22
Elevator Jacks B243	F784	\$65,000		-100%	03/22/22	12/31/22	284		\$0	#DIV/0!	\$65,000	Contractors Cost to Replace (2) Elevators at B243 is \$112,000. The recommendation is to reallocate money from the 2022 Fire Alarm Project, considering this project will mostly be investigative work in 2022. Board Approved
Elevator Jacks B244	F785	\$65,000		-100%	03/22/22	12/31/22	284		\$0	#DIV/0!	\$65,000	Contractors Cost to Replace (2) Elevators at B244 is \$112,000. The recommendation is to reallocate money from the 2022 Fire Alarm Project, considering this project will mostly be investigative work in 2022. Board Approved.
Elevator Jacks B250	F786	\$40,163		-100%	03/22/22	12/31/22	284		\$0	#DIV/0!	\$40,163	Contractors Pricing is \$40,000. We will only have \$163 in Change Order Reserve Money. Board Approved.
R&G Equipment Chipper #569	F787	\$20,188		-100%	07/01/22	10/31/22	122		\$0	#DIV/0!	\$20,188	Not enough money in the budget
R&G Equipment Pick-up #500	F788	\$54,258		-100%	04/01/22	12/31/22	274		\$0	#DIV/0!	\$54,258	Obtaining pricing
Road Sealcoat B231-236	F789	\$37,000		-100%	04/04/22	07/31/22	118		\$0	#DIV/0!	\$37,000	We are looking at using the budgeted funds to take care of puddling and drainage issues in lieu of sealcoat. This would be the best use of the budgeted funds for this project. 4/4/22 - Collecting Bids
Road Sealcoat CP4	F790	\$44,975		-100%	04/04/22	07/02/22	89		\$0	#DIV/0!	\$44,975	Collecting Bids
Roof Re-Coat B204	F791	\$50,546		-100%	07/15/22	07/30/22	15		\$0	#DIV/0!	\$50,546	Contracts Dept. Is working with Rocky Mountain Reps. to determine if there are other 4-story buildings in more need of roof replacement/ re-coat
Roof Re-Coat B205	F792	\$50,546		-100%	08/01/22	08/15/22	14		\$0	#DIV/0!	\$50,546	Contracts Dept. Is working with Rocky Mountain Reps to determine if there are other 4-story buildings in need of roof replacement/ re-coat
Roof Re-Coat B213	F793	\$48,836		-100%	08/15/22	11/30/22	107		\$0	#DIV/0!	\$48,836	
Roof Re-Coat B217	F794	\$62,951		-100%	09/01/22	11/30/22	90		\$0	#DIV/0!	\$62,951	

**HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:
MARCH 2022**

2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D		A-C-D	
Roof Replacement B244	F795	\$360,000		-100%	06/01/22	09/14/22	105		\$0	#DIV/0!	\$360,000	Contracts Dept is working with Rocky Mountain Reps to determine if there are other 6-story roofs in higher need of roof replacement.
FPE Electrical Panel Replacement CP & TH	F796	\$217,350	\$166,032	-24%	01/28/22	07/01/22	154	\$71,960	\$94,072	-57%	\$145,390	Materials have been purchased.
Hot Water Recirculation Project 217 & 220	F797	\$39,000		-100%	06/01/22	10/01/22	122		\$0	#DIV/0!	\$39,000	
Concrete Repairs	F798	\$196,920		-100%	04/05/22	12/31/22	270	\$650	(\$650)	#DIV/0!	\$196,270	
Handrails	F799	\$27,718		-100%	05/01/22	12/31/22	244		\$0	#DIV/0!	\$27,718	
Retaining Walls	F800	\$119,310		-100%	04/01/22	12/31/22	274		\$0	#DIV/0!	\$119,310	Collecting Bids
BC&E Parking Structure Recommended Repairs (PS1-PS4)	F801	\$825,000		-100%	04/15/22	12/31/22	260		\$0	#DIV/0!	\$825,000	
Parking Structure Post Tension Repairs (PS1-PS4)	F802	\$300,150		-100%	05/01/22	12/31/22	244		\$0	#DIV/0!	\$300,150	PSAC is weighing their options to make a recommendation to the board.
Water Heaters (For Emergency Repairs As Needed)	F803	\$40,163		-100%			0		\$0	#DIV/0!	\$40,163	
Fire Alarm for Alpha	F804	\$180,018		-100%	05/01/22	12/31/22	244		\$0	#DIV/0!	\$180,018	In 2022 this project will include the investigative work. The recommendation is to reallocate this money to cover the over budget Elevator Jack project of \$94,000
City of Aurora Water Wise Program (Pilot)	F805	\$67,704		-100%	04/20/22	06/30/22	71		\$0	#DIV/0!	\$67,704	Working with City of Aurora
TOTAL 2022 FUNDED PROJECTS		\$3,086,508	\$166,032	-95%				\$72,610	\$93,422		\$3,013,898	
2022 CONTINGENCY PROJECTS												
One Time Projects	F806.1 - F806.9	\$110,872			01/01/22	12/31/22	364		\$0	#DIV/0!	\$110,872	
Other Unknown Projects	F807.2 - F807.9	\$518,503			01/01/22	12/31/22	364		\$0	#DIV/0!	\$518,503	
Plow for truck 502	F807.1	\$8,138	\$8,138	0%	08/01/21	12/31/21	152		\$8,138	-100%	\$8,138	
Elevator Repairs	F807.2		\$17,298	#DIV/0!	01/01/22	01/31/22	30	\$ 17,298	\$0	0%	(\$17,298)	
TOTAL 2022 CONTINGENCY PROJECTS		\$637,513						\$17,298	\$8,138		\$620,215	
TOTAL CAPITAL RESERVE FUNDS		\$3,724,021	\$166,032					\$89,908	\$101,560		\$3,634,113	

**HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:
MARCH 2022**

2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D	A-C-D		
2021 PROJECTS TO BE COMPLETED IN 2022												
Elevator Jack (2021 Budget) B235 B242 Code upate	F756	\$9,000	\$8,200		01/20/22	02/04/22	15	\$8,200	\$0	0%	\$800	
Carpet Extractor w/ Wand	F649	\$3,766	\$3,766		02/15/22	05/01/22	75		\$3,766	-100%	\$3,766	Ordered 9/21, 4/4/22 - Vendor Supplier is waiting for extractor to arrive.
Construction Bid Administration (Parking Structures)	F762	\$168,252	\$156,752		01/03/22	12/31/22	362		\$156,752	-100%	\$168,252	\$11,500 was expended in 2021 after BOD approval to carry over \$168,252. 2022 expenditures s/b \$11,500 below carry over amount.
Chair Rail Project (2020 Budget) B213 and B244 Completed. B233 remaining	F738	\$30,422	\$30,422		01/03/22	04/15/22	102	\$23,190	\$7,232	-24%	\$7,232	Started B233 in Jan 2022
TOTAL PRIOR YEAR PROJECTS		\$211,440	\$199,140					\$31,390	\$167,750		\$180,050	
GRAND TOTAL PER BUDGET		\$3,935,461	\$365,172					\$121,298	\$269,310		\$3,814,163	
PROJECTS TARGETED FOR COMPLETION IN 2022 BUT NOT IN THE PUBLISHED BUDGET												
Building 233 Re-Roof	F774		\$30,000		02/01/22	02/28/22	27	\$30,000	\$0	0%	(\$30,000)	
									\$0	#DIV/0!	\$0	
									\$0	#DIV/0!	\$0	
									\$0	#DIV/0!	\$0	
									\$0	#DIV/0!	\$0	
TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2022		\$0	\$30,000					\$30,000	\$0		(\$30,000)	
GRAND TOTAL		\$3,935,461	\$395,172					\$151,298	\$269,310		\$3,784,163	



Heather Gardens Association
Investments
03/31/22

Bank	Yield	Maturity	Interest Paid	Principal	Monthly Interest	Fund	G/L Acct.	Stmt Acct.
Raymond James - Cash/Investments - Operating Account				\$ 247,080.59		Operating	A106/A107.2	
TOTAL - OPERATING ACCT - CASH/INVESTMENTS				<u>\$ 247,080.59</u>	<u>\$ -</u>			
Raymond James - Cash/Investments - Capital Reserve				\$ 5,277,995.09		Capital	A106.1/A107.3/A107.4	
Key Bank Capital Reserve Savings				\$ 3,931,119.71		Capital	A107	
TOTAL CAPITAL RESERVE INVESTMENTS - CASH/INVESTMENTS				<u>\$ 9,209,114.80</u>	<u>\$ -</u>			
TOTAL INVESTMENTS				<u><u>\$ 9,456,195.39</u></u>	<u><u>\$ -</u></u>			

	Face/Maturity Value	Amount Invested	Accrued Interest Purchased	Premium Paid	Maturity Date	Purchased Date	Term of CD (days)	Premium Amort. 2020	Premium Amort. 2021	Premium Amort. 2022	Premium Amort. 2023	Premium Amort. 2024	Accum. Balance
CAPITAL RESERVE ACCT 328MC650													
Purchases													
ALLY BANK SEMI-ANNUAL 2.1500 %	245,000.00	255,753.76	2,150.29	8,603.47	7/25/2022	6/18/2020	767	2,198.54	4,094.22	2,310.71	-	-	8,603.47
AMERICAN EXPRESS CENTURION BANK SEMI-ANNUAL 2.3500 %	107,000.00	112,222.33	881.80	4,340.53	8/15/2022	6/18/2020	788	1,079.62	2,010.52	1,250.38	-	-	4,340.53
BMW BANK OF NORTH AMERICA SEMI-ANNUAL 1.4500 %	245,000.00	251,759.15	622.90	6,136.25	4/14/2023	6/15/2020	1,033	1,182.10	2,168.18	2,168.18	617.78	-	6,136.25
CITIBANK NA SEMI-ANNUAL 3.3000 %	200,000.00	218,843.59	2,549.59	16,294.00	8/24/2023	7/10/2020	1,140	2,486.98	5,216.94	5,216.94	3,373.14	-	16,294.00
COMENITY CAPITAL BANK MONTHLY 3.3500 %	100,000.00	108,730.92	-	8,730.92	10/17/2023	6/15/2020	1,219	1,425.31	2,614.26	2,614.26	2,077.09	-	8,730.92
DISCOVER BK SEMI-ANNUAL 3.2000 %	203,000.00	221,433.97	355.95	18,078.02	1/16/2024	7/31/2020	1,264	2,188.24	5,220.32	5,220.32	5,220.32	228.84	18,078.02
GE CAPITAL RETAIL BANK SEMI-ANNUAL 2.9500 %	100,000.00	106,291.17	493.01	5,798.16	10/17/2022	6/15/2020	854	1,351.09	2,478.14	1,968.93	-	-	5,798.16
GE MONEY BANK SEMI-ANNUAL 3.3000 %	145,000.00	159,274.92	878.34	13,396.58	4/11/2024	6/15/2020	1,396	1,909.68	3,502.69	3,502.69	3,502.69	978.83	13,396.58
GOLDMAN SACHS BANK USA SEMI-ANNUAL 2.8000 %	140,000.00	150,676.64	579.95	10,096.69	4/24/2024	6/15/2020	1,409	1,426.00	2,615.54	2,615.54	2,615.54	824.07	10,096.69
GOLDMAN SACHS BANK USA SEMI-ANNUAL 3.3000 %	100,000.00	110,024.94	1,383.29	8,641.65	1/16/2024	6/15/2020	1,310	1,312.74	2,407.79	2,407.79	2,407.79	105.55	8,641.65
GOLDMAN SACHS BK USA SEMI-ANNUAL 2.5500 %	125,000.00	132,890.43	1,571.92	6,318.51	1/23/2023	7/17/2020	920	1,146.95	2,506.80	2,506.80	157.96	-	6,318.51
JPMORGAN CHASE BANK NA QTRLY.7000 %	245,000.00	245,585.41	314.81	270.60	11/15/2022	7/17/2020	851	270.60	-	0.00	-	-	270.60
MORGAN STANLEY BANK NA SEMI-ANNUAL 2.6500 %	145,000.00	154,328.03	1,663.33	7,664.70	1/11/2023	6/15/2020	940	1,622.63	2,976.19	2,976.19	89.69	-	7,664.70
MORGAN STANLEY BANK, NA SEMI-ANNUAL 3.4500 %	100,000.00	109,409.25	444.25	8,965.00	11/1/2023	6/15/2020	1,234	1,445.73	2,651.72	2,651.72	2,215.82	-	8,965.00
MORGAN STANLEY PRIVATE BANK NA SEMI-ANNUAL 3.1000 %	158,000.00	172,618.87	1,945.78	12,673.09	1/24/2024	6/15/2020	1,318	1,913.46	3,509.62	3,509.62	3,509.62	230.77	12,673.09
SALLIE MAE BK SEMI-ANNUAL 1.8000 %	100,000.00	103,855.10	655.89	3,199.21	2/6/2023	6/15/2020	966	659.05	1,208.81	1,208.81	122.54	-	3,199.21
SALLIE MAE BK SEMI-ANNUAL 3.2000 %	114,000.00	122,817.67	389.79	8,427.88	5/9/2023	6/15/2020	1,058	1,585.21	2,907.54	2,907.54	1,027.60	-	8,427.88
SYNCHRONY BANK SEMI-ANNUAL 1.3000 %	245,000.00	250,179.94	532.29	4,647.65	4/17/2023	6/15/2020	1,036	892.74	1,637.44	1,637.44	480.02	-	4,647.65
WELLS FARGO BANK NA MONTHLY 3.1000 %	200,000.00	216,714.99	16.99	16,698.00	2/13/2024	7/10/2020	1,313	2,212.83	4,641.87	4,641.87	4,641.87	559.57	16,698.00
Redemptions													
JPMORGAN CHASE BANK NA QTRLY.7000 %	(245,000.00)	(245,000.00)	-	-	11/16/2020								
	2,772,000.00	2,958,411.08	17,430.17	168,980.91				28,309.53	54,368.58	51,315.72	32,059.45	2,927.63	168,980.91
										A106.4	A106.3		
HGA OPERATING ACCT 288P8380													
Purchases													
UBS BANK USA MONTHLY 3.2500 %	235,000.00	249,875.26	188.32	14,686.94	10/17/2022	6/24/2020	845	3,302.39	6,344.06	5,040.49	-	-	14,686.94
	3,007,000.00	3,208,286.34	17,618.50	183,667.84				31,611.92	60,712.64	56,356.21	32,059.45	2,927.63	183,667.84
								152,055.92	91,343.29	34,987.08	2,927.63	(0.00)	

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CURRENT ASSETS		
	Operating Bank Account	5,032,115
A110	Cash - Key Bank PPP Proceeds	1,058,700
A107.2	Raymond James Operating Savings	11,495
A106	Raymond James - Operating Investments	235,586
A107	Savings-Capital Improvement	3,931,120
A107.3	Raymond James Cap Reserve Savings	2,505,738
A107.4	Raymond James - Cap Reserve Investments	822,000
A106.2	Raymond James Premium Operating	3,457
A106.4	Raymond James Premium Cap Reserve	37,732
	Accounts & Assessments Receivable	156,921
	Interest Receivable	18,358
	Inventory	207,190
	Prepaid Insurance	852,150
A143.2	Prepaid Expenses	33,332
A128.4	Due To/From Seville	3,511
A128.6	Due To/From - HGMD	99,465
	TOTAL CURRENT ASSETS	15,008,869
LONG-TERM INVESTMENTS (more than 12 mos)		
A106.1	Raymond James - Cap Reserve Investments	1,950,257
A106.3	Raymond James Premium Cap Reserve	34,987
	TOTAL LONG-TERM INVESTMENTS	1,985,244
BUILDING, LAND & EQUIPMENT		
A165	FF&E (Equipment & Furniture)	1,611,757
A165.1	Accumulated Depreciation FF&E	(1,252,236)
	TOTAL BUILDING, LAND & EQUIPMENT	359,521
	TOTAL ASSETS	17,353,634
CURRENT LIABILITIES		
A201	Accounts Payable Trade	248,237
	Accounts Pay Other/Taxes Payable	285,842
A203	Pay In Lieu Of Taxes	47,900
A211	Prepaid Monthly Assessments	321,679
	Accrued Payroll	160,672
A206.1	Accrued PTO	266,013
A214.5	Excess Assess 2020	164,884
A215.2	Deferred Revenue-Comcast	60,650
A265	Six MO Impound Fund	4,972,701
	Unearned Revenue	14,863
	TOTAL CURRENT LIABILITIES	6,543,441
	TOTAL CURRENT & LONG TERM LIABILITIES	6,543,441
FUND EQUITY		
A302	Capital Improvement Reserve	8,202,856
A300	Operating Fund	(89,453)
A280	Closing Entry	1,848,465
	Net/Income (Loss)	848,326
	Total Equity	10,810,194
	TOTAL LIABILITIES AND EQUITY	17,353,634

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
Assessments	891,630	890,548	1,082	2,672,196	2,671,642	554	10,686,563
Interest Income	121	103	18	122	124	(2)	1,792
Late Charges to Residents	4,023	600	3,423	4,648	1,800	2,848	7,200
Interest from Residents	0	125	(125)	0	375	(375)	1,500
Laundry Comm	3,170	3,501	(332)	10,876	10,504	372	42,016
Misc Income	2,925	2,700	225	9,065	8,100	965	32,400
Comcast Revenue	1,011	1,000	11	14,832	16,200	(1,368)	72,000
Hea 'N Yon Profits	0	0	0	1,432	1,400	32	5,600
Vendor Disc Taken	0	0	0	74	0	74	0
Violations	50	0	50	50	0	50	0
Total Revenue	<u>902,929</u>	<u>898,577</u>	<u>4,352</u>	<u>2,713,295</u>	<u>2,710,145</u>	<u>3,150</u>	<u>10,849,071</u>
EXPENSES							
General	339,937	353,143	13,206	1,042,063	1,074,178	32,115	4,361,134
Custodial	33,495	36,629	3,134	116,455	110,920	(5,535)	446,004
Contracts	16,367	18,599	2,232	51,878	55,039	3,162	225,531
Maintenance	195,089	199,790	4,702	573,548	610,888	37,340	2,445,823
Administration	90,292	110,124	19,832	293,667	327,926	34,259	1,347,061
Paint	31,010	29,299	(1,712)	83,412	88,251	4,839	347,964
Roads & Grounds	90,112	98,637	8,525	269,064	267,411	(1,652)	1,161,178
Security	52,051	51,967	(84)	136,290	157,124	20,834	617,380
Total Expenses	<u>848,353</u>	<u>898,188</u>	<u>49,835</u>	<u>2,566,376</u>	<u>2,691,737</u>	<u>125,361</u>	<u>10,952,075</u>
Surplus (Deficit)	<u>54,577</u>	<u>390</u>	<u>54,187</u>	<u>146,918</u>	<u>18,408</u>	<u>128,511</u>	<u>(103,004)</u>
INSURANCE CLAIMS							
Net Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESERVES							
Capital Rsv Revenue	285,299	284,710	589	852,706	851,928	778	3,410,730
Less Expenses	<u>67,690</u>	<u>249,969</u>	<u>182,279</u>	<u>151,298</u>	<u>584,893</u>	<u>433,595</u>	<u>3,935,461</u>
Net Surplus (Deficit)	<u>217,608</u>	<u>34,741</u>	<u>182,868</u>	<u>701,408</u>	<u>267,035</u>	<u>434,373</u>	<u>(524,731)</u>
Net Income/(Loss)	<u>272,185</u>	<u>35,130</u>	<u>237,055</u>	<u>848,326</u>	<u>285,443</u>	<u>562,883</u>	<u>(627,735)</u>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
PAYROLL EXPENSES BY DEPT							
Custodial	28,597	32,761	4,164	98,876	96,776	(2,100)	386,235
Contracts	16,034	18,097	2,063	50,823	53,283	2,461	219,007
Maintenance	115,471	128,338	12,867	360,388	385,970	25,581	1,555,982
Administration	77,763	95,901	18,138	248,475	281,244	32,769	1,135,664
Paint	23,498	24,555	1,057	71,278	72,219	942	288,636
Roads & Grounds	66,837	76,907	10,070	206,363	223,541	17,179	925,828
Security	43,823	44,676	853	123,960	130,476	6,516	522,213
TOTAL PAYROLL EXPENSES	<u>372,021</u>	<u>421,234</u>	<u>49,213</u>	<u>1,160,162</u>	<u>1,243,510</u>	<u>83,347</u>	<u>5,033,564</u>
OPERATING EXPENSES BY DEPT							
General	339,937	353,143	13,206	1,042,063	1,074,178	32,115	4,361,134
Custodial	4,898	3,868	(1,030)	17,579	14,144	(3,435)	59,769
Contracts	334	502	168	1,055	1,756	701	6,524
Maintenance	79,618	71,453	(8,165)	213,159	224,918	11,759	889,842
Administration	12,530	14,223	1,694	45,191	46,682	1,491	211,397
Paint	7,512	4,744	(2,768)	12,134	16,032	3,898	59,328
Roads & Grounds	23,275	21,730	(1,545)	62,701	43,870	(18,831)	235,350
Security	8,228	7,291	(937)	12,331	26,648	14,317	95,167
TOTAL OPERATING EXPENSES	<u>476,331</u>	<u>476,953</u>	<u>622</u>	<u>1,406,214</u>	<u>1,448,228</u>	<u>42,013</u>	<u>5,918,511</u>
TOTAL PAYROLL & OPERATING	<u>848,353</u>	<u>898,188</u>	<u>49,835</u>	<u>2,566,376</u>	<u>2,691,737</u>	<u>125,361</u>	<u>10,952,075</u>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
REVENUE SUMMARY							
A404.2 Interest Income RJ Operat	649	631	18	1,883	1,893	(10)	7,572
A404.3 RJ Premium Amort	(528)	(528)	0	(1,583)	(1,584)	1	(5,040)
A404.4 RJ Advis. Fees Operating	0	0	0	(178)	(185)	7	(740)
A408 Insurance	142,446	142,356	90	426,563	427,068	(505)	1,708,272
A408.4 Insurance Adj 2019	1,706	1,706	0	5,118	5,118	0	20,471
A409 Water & Sewer	110,498	110,456	42	331,421	331,368	53	1,325,472
A409.4 Water & Sewer Adj 2019	(9,873)	(9,872)	(1)	(29,619)	(29,618)	(1)	(118,472)
A410 Gas & Electric	79,898	79,661	237	239,264	238,983	281	955,932
A410.4 Gas & Elec Adj 2019	12,627	12,627	0	37,881	37,880	1	151,519
A411 Maintenance	540,466	539,753	713	1,619,982	1,619,259	723	6,477,036
A411.4 Maintenance Adj 2019	13,862	13,861	1	41,586	41,584	2	166,333
A414 Late Charges to Residents	4,023	600	3,423	4,648	1,800	2,848	7,200
A414.5 Interest from Residents	0	125	(125)	0	375	(375)	1,500
A415 Laundry Commissions	3,170	3,501	(332)	10,876	10,504	372	42,016
A416 Miscellaneous Income	2,925	2,700	225	9,065	8,100	965	32,400
A416.2 Comcast Revenue	1,011	1,000	11	14,832	16,200	(1,368)	72,000
A417 Heather 'N Yon Profits	0	0	0	1,432	1,400	32	5,600
A418 Vendor Discounts Taken	0	0	0	74	0	74	0
A422 Violations	50	0	50	50	0	50	0
TOTAL REVENUE	902,929	898,577	4,352	2,713,295	2,710,145	3,150	10,849,071
ASSOC GENERAL EXPENSES							
A622 Payment In Lieu Of Taxes	0	0	0	0	0	0	25,000
A624 Personal Property Tax	0	0	0	2,659	2,700	41	4,300
A626 Income Taxes	4,583	4,584	1	13,749	13,750	1	55,000
A628 Bad Debt Expense	0	0	0	0	0	0	7,500
A640 Electric - High Rises	26,825	26,550	(275)	81,378	80,773	(605)	346,118
A641 Electric - Parking	830	859	30	2,536	2,558	21	10,777
A642 Electric - Town Homes	780	970	190	2,619	2,949	330	12,765
A643 Gas - High Rises	78,929	76,075	(2,854)	262,992	254,617	(8,375)	737,792
A652 Insurance Coverages	137,738	140,548	2,810	413,351	421,645	8,294	1,728,745
A652.1 Insurance - Claims	6,243	7,800	1,557	17,725	23,400	5,675	93,600
A653 HRA Admin Costs/Misc	1,627	1,384	(243)	4,562	4,153	(409)	16,612
A660 Legal Fees	2,548	4,200	1,652	2,053	12,600	10,547	50,400
A671 Outside Services	715	106	(609)	1,099	3,778	2,679	4,732
A672 Communications Expense	1,409	1,915	506	6,734	5,669	(1,065)	22,904
A673 Annual Meeting/Election	0	10,000	10,000	0	10,000	10,000	20,000
A675 Incentive Program	281	25	(256)	450	75	(375)	17,888
A698 Water & Sewer	77,428	78,125	697	230,156	235,510	5,354	1,207,000
TOTAL ASSOC GENERAL EXPEN	339,937	353,143	13,206	1,042,063	1,074,178	32,115	4,361,134

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
CAPITAL RESERVE FUND							
REVENUE SUMMARY							
F608 Capital Reserve	283,610	283,486	124	850,360	850,458	(99)	3,401,830
F611.1 Capital Reserve Interest	6,217	5,752	465	18,048	17,254	794	69,016
F611.2 Raymond James Premium Amo	(4,528)	(4,528)	0	(13,584)	(13,584)	0	(51,316)
F611.3 Raymond James Advisory Fe	0	0	0	(2,118)	(2,200)	82	(8,800)
TOTAL REVENUE	285,299	284,710	589	852,706	851,928	778	3,410,730
EXPENSE SUMMARY							
F649 2021 C/O Proj. Cust Equip	0	3,766	3,766	0	3,766	3,766	3,766
F738 2021 C/O Proj. Ch. Rail	8,362	7,600	(762)	23,190	22,800	(390)	30,422
F756 2021 C/O Proj Elev Jacks	0	0	0	8,200	9,000	800	9,000
F762 2021 C/O Proj. Const Bid	0	14,021	14,021	0	42,063	42,063	168,252
F774 Building 233 Re-roof w/ 6	0	0	0	30,000	0	(30,000)	0
F780 Carpet - 10 floors (vario	0	0	0	0	0	0	96,255
F781 Chair Rail Installation B	0	0	0	0	0	0	25,819
F782 Chair Rail Installation B	0	0	0	0	0	0	25,819
F783 Chair Rail Installation B	0	0	0	0	0	0	25,819
F784 Elevator Jacks B243	0	0	0	0	0	0	65,000
F785 Elevator Jacks B244	0	0	0	0	0	0	65,000
F786 Elevator Jacks B250	0	0	0	0	0	0	40,163
F787 R&G Equipment Chipper #56	0	20,188	20,188	0	20,188	20,188	20,188
F788 R&G Equipment Pick-up #50	0	0	0	0	54,258	54,258	54,258
F789 Road Sealcoat B231-236	0	0	0	0	0	0	37,000
F790 Road Sealcoat CP4	0	0	0	0	0	0	44,975
F791 Roof Re-Coat B204	0	0	0	0	0	0	50,546
F792 Roof Re-Coat B205	0	0	0	0	0	0	50,546
F793 Roof Re-Coat B213	0	0	0	0	0	0	48,836
F794 Roof Re-Coat B217	0	0	0	0	0	0	62,951
F795 Roof Replacement B244	0	0	0	0	0	0	360,000
F796 FPE Electrical Panel Repl	41,380	41,760	380	71,960	114,020	42,060	217,350
F797 Hot Water Recirculation P	0	19,500	19,500	0	29,250	29,250	39,000
F798 Concrete Repairs	650	0	(650)	650	0	(650)	196,920
F799 Handrails	0	0	0	0	0	0	27,718
F800 Retaining Walls	0	0	0	0	0	0	119,310
F801 BC&E PS Recommended Repai	0	0	0	0	0	0	825,000
F802 PS Post Tension Repairs P	0	0	0	0	0	0	300,150
F803 Water Heaters	0	0	0	0	40,163	40,163	40,163
F804 Fire Alarm for Alpha	0	90,009	90,009	0	90,009	90,009	180,018
F805 Aurora Water Wise Program	0	0	0	0	0	0	67,704
F806 2022 One Time Proj	0	9,239	9,239	0	27,718	27,718	110,872
F807 2022 Contingency Projects	0	43,886	43,886	0	131,658	131,658	526,641
F807.2 Elevator Repairs for 209	17,298	0	(17,298)	17,298	0	(17,298)	0
TOTAL EXPENSES	67,690	249,969	182,279	151,298	584,893	433,595	3,935,461
GROSS SURPLUS (DEFICIT)	217,608	34,741	182,868	701,408	267,035	434,373	(524,731)
BALANCE TO CASH (A107)							
A302 Cap Imprv Reserve	0	0	0	8,202,856	0	(8,202,856)	0
ADD: Cap Reserve Revenue	285,299	284,710	(589)	852,706	851,928	(778)	3,410,730
LESS: Cap Reserve Expens	(50,392)	(106,835)	(56,443)	(134,000)	(295,345)	(161,345)	(1,884,913)
A115.1 LESS: Interest Receivable	(63)	0	63	(293)	0	293	0
TOTAL BALANCE TO CASH	234,844	177,875	(56,969)	8,921,269	556,583	(8,364,686)	1,525,817

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
INSURANCE PROCEEDS	_____	_____	_____	_____	_____	_____	_____
TOTAL INSURANCE PROCEEDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET INSURANCE CLAIM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
CUSTODIAL SERVICES								
WAGES/BENEFITS								
J500	Salaries - FTP	21,878	25,028	3,151	78,566	72,684	(5,882)	295,918
J510	Salaries - Part Time	9,554	7,754	(1,800)	22,068	23,261	1,193	93,044
J520	Salaries - Overtime	263	874	611	1,441	2,354	912	8,072
J540	Taxes - Payroll	3,362	3,366	4	10,537	10,553	16	35,282
J550	Retirement Expense	391	505	113	1,019	1,485	466	5,982
J553	Insurance - Personnel	1,770	4,143	2,373	8,286	12,429	4,143	52,201
J574	Recruit / Train / Service	550	150	(400)	595	450	(145)	2,050
J575	Employee Incentive	0	0	0	684	700	16	2,800
J580	PEO Administration	495	450	(45)	1,589	1,350	(239)	5,400
J588	Workers Comp Insurance	255	950	695	962	2,850	1,888	11,685
	TOTAL WAGES/BENEFITS	38,517	43,219	4,702	125,746	128,116	2,370	512,434
J675.2	Salary Charge Out - Opera	(9,921)	(10,458)	(538)	(26,870)	(31,340)	(4,470)	(126,199)
	NET WAGES/BENEFITS	28,597	32,761	4,164	98,876	96,776	(2,100)	386,235
OPERATING EXPENSES								
J621	Fuel Expense	118	50	(68)	273	140	(133)	575
J621.1	Mileage Reimbursement	321	700	379	1,150	2,000	850	8,250
J639	Software & IT	350	60	(290)	477	180	(297)	720
J645	Uniforms	100	0	(100)	200	1,650	1,450	3,250
J680	Radio Communication	0	0	0	0	0	0	350
J683	Repairs - Equipment	80	130	50	1,706	1,390	(316)	2,700
J684	Supplies	3,929	2,916	(1,013)	13,772	8,748	(5,024)	32,780
J691	Licenses	0	12	12	0	36	36	144
J699	Window Cleaning	0	0	0	0	0	0	11,000
	TOTAL OPERATING EXPENSES	4,898	3,868	(1,030)	17,579	14,144	(3,435)	59,769
	TOTAL CUSTODIAL SERVICES	33,495	36,629	3,134	116,455	110,920	(5,535)	446,004

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
CONTRACTS								
WAGES/BENEFITS								
K500	Salaries - FT	12,998	14,855	1,857	41,315	43,133	1,818	178,437
K540	Taxes - Payroll	1,175	1,188	14	3,839	3,882	43	14,706
K550	Retirement Expense	655	728	72	1,966	2,113	147	8,573
K553	Insurance - Personne	1,072	1,076	4	3,215	3,227	12	13,555
K574	Recruiting, Training Serv	0	100	100	38	250	212	1,000
K575	Employee Incentive	0	0	0	0	228	228	912
K580	PEO Administration	80	70	(10)	240	210	(30)	840
K588	Workers Comp Insurance	54	80	26	209	240	31	984
	TOTAL WAGES/BENEFITS	16,034	18,097	2,063	50,823	53,283	2,461	219,007
	NET WAGES/BENEFITS	16,034	18,097	2,063	50,823	53,283	2,461	219,007
OPERATING EXPENSES								
K621.1	Mileage Reimbursement	85	80	(5)	218	240	22	960
K639	Software & IT	178	250	72	563	750	187	3,000
K645	Uniforms	0	0	0	0	250	250	500
K662	Office Supplies	70	125	55	275	375	100	1,500
K683	Repairs - Equipment	0	40	40	0	120	120	480
K691	Licenses	0	7	7	0	21	21	84
	TOTAL OPERATING EXPENSES	334	502	168	1,055	1,756	701	6,524
	TOTAL CONTRACTS EXPENSES	16,367	18,599	2,232	51,878	55,039	3,162	225,531

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
MAINTENANCE							
WAGES/BENEFITS							
M500 Salaries - FTP	100,833	106,149	5,316	302,479	308,244	5,766	1,251,926
M520 Salaries - Overtime	2,925	2,009	(916)	7,027	8,899	1,872	47,210
M540 Taxes - Payroll	9,431	9,734	303	29,422	31,884	2,462	110,779
M550 Retirement Expense	3,160	3,461	301	9,417	10,193	776	41,752
M553 Insurance - Personnel	11,023	12,075	1,053	33,083	36,226	3,142	152,147
M574 Recruit/Train/Services	1,442	585	(857)	3,980	1,755	(2,225)	7,020
M575 Employee Incentive	0	0	0	1,129	1,400	271	5,600
M580 PEO Administration	976	875	(101)	2,964	2,625	(339)	10,500
M588 Workers Comp Insurance	623	1,020	397	2,424	3,060	636	12,546
TOTAL WAGES/BENEFITS	130,413	135,909	5,495	391,926	404,286	12,360	1,639,481
M675.2 Salary Charge Out - Opera	(6,076)	(3,404)	2,672	(15,858)	(5,816)	10,042	(33,499)
M675.3 Salary Charge Out-Residen	(8,867)	(4,167)	4,700	(15,680)	(12,500)	3,179	(50,000)
NET WAGES/BENEFITS	115,471	128,338	12,867	360,388	385,970	25,581	1,555,982
OPERATING EXPENSES							
M621 Fuel Expense	409	290	(119)	1,145	790	(355)	3,670
M621.1 Mileage Reimbursement	1,718	2,000	282	6,343	6,200	(143)	25,400
M639 Software & IT	2,474	2,500	26	7,230	7,500	270	30,000
M640 Electric	338	340	2	1,081	1,020	(61)	4,080
M643 Gas	16	213	197	628	639	11	2,556
M644 Elevator	5,505	12,000	6,495	48,151	36,000	(12,151)	144,000
M645 Uniforms	3,985	0	(3,985)	7,305	10,000	2,695	13,000
M646 Maintenance Shop Repairs	1,112	2,000	888	2,893	4,400	1,507	16,000
M654 Lamp Replacement	288	1,000	712	1,415	4,500	3,085	15,000
m662 Office Supplies	755	1,100	345	2,221	3,300	1,079	13,200
M665 Rent - Equipment	0	0	0	0	0	0	1,000
M671 Outside Contractors - Mis	0	300	300	1,620	900	(720)	16,900
M671.1 Glass Replacement	7,941	2,500	(5,441)	11,034	7,500	(3,534)	30,000
M671.3 Boiler/HVAC Repairs	0	0	0	2,581	0	(2,581)	6,300
M671.4 Roof Repairs	0	0	0	0	0	0	7,500
M671.5 Electrical	4,740	2,500	(2,240)	4,740	7,500	2,760	30,000
M671.6 Concrete Repairs	0	0	0	0	0	0	8,000
M671.7 Siding Repairs	0	0	0	0	0	0	3,000
M671.8 Sewer/Plumbing	0	7,500	7,500	0	22,500	22,500	90,000
M672 Door Repair	2,666	1,000	(1,666)	2,666	3,000	334	12,000
M680 Radio Communications	72	130	58	217	390	173	1,560
M683 Repairs - Equipment	0	300	300	93	900	807	3,600
M684 Supplies - Misc	2,734	600	(2,134)	5,958	1,800	(4,158)	7,200
M684.1 HVAC/Plumbing	19,415	8,683	(10,732)	41,600	26,049	(15,551)	104,196
M684.2 Electrical	6,460	3,700	(2,760)	13,308	11,100	(2,208)	44,400
M684.3 Hardware/Fasteners	153	350	198	1,013	1,050	37	4,200
M684.4 Safety Equipment	430	0	(430)	1,383	2,000	617	4,000
M684.5 Doors & Door Hardware	7,900	2,083	(5,817)	12,233	6,250	(5,983)	25,000
M684.6 Roof & Sealant Materials	114	0	(114)	388	0	(388)	10,000
M684.7 Chemicals	2,756	10,830	8,075	9,428	19,530	10,102	58,680
M684.8 Tools	563	900	337	2,838	2,700	(138)	10,800
M684.9 Billable Supplies	(5,837)	0	5,837	(10,084)	0	10,084	0
M685 TV Repairs	0	300	300	0	900	900	3,600
M691 Licenses	4,739	500	(4,239)	8,179	13,000	4,821	47,000
M694 Trash Removal	8,171	7,833	(338)	25,551	23,500	(2,051)	94,000
TOTAL OPERATING EXPENSES	79,618	71,453	(8,165)	213,159	224,918	11,759	889,842
TOTAL MAINTENANCE EXPENSE	195,089	199,790	4,702	573,548	610,888	37,340	2,445,823

2888 So Heather Gardens Way
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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
ADMINISTRATION								
WAGES/BENEFITS								
O500	Salaries - FTP	62,739	77,142	14,403	197,161	223,985	26,824	919,003
O520	Salaries - Overtime	1,038	950	(88)	2,369	2,850	481	11,400
O540	Taxes - Payroll	4,842	7,809	2,968	18,145	24,171	6,026	80,456
O545	Temporary Outside Labor	0	0	0	1,134	0	(1,134)	0
O550	Retirement Expense	2,162	2,733	571	7,891	7,939	48	32,196
O553	Insurance - Personnel	4,116	5,326	1,210	12,368	15,979	3,611	67,110
O574	Recruit/Train/Services	1,856	800	(1,056)	5,305	2,400	(2,905)	9,600
O575	Employee Incentive	36	0	(36)	492	500	8	2,000
O580	PEO Administration	492	410	(82)	1,445	1,230	(215)	4,920
O588	Workers Comp Insurance	447	730	283	1,735	2,190	455	8,979
	TOTAL WAGES/BENEFITS	77,728	95,901	18,173	248,045	281,244	33,199	1,135,664
O675.2	Salary Charge Out	35	0	(35)	430	0	(430)	0
	NET WAGES/BENEFITS	77,763	95,901	18,138	248,475	281,244	32,769	1,135,664
OPERATING EXPENSES								
O621.1	Mileage Reimbursement	0	10	10	0	30	30	120
O639	Software and Internet Fee	3,436	3,071	(365)	5,416	4,720	(696)	22,320
O639.5	IT Services	2,616	2,600	(16)	11,390	7,800	(3,590)	31,200
O656	Professional Services	2,125	2,125	0	12,125	12,125	0	59,700
O659	Miscellaneous	31	215	184	47	645	598	2,580
O661	Administrative Expense	9	163	154	92	1,649	1,557	6,185
O662	Office Supplies & Postage	1,738	2,450	712	8,893	8,700	(193)	36,250
O663	Publications	0	0	0	0	0	0	5,650
O689	Telephone Expense	2,574	3,589	1,015	7,228	10,768	3,540	43,072
O690	Equipment Leases	0	0	0	0	245	245	1,070
O695	Marketing	0	0	0	0	0	0	3,250
	TOTAL OPERATING EXPENSES	12,530	14,223	1,694	45,191	46,682	1,491	211,397
	TOTAL ADMINISTRATIVE EXPE	90,292	110,124	19,832	293,667	327,926	34,259	1,347,061

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
PAINTING							
WAGES/BENEFITS							
P500 Salaries - FTP	19,399	20,462	1,064	57,857	59,433	1,575	241,146
P520 Salaries - Overtime	2	0	(2)	127	0	(127)	0
P540 Taxes - Payroll	1,753	2,086	333	5,438	6,494	1,056	21,596
P550 Retirement Expense	273	313	40	831	914	83	3,707
P553 Insurance - Personnel	1,669	1,083	(586)	5,011	3,249	(1,762)	13,644
P574 Recruit/Train/Services	0	160	160	0	480	480	1,920
P575 Employee Incentive	0	0	0	380	300	(80)	1,200
P580 PEO Administration	214	200	(14)	649	600	(49)	2,400
P588 Workers Comp Insurance	188	250	62	985	750	(235)	3,023
TOTAL WAGES/BENEFITS	23,498	24,555	1,057	71,278	72,219	942	288,636
NET WAGES/BENEFITS	23,498	24,555	1,057	71,278	72,219	942	288,636
OPERATING EXPENSES							
P621 Fuel Expense	303	173	(130)	710	519	(191)	2,076
P621.1 Mileage Reimbursement	0	35	35	0	105	105	420
P639 Software & IT	61	65	4	284	195	(89)	780
P645 Uniforms	0	0	0	1,476	2,800	1,324	3,600
P680 Radio Communications	72	0	(72)	72	0	(72)	800
P683 Repairs - Equipment	15	500	485	17	500	483	4,000
P684 Supplies	6,856	3,888	(2,968)	9,345	11,664	2,319	46,656
P689 Telephone Expense	0	24	24	0	72	72	288
P691 Licenses	206	59	(147)	231	177	(54)	708
TOTAL OPERATING EXPENSES	7,512	4,744	(2,768)	12,134	16,032	3,898	59,328
TOTAL PAINTING EXPENSES	31,010	29,299	(1,712)	83,412	88,251	4,839	347,964

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
ROADS & GROUNDS								
WAGES/BENEFITS								
R500	Salaries - FTP	54,430	59,873	5,442	161,075	173,879	12,804	706,878
R510	Salaries - Part Time	0	0	0	0	0	0	31,765
R520	Salaries - Overtime	3,559	2,230	(1,329)	10,591	3,711	(6,880)	10,231
R540	Taxes - Payroll	5,315	6,066	751	16,492	19,185	2,694	65,149
R550	Retirement Expense	1,296	1,426	130	3,768	4,228	460	17,730
R553	Insurance - Personnel	5,647	6,253	606	16,926	18,758	1,833	78,785
R574	Recruit/Train/Services	0	250	250	0	750	750	3,000
R575	Employee Incentive	0	0	0	304	600	296	2,400
R580	PEO Administration	555	545	(10)	1,744	1,635	(109)	6,540
R588	Workers Comp Insurance	375	565	190	1,431	1,695	264	6,950
	TOTAL WAGES/BENEFITS	71,177	77,207	6,030	212,330	224,441	12,111	929,428
R675.2	Salary Charge Out-Operati	(4,340)	(300)	4,040	(5,968)	(900)	5,068	(3,600)
	NET WAGES/BENEFITS	66,837	76,907	10,070	206,363	223,541	17,179	925,828
OPERATING EXPENSES								
R621	Fuel Expense	2,840	1,600	(1,240)	6,444	4,600	(1,844)	20,650
R621.1	Mileage Reimbursement	0	10	10	0	10	10	160
R635	Tree & Shrub Replacement	0	0	0	0	0	0	5,500
R639	Software & IT	260	300	40	735	900	165	3,600
R640	Electric	253	200	(53)	811	600	(211)	2,850
R643	Gas	12	100	88	471	200	(271)	1,150
R645	Uniforms	151	4,000	3,849	640	4,000	3,360	8,450
R647	Extermination	1,000	1,000	0	3,000	2,500	(500)	11,000
R665	Rent - Equipment	0	0	0	333	0	(333)	1,000
R670	Asphalt Repairs	0	0	0	0	0	0	3,000
R671	Outside - Contractors	396	3,000	2,604	6,236	3,000	(3,236)	30,000
R680	Radio Communications	0	0	0	0	0	0	750
R682	Snow Removal Supplies	8,543	3,000	(5,543)	20,855	6,000	(14,855)	15,000
R683	Repairs - Equipment	3,450	500	(2,950)	6,857	3,000	(3,857)	24,500
R684	Supplies	2,225	3,500	1,275	8,237	8,500	263	57,500
R684.1	Irrigation - Supplies	2,153	2,000	(153)	2,198	3,000	802	20,000
R689	Telephone Expense	89	70	(19)	159	210	51	840
R691	Licenses	1,318	250	(1,068)	1,445	750	(695)	3,000
R694	Trash Removal	584	2,200	1,616	4,281	6,600	2,319	26,400
	TOTAL OPERATING EXPENSES	23,275	21,730	(1,545)	62,701	43,870	(18,831)	235,350
	TOTAL ROADS & GROUNDS EXP	90,112	98,637	8,525	269,064	267,411	(1,652)	1,161,178

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
SECURITY								
WAGES/BENEFITS								
S500	Salaries - FTP	34,311	32,483	(1,828)	92,411	94,310	1,899	383,706
S520	Salaries - Overtime	511	1,733	1,223	3,482	4,436	954	10,766
S540	Taxes - Payroll	3,087	3,422	334	9,394	10,281	887	34,083
S550	Retirement Expense	842	684	(157)	1,841	1,987	146	7,913
S553	Insurance - Personnel	3,734	4,662	928	11,682	13,987	2,305	58,745
S560	Employee Incentive	801	850	49	2,026	2,550	524	10,200
S574	Recruit/Train/Services	0	267	267	1,100	600	(500)	7,500
S575	Employee Incentive	0	0	0	304	600	296	2,400
S580	PEO Administration	360	285	(75)	1,031	855	(176)	3,420
S588	Workers Comp Insurance	178	290	112	690	870	180	3,480
	TOTAL WAGES/BENEFITS	43,823	44,676	853	123,960	130,476	6,516	522,213
OPERATING EXPENSES								
S621	Fuel Expense	987	475	(512)	2,040	1,425	(615)	5,700
S639	Software & IT	2,297	5,500	3,203	4,607	16,500	11,893	66,000
S645	Uniforms	2,792	100	(2,692)	2,792	3,200	408	7,000
S659	Miscellaneous	0	141	141	130	423	293	1,692
S680	Radio Communications	0	125	125	0	2,250	2,250	3,375
S683	Repairs - Equipment	1,190	391	(799)	1,195	1,173	(22)	4,692
S684	Supplies	722	300	(422)	846	900	54	3,600
S689	Telephone Expense	240	165	(75)	720	495	(225)	1,980
S691	Licenses	0	94	94	0	282	282	1,128
	TOTAL OPERATING EXPENSES	8,228	7,291	(937)	12,331	26,648	14,317	95,167
	TOTAL SECURITY EXPEN	52,051	51,967	(84)	136,290	157,124	20,834	617,380

HEATHER GARDENS METROPOLITAN DISTRICT

Budget Exceptions Report

Through: 03/31/22

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% of Budget	Annual Budget	% of Annual Budget Spent
Total Revenue	\$ 730,799	\$ 770,742	\$ (39,943)	-5.2%	\$ 3,283,566	22%
Cost of Goods Sold	\$ 32,533	\$ 43,145	\$ 10,612	24.6%	\$ 205,724	16%
Gross Profit	\$ 698,266	\$ 727,597	\$ (29,331)		\$ 3,077,842	
Operating Expenses	\$ 534,683	\$ 605,812	\$ 71,129	11.7%	\$ 2,721,539	20%
Net Operating Income/(Loss)	\$ 163,583	\$ 121,785	\$ 41,798		\$ 356,303	
Capital Improvements Exp	\$ 54,288	\$ 68,310	\$ 14,022		\$ 473,807	
Net Surplus/(Loss)	\$ 109,295	\$ 53,475	\$ 55,820		\$ (117,504)	

Executive Summary

Club House

Revenue	\$ 34,279	\$ 42,175	\$ (7,896)	-18.7%	\$ 170,750	20%
Expenses	\$ 183,414	\$ 207,392	\$ 23,978	11.6%	\$ 808,976	23%
Net Subsidy	\$ (149,135)	\$ (165,216)	\$ 16,082		\$ (638,226)	

Golf

Revenue	\$ 22,165	\$ 28,169	\$ (6,004)	-21.3%	\$ 426,008	5%
Expenses	\$ 125,216	\$ 164,090	\$ 38,874	23.7%	\$ 687,742	18%
Net Subsidy	\$ (103,051)	\$ (135,921)	\$ 32,870		\$ (261,734)	

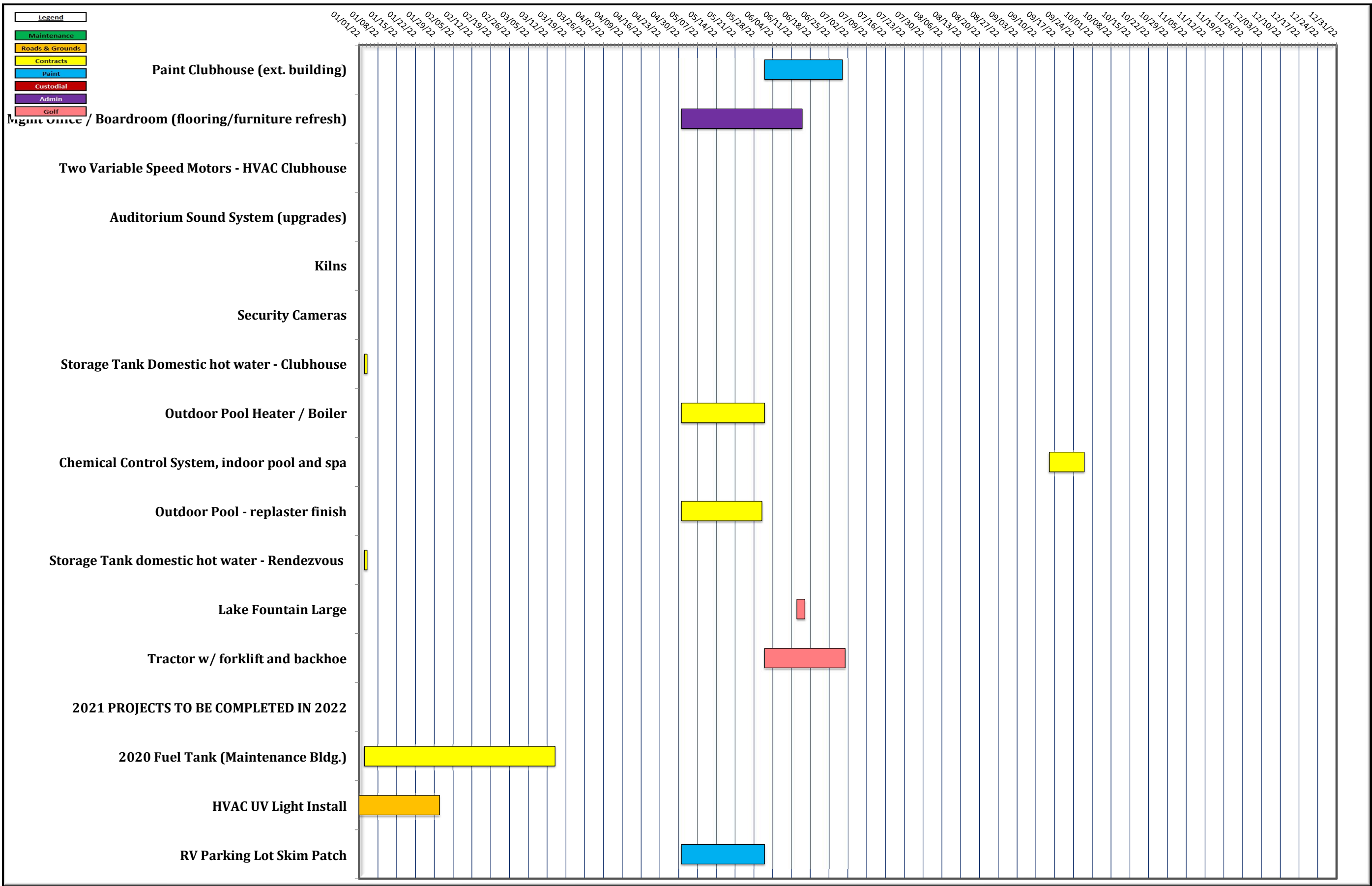
Restaurant

Revenue	\$ 93,983	\$ 127,837	\$ (33,854)	-26.5%	\$ 603,015	16%
Cost of Goods Sold	\$ 30,719	\$ 41,049	\$ 10,330	25.2%	\$ 193,106	16%
Gross Profit	\$ 63,264	\$ 86,788	\$ (23,524)	-27.1%	\$ 409,909	
Expenses	\$ 104,614	\$ 119,068	\$ 14,454	12.1%	\$ 498,106	21%
Net Subsidy	\$ (41,350)	\$ (32,280)	\$ (9,070)		\$ (88,197)	

Restricted Funds	Total		Net	Cash Balance
	Total Revenue	Expenses	Surplus/(Loss)	
Conservation Trust Fund	\$ 5,465	\$ 12,652	\$ (7,187)	\$ 158,254
Debt Service Fund	\$ 189,928	\$ 79,577	\$ 110,351	\$ 370,639
Foundation Fund	\$ 250	\$ (107)	\$ 357	\$ 190,256

**HGMD MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:
MARCH 2022**

STATUS	PROJECT OWNER	DEPT.	2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#DAYS	2022 INVOICES PAID	+/- SIGNED CONTRACT AMOUNT	% VAR FROM CONTRACT	TOTAL UNDER / (OVER) BUDGET	PROJECT Notes / Comments
					A	B				D	B-C-D	A-C-D			
In Process	Don	Clubhouse	Paint Clubhouse (ext. building)	D601	\$52,672		-100%	06/01/22	06/30/22	29		\$0	#DIV/0!	\$52,672	Our Preferred Vendor DCC's pricing came in approx \$5,500 over budget. Waiting on other vendors pricing before making a recommendation.
not-started	Jason	Admin.	Mgmt Office / Boardroom (flooring/furniture refresh)	D601	\$20,960		-100%	05/01/22	06/15/22	45		\$0	#DIV/0!	\$20,960	
not-started	Jon H	Clubhouse	Two Variable Speed Motors - HVAC Clubhouse	D601	\$11,285		-100%			0		\$0	#DIV/0!	\$11,285	Not needed at this time
not-started	Montrell	Clubhouse	Auditorium Sound System (upgrades)	D601	\$6,885		-100%			0		\$0	#DIV/0!	\$6,885	Auditorium Sound System is working as it should and does not need to be replaced at this time.
not-started	Montrell	Clubhouse	Kilns	D601	\$28,212		-100%			0		\$0	#DIV/0!	\$28,212	Kilns appear to be working properly and might not need replacement.
not-started	Montrell	Clubhouse	Security Cameras	D601	\$6,478		-100%			0		\$0	#DIV/0!	\$6,478	Researching what rooms in the clubhouse need cameras.
Completed	Jon H	Clubhouse	Storage Tank Domestic hot water - Clubhouse	D601	\$21,159		-100%	01/03/22	01/04/22	1	\$0	\$0	#DIV/0!	\$21,159	Tank actively leaking in Nov 2021, emergency fix completed (Nov '21).
not-started	Jon H	Pools	Outdoor Pool Heater / Boiler	D601	\$32,704		-100%	05/01/22	06/01/22	31		\$0	#DIV/0!	\$32,704	
not-started	Jon H	Pools	Chemical Control System, indoor pool and spa	D601	\$17,361		-100%	09/15/22	09/28/22	13		\$0	#DIV/0!	\$17,361	
not-started	Jon H	Pools	Outdoor Pool - replaster finish	D601	\$60,020		-100%	05/01/22	05/31/22	30		\$0	#DIV/0!	\$60,020	
Completed	Jon H	Restaurant	Storage Tank domestic hot water - Rendezvous	D601	\$21,159		-100%	01/03/22	01/04/22	1	\$0	\$0	#DIV/0!	\$21,159	Tank starting to leak in Nov 2021, emergency fix completed (Nov '21).
not-started	Brian/Greg	Golf	Lake Fountain Large	D601	\$11,355		-100%	06/13/22	06/16/22	3		\$0	#DIV/0!	\$11,355	
not-started	Brian/Greg	Golf	Tractor w/ forklift and backhoe	D601	\$48,873		-100%	06/01/22	07/01/22	30		\$0	#DIV/0!	\$48,873	
			TOTAL 2022 FUNDED PROJECTS		\$339,123	\$0	-100%				\$0	\$0	#DIV/0!	\$339,123	
			2022 CONTINGENCY PROJECTS												
			<i>Future event or circumstance which is possible, but cannot be predicted with certainty</i>												
not-started	Management	Management	2022 Contribution to Reserves	D601	\$58,170							\$0	#DIV/0!	\$58,170	
not-started				D601								\$0	#DIV/0!	\$0	
not-started				D601								\$0	#DIV/0!	\$0	
			TOTAL 2022 CONTINGENCY PROJECTS		\$58,170	\$0					\$0	\$0		\$58,170	
			TOTAL CAPITAL RESERVE FUNDS		\$397,293	\$0					\$0	\$0		\$397,293	
			2021 PROJECTS TO BE COMPLETED IN 2022												
Completed	Don		2020 Fuel Tank (Maintenance Bldg.)	D601.2	\$45,373	\$45,373	0%	01/03/22	03/15/22	71	\$43,991	\$1,382	-3%	\$ 1,382	Rolled over due to Permitting issue
Completed			HVAC UV Light Install	D601.2	\$22,937	\$10,297	-55%	01/01/22	01/31/22	30	\$10,297	\$0	0%	\$ 12,640	
not-started			RV Parking Lot Skim Patch	D601.2	\$8,204	\$8,204		05/01/22	06/01/22	31		\$8,204	-100%	\$8,204	
			TOTAL PRIOR YEAR PROJECTS		\$76,514	\$63,874					\$54,288	\$9,586		\$22,226	
			GRAND TOTAL PER BUDGET		\$473,807	\$63,874					\$54,288	\$9,586		\$419,519	
			PROJECTS TARGETED FOR COMPLETION IN 2022 BUT NOT IN THE PUBLISHED BUDGET												
In Process	Don		Maintenance Building - Parking Lot Asphalt		\$59,282		-100%	06/01/22	7/1/22						Collecting Bids
			TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2022		\$59,282	\$0					\$0	\$0		\$0	
			GRAND TOTAL		\$533,089	\$63,874					\$54,288	\$9,586		\$419,519	



**HEATHER GARDENS FOUNDATIONS
FOUNDATION DONATION SUMMARY
1/1/2022 - 3/31/2022**

Description	General	Roads & Grounds	Club House	Golf	Trees	Totals
Balance at beginning of January	174,609.90	324.50	375.70	40.00	14,042.59	189,392.69
Donations for Jan 2022	100.00					100.00
Donation for Feb 2022	75.00				75.00	150.00
Refund for Legend 6' Teak Bench w/back rest	594.25					594.25
Donation for Mar 2022						0.00
Expenses March - TV for Lobby Flyer Display	-486.83					-486.83
Balance at end of the month 3/31/2022	174,892.32	324.50	375.70	40.00	14,117.59	189,750.11

RECONCILIATION TO GL

D103.5 Foundation Checking Account - March 2022	\$ 40,444
D106.1 Foundation Investment Account - March 2022	\$ 149,812
D121 Owed to the Foundation from MD	
D121 Owed to MD from the Foundation	\$ (506)
	<u>\$ 189,750</u>

Heather Gardens Metropolitan District
 Summary of Investments
 03/31/22

Bank	Yield	Maturity	Interest Paid	Principal	Monthly Interest	Fund	Account
Key Bank - Foundation							
Bank of America							
Pinnacle Bank	0.20%	6/27/2022	Maturity	\$ 100,000	\$ 16.67	Foundation	D106.1
Transportation Alliance BK	0.45%	1/26/2023	Maturity	\$ 49,812	\$ 18.85	Foundation	D106.1
Foundation - checking				\$ 40,444		Foundation	D103.5
				<u>\$ 190,256</u>	<u>\$ 35.51</u>		
Key Bank - Conservation Trust Fund/Lottery							
			Monthly	\$ 158,254	\$ 1.29	Conservation	D104
State BK India New York	0.10%	7/29/2022	Maturity	\$ 250,000	\$ 20.83	Enterprise	D106
Synchrony BK Retail CTF	0.10%	9/8/2022	Semi Annual	\$ 250,000	\$ 20.83	Enterprise	D106
Texas Capital Bank	0.25%	8/8/2022	Semi Annual	\$ 250,000	\$ 52.08	Enterprise	D106
				<u>\$ 750,000</u>	<u>\$ 93.75</u>		
Total Investment				<u><u>\$ 1,098,510</u></u>	<u><u>\$ 130.55</u></u>		

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
REVENUE							
D503 Conservation Trust (Lottery)	5,461	4,750	711	5,461	4,750	711	19,000
D504 Interest Income	137	135	2	385	405	(20)	1,620
D504.2 2010 Bond Restr Interest	2	8	(6)	3	24	(21)	100
D504.3 Interest Income Lottery	1	1	0	4	3	1	12
D505 Recreation Fee Income	124,850	124,728	122	374,361	374,184	177	1,496,736
Restaurant Income	48,465	45,731	2,733	93,984	127,838	(33,854)	603,015
D507 Golf Fees Daily	11,761	5,541	6,220	13,648	15,815	(2,167)	284,281
D507.1 Golf Simulator	150	350	(200)	835	1,004	(169)	1,578
D509.2 Golf Disc - 40 Play	564	1,137	(573)	917	3,540	(2,623)	25,211
D511 Golf Cart Rental Income	2,306	972	1,334	2,662	2,603	59	70,315
D511.1 Golf Merchandise	1,230	2,761	(1,532)	3,118	4,030	(913)	24,266
D511.2 Golf Lesson	540	330	210	675	711	(36)	8,900
D511.3 Golf Bag Storage	0	0	0	0	206	(206)	6,705
D511.4 Golf Pull Cart	274	74	200	310	260	50	4,752
D512 CH Building Rentals	3,058	1,300	1,758	7,781	3,900	3,881	15,600
D513 Events	2,006	1,885	121	2,930	7,405	(4,475)	31,670
D513.1 Trips Revenue	0	2,750	(2,750)	4,561	8,250	(3,689)	33,000
D514 RV Lot Income	262	0	262	6,484	7,380	(896)	29,520
D514.1 Garden Plot Income	60	0	60	2,520	2,520	0	2,520
D515 Classes	5,526	7,240	(1,714)	18,316	21,720	(3,405)	86,880
D515.1 Donation Revenue	0	0	0	250	0	250	0
D516 Miscellaneous Revenue	205	0	205	980	0	980	0
D516.1 Coffee Revenue	238	300	(62)	691	900	(209)	3,600
D517 Property Tax Revenue	175,034	141,849	33,186	181,821	174,918	6,903	500,785
D518 Specific Ownership Tax Revenue	2,850	2,792	58	8,104	8,376	(272)	33,500
TOTAL REVENUE	384,979	344,635	40,344	730,799	770,741	(39,942)	3,283,566
D590 Cost of Goods Sold	16,854	16,111	(743)	32,533	43,145	10,612	205,724
GROSS PROFIT	368,125	328,524	39,601	698,266	727,597	(29,331)	3,077,842
OPERATING EXPENSES							
D519 Zion Bank Payee Fee	1,000	1,400	400	1,000	1,400	400	1,400
D520 Debt Service Interest	25,617	25,617	0	76,850	76,851	1	306,470
D522 Services - Insurance	4,245	4,724	480	12,734	14,173	1,439	56,690
D523 Services - Audit	1,400	1,400	0	8,100	8,100	0	34,025
D524 Services - Professional	2,327	3,750	1,423	5,109	11,250	6,141	45,000
D525 County Collection Fee	2,626	2,639	14	2,727	2,787	60	7,915
D525.1 Election Expense	720	0	(720)	1,389	0	(1,389)	0
D526 Miscellaneous Expense	18	100	83	1,303	300	(1,003)	1,200
D526.1 SDA Membership Dues	0	0	0	1,238	1,500	263	1,500
D550 Club House Expenses	68,253	72,506	4,253	183,414	207,392	23,978	808,976
D555 Golf Course Expenses	45,130	57,961	12,831	123,402	161,994	38,592	675,123
D557 Restaurant Expenses	41,122	40,643	(479)	104,614	119,069	14,455	498,106
D560 RV Lot Expenses	57	254	197	259	763	504	3,050
D565 Garden Plot Expenses	0	99	99	0	234	234	2,084
D566 Conservation Expenses	1,928	0	(1,928)	12,652	0	(12,652)	0
D601 Capital Outlay	0	0	0	0	0	0	397,293
D601.2 2021 Cap Carry Foward Projects	43,991	45,373	1,382	54,288	68,310	14,022	76,514
D620 Foundation Expense	487	0	(487)	(107)	0	107	0
D700 Bond Principal Payment	0	0	0	0	0	0	280,000
TOTAL OPERATING EXPENSES	238,920	256,467	17,547	588,971	674,122	85,151	3,195,346
NET OPERATING REVENUE/EXPENSE	129,205	72,058	57,148	109,295	53,475	55,821	(117,504)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	(84)	0	84	(84)	0	84	0
TOTAL NON OPERATING EXPENSE	(84)	0	84	(84)	0	84	0
NET REVENUE EXPENSE	129,289	72,058	57,232	109,379	53,475	55,905	(117,504)

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
ENTERPRISE FUND							
REVENUE							
D504 Bnk Intrst Rsv Acct	137	135	2	385	405	(20)	1,620
D505 Rec Fee Income	124,850	124,728	122	374,361	374,184	177	1,496,736
Restaurant Income	48,465	45,731	2,733	93,984	127,838	(33,854)	603,015
D507 Golf Fees Daily	11,761	5,541	6,220	13,648	15,815	(2,167)	284,281
D507.1 Golf Simulator	150	350	(200)	835	1,004	(169)	1,578
D509.2 Golf Disc - 40 Play	564	1,137	(573)	917	3,540	(2,623)	25,211
D511 Golf Cart Rental Income	2,306	972	1,334	2,662	2,603	59	70,315
D511.1 Golf Merchandise	1,230	2,761	(1,532)	3,118	4,030	(913)	24,266
D511.2 Golf Lesson	540	330	210	675	711	(36)	8,900
D511.3 Golf Bag Storage	0	0	0	0	206	(206)	6,705
D511.4 Golf Pull Cart	274	74	200	310	260	50	4,752
D512 CH Building Rentals	3,058	1,300	1,758	7,781	3,900	3,881	15,600
D513 Events	2,006	1,885	121	2,930	7,405	(4,475)	31,670
D513.1 Trips Revenue	0	2,750	(2,750)	4,561	8,250	(3,689)	33,000
D514 RV Lot Income	262	0	262	6,484	7,380	(896)	29,520
D514.1 Garden Plot Income	60	0	60	2,520	2,520	0	2,520
D515 Classes	5,526	7,240	(1,714)	18,316	21,720	(3,405)	86,880
D516 Miscellaneous Revenue	205	0	205	980	0	980	0
D516.1 Coffee Revenue	238	300	(62)	691	900	(209)	3,600
TOTAL ENTERPRISE REVENUE	201,631	195,235	6,396	535,156	582,670	(47,514)	2,730,169
D590 Cost of Goods Sold	16,854	16,111	(743)	32,533	43,145	10,612	205,724
GROSS PROFIT	184,777	179,125	5,652	502,623	539,525	(36,903)	2,524,445
OPERATING EXPENSES							
D550 Club House Expenses	68,253	72,506	4,253	183,414	207,392	23,978	808,976
D555 Golf Course Expenses	45,130	57,961	12,831	123,402	161,994	38,592	675,123
D557 Restaurant Expenses	41,122	40,643	(479)	104,614	119,069	14,455	498,106
D560 RV Lot Expenses	57	254	197	259	763	504	3,050
D522 Services - Insurance	4,245	4,724	480	12,734	14,173	1,439	56,690
D523 Services - Audit	1,400	1,400	0	8,100	8,100	0	34,025
D524 Services - Professional	2,327	3,750	1,423	5,109	11,250	6,141	45,000
D525.1 Election Expense	720	0	(720)	1,389	0	(1,389)	0
D526 Miscellaneous Expense	18	100	83	1,303	300	(1,003)	1,200
D526.1 SDA Membership Dues	0	0	0	1,238	1,500	263	1,500
D519 Zion Bank Payee Fee	1,000	1,400	400	1,000	1,400	400	1,400
D565 Garden Plot Expenses	0	99	99	0	234	234	2,084
D601 Capital Outlay	0	0	0	0	0	0	397,293
D601.2 2021 Cap Carry Foward Projects	43,991	45,373	1,382	54,288	68,310	14,022	76,514
TOTAL OPERATING EXPENSES	208,262	228,210	19,948	496,849	594,484	97,635	2,600,962
NET OPERATING REVENUE/EXPEN	(23,485)	(49,086)	25,600	5,774	(54,958)	60,732	(76,516)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	(84)	0	84	(84)	0	84	0
TOTAL NON OPERATIN EXPENSE	(84)	0	84	(84)	0	84	0
NET ENTERPRISE FUND REVENUE/EX	84	0	84	84	0	84	0

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
RESTRICTED FUNDS							
CONSERVATION TRUST FUND (Lottery)							
REVENUE							
D503 Conservation Trust (Lottery Ac	5,461	4,750	711	5,461	4,750	711	19,000
D504.3 Interest Inc Lottery	<u>1</u>	<u>1</u>	<u>0</u>	<u>4</u>	<u>3</u>	<u>1</u>	<u>12</u>
TOTAL LOTTERY REVENUE	5,463	4,751	712	5,465	4,753	712	19,012
EXPENSES							
D566 Conservation Expenses	<u>1,928</u>	<u>0</u>	<u>(1,928)</u>	<u>12,652</u>	<u>0</u>	<u>(12,652)</u>	<u>0</u>
TOTAL LOTTERY EXPENSES	1,928	0	(1,928)	12,652	0	(12,652)	0
REVENUE OVER(UNDER) EXPENSES	<u>3,534</u>	<u>4,751</u>	<u>1,217</u>	<u>(7,187)</u>	<u>4,753</u>	<u>11,940</u>	<u>19,012</u>
FOUNDATION FUND							
REVENUE							
D515.1 Donation Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>250</u>	<u>0</u>	<u>250</u>	<u>0</u>
TOTAL FOUNDATION REVENUE	0	0	0	250	0	250	0
EXPENSES							
D620 Foundation Expense	<u>487</u>	<u>0</u>	<u>(487)</u>	<u>(107)</u>	<u>0</u>	<u>107</u>	<u>0</u>
TOTAL FOUNDATION EXPENSES	487	0	(487)	(107)	0	107	0
REVENUE OVER(UNDER) EXPENSES	<u>(487)</u>	<u>0</u>	<u>(487)</u>	<u>357</u>	<u>0</u>	<u>357</u>	<u>0</u>
DEBT SERVICE FUND 2010 BOND ISSUE							
REVENUE							
D517 Property Tax Revenue	175,034	141,849	33,186	181,821	174,918	6,903	500,785
D518 Specific Ownership Tax	2,850	2,792	58	8,104	8,376	(272)	33,500
Bond Restricted Interest	<u>2</u>	<u>8</u>	<u>(6)</u>	<u>3</u>	<u>24</u>	<u>(21)</u>	<u>100</u>
TOTAL DEBT SERVICE REVENUE	177,886	144,649	33,237	189,928	183,318	6,610	534,385
EXPENSES							
D520 Debt Serv Interest	25,617	25,617	0	76,850	76,851	1	306,470
D525 Cnty Collection Fee	2,626	2,639	14	2,727	2,787	60	7,915
D700 Bond Principal Pymnt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>280,000</u>
TOTAL DEBT SERVICE EXPENSES	28,243	28,256	14	79,577	79,638	61	594,385
REVENUE OVER (UNDER) EXPENSES	<u>149,643</u>	<u>116,392</u>	<u>33,251</u>	<u>110,351</u>	<u>103,680</u>	<u>6,671</u>	<u>(60,000)</u>

2888 So Heather Gardens Way
Aurora CO 80014

Cash - Operating	340,486
Capital Projects - Savings	648,705
Conservation (Lottery) Bank Acct	158,254
Investments	750,000
Investments - Foundation	149,812
Zion Debt Service	370,639
Foundation Account	40,444
Accounts Receivable Net of Allowance	16,011
Due To/From HGA	(99,465)
Inventory	41,253
Prepaid Expenses	38,201
Prop Tax Receivable	500,779
TOTAL CURRENT ASSETS	<u>2,955,120</u>
 BUILDING, LAND & EQUIPMENT (Net of Depr)	
CIP Asset	32,195
Restaurant Equipment	144,891
Equipment	281,468
Property	8,406,712
Land At Cost	1,725,000
Intangible Assets	133,190
TOTAL BUILDING, LAND & EQUIPMENT	<u>10,723,456</u>
TOTAL ASSETS & OTHER DEBITS	<u><u>13,678,576</u></u>
 CURRENT LIABILITIES	
Accounts & Interest Payable	105,287
Bonds Payable - Short Term	280,000
Unearned Revenue	60,341
Prepaid Rec Fees	35,079
Gift Cards	11,666
Sales Tax Payable	6,678
Server Tips Payable	2,815
Deferred Property Tax	500,779
Deferred Insurance Claims	22,964
Deferred Revenue - PARQ	7,204
TOTAL CURRENT LIABILITIES	<u>1,032,813</u>
 LONG TERM DEBT	
Bond Issue	7,405,000
Deferred Loss Series 2017 Refunding Bond	(614,585)
Original Issue Premium 2017 Bonds	634,207
RV Lot Gate Opener Deposit	1,645
TOTAL CURRENT & LONG TERM LIABILITIES	<u>8,459,080</u>
 FUND EQUITY	
Investment In Property	2,975,670
Debt Service Fund	183,438
Conservation Trust Fund (Lottery)	152,789
Heather Gardens Foundation	187,778
Unrestricted Net Assets	1,457,455
Tabor Reserve	15,831
Closing Entry	137,156
Net Income/(Loss)	109,379

2888 So Heather Gardens Way
Aurora CO 80014

Total Equity	5,219,496
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TOTAL LIABILITIES AND EQUITY	13,678,576
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**Heather Gardens Metropolitan District
Club House P&L
3/31/2022**

4/7/2022
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	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET	
REVENUE								
D512	CH Building Rentals	3,058	1,300	1,758	7,781	3,900	3,881	15,600
D515	Classes	5,526	7,240	(1,714)	18,316	21,720	(3,405)	86,880
D513	Events	2,006	1,885	121	2,930	7,405	(4,475)	31,670
D516.1	Coffee Revenue	238	300	(62)	691	900	(209)	3,600
D513.1	Trips Revenue	0	2,750	(2,750)	4,561	8,250	(3,689)	33,000
	TOTAL REVENUE	10,828	13,475	(2,647)	34,279	42,175	(7,897)	170,750
WAGES/BENEFITS								
C500	Salaries - FTP	8,139	9,091	952	24,154	26,414	2,260	108,305
C510	Salaries - Part Time	6,513	6,072	(441)	17,502	18,215	713	75,376
C520	Salaries - Overtime	46	0	(46)	86	0	(86)	0
C530	Salaries - Teachers	6,009	6,972	963	21,588	23,007	1,418	89,935
C540	Taxes - Payroll	2,335	2,340	5	6,605	7,460	855	26,803
C550	Retirement Expense	0	445	445	0	1,291	1,291	5,234
C553	Insurance - Personnel	963	1,195	232	2,889	3,584	695	14,338
C574	Recruit/Train/Services	0	110	110	109	330	221	1,320
C575	Employee Incentive	0	0	0	0	150	150	600
C588	Workers Comp Insurance	143	230	87	554	690	136	2,829
	TOTAL WAGES/BENEFITS	24,148	26,455	2,307	73,487	81,141	7,653	324,740
OPERATING EXPENSES								
C675.2	Salaries-Charge Out	0	0	0	0	0	0	0
C673	Maintenance Hours	5,191	2,704	(2,487)	15,603	4,752	(10,850)	27,043
C676	Golf Hours	0	0	0	0	0	0	0
C677	R & G Hours	4,288	0	(4,288)	4,288	0	(4,288)	0
C678	Custodial Hours	8,472	9,548	1,077	22,901	28,645	5,744	114,579
	CHARGE-OUT SUBTOTALS	17,951	12,252	(5,698)	42,792	33,397	-9,394	141,622
C621.1	Mileage Reimbursement	0	8	8	0	24	24	96
C627	Pool Care & Supplies	2,831	4,019	1,188	4,460	6,407	1,947	19,738
C639	Software & IT	390	340	(50)	837	1,020	183	4,080
C640	Electric	7,203	7,527	324	24,080	24,078	(2)	93,261
C643	Gas	113	1,511	1,398	5,372	6,694	1,322	20,077
C662	Office Supplies & Postage	327	600	273	1,653	1,800	147	7,200
C662.1	CC & ActiveNet	1,580	1,050	(530)	2,410	3,150	740	12,600
C671	Outside Contractors	526	1,521	995	2,492	4,878	2,386	19,662
C683	Repairs - Equipment	73	503	430	168	2,329	2,161	9,246
C684	Supplies	5,721	5,500	(221)	7,609	7,175	(434)	18,750
C684.1	Custodial Supplies	2,058	2,000	(58)	5,708	6,000	292	24,000
C684.2	Coffee Supplies	0	230	230	283	690	407	2,760
C686.1	Special Event Supplies	1,856	710	(1,146)	2,233	3,680	1,447	14,420
C686.2	Special Event Contractors	650	1,175	525	650	3,725	3,075	17,250
C687	Trips Expense	0	2,750	2,750	3,913	8,250	4,338	33,000
C688	Non Capital Equipment	1,439	3,000	1,561	1,439	8,570	7,131	22,740
C689	Phone & Internet	408	370	(38)	917	1,110	193	4,440
C698	Water & Sewer	980	986	6	2,911	3,274	364	19,294
	TOTAL OPERATING EXPENSES	44,106	46,052	1,947	109,927	126,251	16,327	484,236
	NET REVENUE & EXPENSE	(57,426)	(59,032)	1,607	(149,135)	(165,217)	16,083	(638,226)

**Heather Gardens Metropolitan District
Golf P&L
3/31/2022**

4/7/2022
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		CURR MONTH	CURR MONTH	CURR MONTH	YTD	YTD	YTD	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET
REVENUE								
D507	Golf Fees Daily	11,761	5,541	6,220	13,648	15,815	(2,167)	284,281
D507.1	Golf Simulator	150	350	(200)	835	1,004	(169)	1,578
D509.2	Golf Disc - 40 Play	564	1,137	(573)	917	3,540	(2,623)	25,211
D511	Golf Cart Rental Income	2,306	972	1,334	2,662	2,603	59	70,315
D511.1	Golf Merchandise	1,230	2,761	(1,532)	3,118	4,030	(913)	24,266
D511.2	Golf Lesson	540	330	210	675	711	(36)	8,900
D511.3	Golf Bag Storage	0	0	0	0	206	(206)	6,705
D511.4	Golf Pull Cart	274	74	200	310	260	50	4,752
TOTAL REVENUE		16,825	11,165	5,659	22,165	28,169	(6,005)	426,008
WAGES/BENEFITS								
G500	Salaries - FTP	27,321	25,299	(2,022)	73,692	74,327	635	302,068
G510	Salaries - Part Time	2,957	4,471	1,514	8,995	13,347	4,352	91,736
G520	Salaries - Overtime	167	416	249	910	1,100	190	4,479
G540	Taxes - Payroll	2,729	2,697	(32)	7,784	8,881	1,097	33,787
G550	Retirement Expense	929	989	60	2,994	2,926	(68)	13,200
G553	Insurance - Personnel	2,046	2,499	453	6,573	7,497	923	31,487
G574	Recruit / Train / Service	1,604	4,038	2,435	3,229	4,854	1,625	5,997
G575	Employee Incentive	0	0	0	0	500	500	2,000
G588	Workers Comp Insurance	271	290	19	970	870	(100)	3,567
TOTAL WAGES/BENEFITS		38,024	40,699	2,676	105,147	114,302	9,154	488,321
OPERATING EXPENSES								
G675.2	Salaries-Charged Out	0	(250)	(250)	(2,084)	(750)	1,334	(1,500)
G450	COGS - Merchandise	626	1,436	810	1,814	2,096	282	12,618
G621	Fuel Expense	348	419	71	979	870	(109)	6,375
G621.1	Mileage Reimbursement	27	21	(6)	35	41	6	165
G624	Contingency-Water	39	0	(39)	117	0	(117)	10,300
G635	Tree & Shrub Replacement	0	0	0	0	0	0	714
G639	Software & IT	222	258	36	517	773	256	3,090
G640	Electric	674	602	(72)	1,737	1,631	(106)	9,312
G640.1	Electric - Pump	(302)	934	1,236	934	3,529	2,595	46,243
G643	Gas	12	114	102	471	561	90	1,198
G645	Uniforms	0	61	61	0	1,484	1,484	2,035
G662	Office Supplies & Postage	0	0	0	68	0	(68)	52
G662.1	Credit Card Expense	227	1,316	1,089	1,862	3,948	2,087	15,794
G665	Rent - Equipment	0	0	0	0	0	0	1,442
G670	Asphalt Repairs	0	0	0	0	0	0	4,896
G671	Outside Contractors	23	2,800	2,777	354	8,670	8,316	19,511
G676.1	Golf Shop Supplies	522	160	(362)	729	480	(249)	1,920
G680	Radio Communications	0	0	0	0	206	206	206
G683	Repairs - Equipment	664	1,200	536	2,914	6,600	3,686	14,400
G684	Supplies	4,353	12,800	8,447	8,317	17,500	9,183	42,050
G689	Telephone	249	300	51	745	900	155	3,600
G697	Marketing	50	416	366	560	1,248	688	5,000
TOTAL OPERATING EXPENSES		7,734	22,587	14,853	20,069	49,787	29,719	199,421
NET REVENUE & EXPENSE		(28,933)	(52,121)	23,188	(103,051)	(135,920)	32,868	(261,734)

MARCH 2022

HGMD Golf Usage Report

Revenue	Current Year					Prior Year				
	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
Daily Rates										
85+	\$ 9.00	12	\$ 108	13	\$ 117	\$ 9.00	9	\$ 81	25	\$ 225
Resident	\$ 9.95	0	\$ -	61	\$ 607	\$ 10.96			69	\$ 756
Resident Everyday	\$ 10.00	258	\$ 2,580	258	\$ 2,580	\$ 10.00	112	\$ 1,120	336	\$ 3,358
Guest of Resident- weekday	\$ 13.00	67	\$ 871	77	\$ 1,001	\$ 13.00	32	\$ 416	109	\$ 1,417
Guest of Resident- weekend	\$ 17.00	22	\$ 374	27	\$ 453	\$ 17.00	21	\$ 357	65	\$ 1,105
Non-Resident Sr. - No Timeframe	\$ 17.00	0	\$ -	(4)	\$ (68)					
Non-Resident Sr. - Weekday	\$ 14.86	111	\$ 1,649	132	\$ 1,964	\$ 14.00	70	\$ 980	138	\$ 1,932
Non-Resident Sr. - Weekend	\$ 19.00	49	\$ 931	66	\$ 1,194	\$ 18.00	37	\$ 666	131	\$ 2,375
Non-Resident - Weekday	\$ 18.00	58	\$ 1,044	68	\$ 1,226	\$ 17.00	18	\$ 306	42	\$ 714
Non-Resident - Weekend	\$ 23.00	44	\$ 1,012	45	\$ 1,035	\$ 22.00	11	\$ 242	44	\$ 968
Junior- weekday	\$ 9.00	35	\$ 315	35	\$ 315	\$ 9.00	2	\$ 18	2	\$ 18
Junior- weekend	\$ 12.00	6	\$ 72	7	\$ 84	\$ 12.00	1	\$ 12	6	\$ 72
Twilight	\$ 12.00		\$ -			\$ 10.00				
2 for 20 Special	\$ -		\$ -			\$ 11.00	70	\$ 770	132	\$ 1,452
2 for 24 Special	\$ 12.00	177	\$ 2,124	221	\$ 2,652	\$ 11.00			17	\$ 187
2 for 1	\$ 18.00		\$ -			\$ 18.00				
2 for 1 (free player)	\$ -		\$ -			\$ -				
League - Weekend	\$ 18.00	8	\$ 144	8	\$ 144	\$ 18.00	9	\$ 162	40	\$ 720
League - Weekday	\$ 14.00		\$ -			\$ 15.00				
40 Play Punches	\$ 8.90	120	\$ 1,067	135	\$ 1,202	\$ 8.10			1	\$ 360
Complimentary Round-Employee	\$ -		\$ -			\$ -				
Complimentary Round	\$ -		\$ -			\$ -				
Adjustment to Income	\$ -		\$ 34		\$ 35	\$ -		\$ 2,248		\$ 1,745
Golf Daily Fee		967	\$ 12,325	1,149	\$ 14,541	\$ -	392	\$ 7,378	1,157	\$ 17,404

Other Golf Revenue	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
40 Play Card	\$ 8.10	0	\$ -	3	\$ 24	\$ 8.10	138	\$ 1,824	422	\$ 4,125
Rider Carts	\$ 8.57	269	\$ 2,306	311	\$ 2,662	\$8.50/\$7.50	111	\$ 944	297	\$ 2,527
Pull Cart	\$ 6.00	34	\$ 204	40	\$ 240	\$ 6.00	12	\$ 72	42	\$ 252
Golf Simulator	\$ 20.00	8	\$ 150	42	\$ 835	\$ 21.32	18	\$ 340	49	\$ 975
Golf Merchandise D511.1			\$ 1,230		\$ 3,118			\$ 2,681		\$ 3,913
Golf Lessons		4	\$ 540	5	\$ 675	\$ 50.00	3	\$ 320	7	\$ 690
Golf Bag Storage	\$ 120.00					\$ 100.00			2	\$ 200
Golf Club Rentals	\$ 14.00	5	\$ 70	5	\$ 70					

Total Revenue		\$ 16,825		\$ 22,165		\$ 13,559		\$ 30,086
Golf Course Expenses		\$ 45,758		\$ 125,216		\$ 50,041		\$ 145,268
Profit/(Loss)		\$ (28,933)		\$ (103,051)		\$ (36,482)		\$ (115,182)

# of Days Golf Course Closed	14	65	19	46
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**Heather Gardens Metropolitan District
Restaurant P&L
3/31/2022**

4/7/2022
12:45 PM

		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET		
SUMMARY										
	Sales	48,465	45,731	2,734	93,983	127,837	(33,854)	603,015		
	Cost of Goods Sold	16,226	14,676	(1,551)	30,719	41,049	10,331	193,106		
	Gross Profit	32,239	31,055	1,184	63,264	86,788	(23,524)	409,909		
	Wages & Benefits	28,800	30,416	1,615	78,091	87,962	9,871	375,186		
	Operating Expense	12,324	10,228	(2,096)	26,523	31,106	4,583	122,919		
	Net Income/(Loss)	(8,885)	(9,589)	704	(41,350)	(32,280)	(9,070)	(88,196)		
SALES										
D506	Restaurant Food	40,108	38,802	1,307	76,553	109,610	(33,057)	511,205		
D506.1	Restaurant Beer	3,265	2,158	1,106	6,445	4,657	1,788	25,580		
D506.2	Restaurant Wine	2,788	2,379	409	6,079	6,974	(895)	33,752		
D506.3	Restaurant Liquor	2,304	2,392	(88)	4,906	6,596	(1,690)	32,478		
	TOTAL SALES	48,465	45,731	2,734	93,983	127,837	(33,854)	603,015		
COST OF GOODS SOLD										
H450	COGS - Food	14,629	13,193	(1,436)	27,224	37,268	10,044	173,810	<u>COGS Percentages</u>	
H455	COGS - Beer	744	648	(96)	1,638	1,397	(241)	7,674	<u>Current</u>	<u>YTD</u>
H455.1	COGS - Wine	539	476	(64)	1,266	1,395	129	6,750	36.5%	35.6%
H455.2	COGS - Liquor	314	359	45	591	989	399	4,872	22.8%	25.4%
	TOTAL COST OF GOODS	16,226	14,676	(1,551)	30,719	41,049	10,331	193,106	19.3%	20.8%
									13.6%	12.0%
	TOTAL COST OF GOODS	16,226	14,676	(1,551)	30,719	41,049	10,331	193,106	33.5%	32.7%
	GROSS PROFIT	32,239	31,055	1,184	63,264	86,788	(23,524)	409,909		
		67%	68%		67%	68%				
WAGES/BENEFITS										
H500	Salaries - Full Time	18,615	13,953	(4,662)	51,702	40,509	(11,194)	165,849		
H510	Salaries - Part Time	4,136	10,518	6,382	9,690	29,403	19,713	138,694		
H520	Salaries - Overtime	213	0	(213)	244	0	(244)	0		
H540	Taxes - Payroll	3,018	2,894	(124)	7,882	8,567	685	31,329		
H550	Retirement Expense	292	698	406	876	2,025	1,150	8,214		
H553	Insurance Emp Health	2,186	1,808	(379)	6,522	5,423	(1,099)	22,776		
H574	Recruiting/Training	106	265	159	320	795	475	3,280		
H575	Employee Incentive	0	0	0	0	400	400	1,600		
H588	Workers Com Insurance	234	280	46	855	840	(15)	3,444		
	TOTAL WAGES/BENEFITS	28,800	30,416	1,615	78,091	87,962	9,871	375,186		
OPERATING EXPENSES										
H673	Maintenance Hours	362	335	(27)	836	530	(306)	2,551		
H674	Custodial Hours	161	525	364	441	1,575	1,134	6,300		
	CHARGE-OUTS SUBTOTAL	523	860	337	1,277	2,105	828	8,851		

**Heather Gardens Metropolitan District
Restaurant P&L
3/31/2022**

4/7/2022
12:45 PM

		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
H639	Software & IT	97	500	403	292	1,500	1,208	6,000
H640	Electric	1,801	1,882	81	6,020	6,019	(1)	23,315
H643	Gas	28	378	350	1,343	1,673	330	5,019
H644	Water	87	85	(2)	256	290	34	1,858
H645	Phone & TV	330	300	(30)	972	900	(72)	3,600
H646	Trash Removal	400	400	0	1,163	1,200	37	4,800
H651	Uniforms	0	150	150	82	300	218	900
H652	Discounts & Comps	487	500	13	1,131	1,500	369	6,000
H662	Office Supplies	0	0	0	114	100	(14)	500
H671	Outside Contractors	1,495	500	(995)	1,705	1,500	(205)	6,000
H681	Credit Card Fees	1,273	1,100	(173)	4,020	3,300	(720)	13,200
H683	Repairs - Equipment	180	300	120	461	900	439	3,600
H684	China/Glass/Flatware	0	200	200	53	600	547	2,400
H684.1	Kitchen Supplies	920	1,500	580	1,901	4,500	2,599	18,000
H685	Cleaning Supplies	525	300	(225)	1,455	900	(555)	3,600
H688	Non Capital Equipment	4,128	500	(3,628)	4,128	1,500	(2,628)	6,000
H689	Marketing	50	500	450	150	1,500	1,350	6,000
H690	Licenses	0	273	273	0	819	819	3,276
	TOTAL OPERATING EXPENSES	12,324	10,228	(2,096)	26,523	31,106	4,583	122,919
	NET REVENUE & EXPENSE	(8,885)	(9,589)	703	(41,350)	(32,280)	(9,070)	(88,196)

Monthly Data from
SPOTON POS

March						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	10:00AM	\$2,628.00		1485	3162	\$15.17
	11:00 AM	\$6,884.60				
	12:00 PM	\$8,944.45				
	1:00 PM	\$5,815.70				
	2:00 PM	\$3,269.35				
	3:00 PM	\$3,486.30				
	4:00 PM	\$7,476.70				
	5:00 PM	\$6,992.55				
	6:00 PM	\$2,479.60				
		\$47,977.25				
Top selling items						
	Sunday Brunch	599				
	Dinner Special	362				
	Lunch Special \$10	285				
	Fish"n Chips	136				
	H. Gardens Cheeseburger	112				
	Reuben Sandwich	89				
	Baja Style Fish Tacos	92				
	Chef Cobb Salad	77				
	Coconut Shrimp	94				
	Chicken Croissant Sand.	83				
	Turkey Club	72				
	Bowl of Soup	141				
	Open Food	94				
	Asian Chicken Salad	45				
	Fried Chicken Basket	67				
	Black and Bleu Burger	46				
	BBQ Pulled Pork Sand.	46				
	BBQ Bacon Cheeseburger	42				
	Cup of Soup	92				
	Shrimp Louis	33				
	House Salad	60				
	Meatloaf Dinner	27				
	Steak of the Day	22				
	Impossible Veg. Burger	22				
	Pie of the week	45				
	Grilled Chicken Dinner	18				

Monthly Data from
SPOTON POS

March						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	Chicken Caesar Salad	19				
	Brat & Chips with Kraut	28				
	French Fries	230				
	Wedge Salad	22				
	Cheese Ravioli Dinner	14				
	Cauliflower Bites	23				
	Gouda bites	23				
	Caprese Chicken Sand.	16				
	Mozzarella Sticks	23				
	Warm Lattice Cherry Pie	21				
	Hot Dog & Chips	14				
	Ice Cream Sundae	14				
	BLT	5				
	Turkey Club Sandwich	4				
	Scoop Of Ice Cream	27				
	Grilled Cheese	4				
	Caesar Salad	10				
	Bratwurst & Chips	2				

Monthly Data from
SPOTON POS

Jan thru Mar						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	6:00 AM	\$329.25		2820	5891	\$15.46
	9:00 AM	\$28.00				
	10:00 AM	\$2,600.00				
	11:00 AM	\$11,983.80				
	12:00 PM	\$15,639.05				
	1:00 PM	\$10,640.66				
	2:00 PM	\$7,574.45				
	3:00 PM	\$8,719.70				
	4:00 PM	\$14,425.45				
	5:00 PM	\$16,596.50				
	6:00 PM	\$4,305.95				
Top selling iter	7:00 PM	\$28.50				
	Grand Totals	\$92,871.31				
	Sunday Brunch	599				
	Dinner Special	366				
	Lunch Special \$10.50	532				
	Fish"n Chips	341				
	H. Gardens Cheeseburger	269				
	Reuben Sandwich	198				
	Baja Style Fish Tacos	184				
	Chef Cobb Salad	167				
	Cheese Ravioli Dinner	141				
	Chicken Croissant Sand.	181				
	Coconut Shrimp	185				
	Bowl of Soup	308				
	Turkey Club	133				
	Fried Chicken Basket	157				
	Open Food	176				
	Asian Chicken Salad	90				
	Steak of the Day	84				
	Black and Bleu Burger	103				
	BBQ Bacon Cheeseburger	108				
	Meatloaf Dinner	85				
	Shrimp Louis	86				
	BBQ Pulled Pork Sand.	93				
	Cup of Soup	210				

Monthly Data from
SPOTON POS

Jan thru Mar						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	House Salad	142				
	Impossible Veg. Burger	57				
	Chicken Caesar Salad	50				
	Pie of the week	94.5				
	Grilled Chicken Dinner	38				
	Caprese Chicken Sand.	53				
	Brat & Chips with Kraut	63				
	French Fries	546				
	Wedge Salad	50				
	Sweet Potato Fries	236				
	Gouda bites	43				
	Cauliflower Bites	42				
	Warm Lattice Cherry Pie	59				
	Hot Dog & Chips	38				
	Mozzarella Sticks	37				
	BLT	16				
	Fries	52				
	Ice Cream Sundae	25				
	Brunch	9				
	Grilled Cheese	11				
	Cheesecake of the week	11				
	Turkey Club Sandwich	5				
	Scoop Of Ice Cream	43				
	Caesar Salad	20				
	Side Caesar Salad	8				
	Homemade Chips	823.5				
	Tortilla Chips	5				
	Plain Burger	2				
	Coleslaw	10				
	Bratwurst & Chips	3				
	Chicken Quesadilla	2				
	Mashed Potatoes	2				
	Onion Rings	2				

AUDIT SUB-COMMITTEE
March 28, 2022

To: Terry Hostetler, HGA Treasurer
Bill Archambault, HGMD Treasurer

From: Craig Baldwin, Chair, Audit Sub-Committee

Committee Members: Karen Kasprzak, Barbara Schneller, Karen Gold and Karen McClaury; absent, Karyn Simon and Rita Lusk.

The Audit Sub-Committee met on March 28, 2022 at 9 AM to review February, 2022 invoices. The review was based on the nine steps outlined in the Joint Procedure Memorandum JPM B-3.

Total Checks written and validated: 105. Total checks disbursements: \$408,846.
Total ACH transfers validated: 30. Total ACH Disbursements: \$104,012.

Each page of the check register for February, 2022 was initialed by chair Baldwin. These copies will be retained by the CFO for the auditors.

Findings: All vendor payments were verified and properly authorized. All checks were accounted for.

Questions: Answered.

Craig Baldwin, Chair

Budget and Finance Committee

Date: April 18, 2022

Motion: Recommend the Acceptance and Approval of the 2021 Heather Gardens Association Audit

Project Cost: N/A

I move that the Joint Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors accept and approve the 2021 Audit, pending completion of the open items listed on the lead page of the December 31, 2021, financial statements.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: After review of the 2021 Audit and discussion with the Audit staff, the Joint Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors accept and approve the 2021 Heather Gardens Association Audit, which in the opinion of the Audit staff presents fairly in all material respects, the results of its operations and cash flows for the year then ended, in accordance with Accounting Principles generally accepted in the United States of America.

HEATHER GARDENS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

Open Items:

- Changes to supplemental information (if necessary)
- Quality control review
- Subsequent event inquiry
- Management rep letter
- Report date

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Independent Auditors' Report

Board of Directors and Members
Heather Gardens Association
Aurora, Colorado

Opinion

We have audited the financial statements of Heather Gardens Association (the Association), which comprise the balance sheet as of December 31, 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2021, and the results of its operations and its cash flows for the years 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 Auditors' 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 audits. 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 for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Other Matter

Report On Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information about future major repairs and replacements on page 20 be presented to supplement the basic financial statements. Such information, 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.

Report On Summarized Comparative Information

We have previously audited the Association's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

XXX XX, 2022

HEATHER GARDENS ASSOCIATION

BALANCE SHEET

December 31, 2021

(With Comparative Totals As Of December 31, 2020)

Assets

	2021				2020
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
Cash and cash equivalents	\$ 4,871,687	\$ 6,057,984	\$ —	\$ 10,929,671	\$ 9,466,911
Certificates of deposit, net of amortization	240,669	2,858,578	—	3,099,247	3,159,683
Accounts and assessments receivable - net of allowance for doubtful accounts of \$50,000 and \$33,000 in 2021 and 2020, respectively	284,149	—	—	284,149	198,588
Other receivables	293	21,542	589,393	611,228	21,835
Prepaid expenses and other	1,284,874	—	73,032	1,357,906	1,251,644
Other assets - units held for resale	—	—	—	—	837,128
Inventory	204,030	—	—	204,030	209,672
Interfund receivable (payable)	144,695	(144,695)	—	—	—
Due from the District	114,306	—	—	114,306	314,674
Property and equipment - net of accumulated depreciation of \$1,252,236 and \$1,177,361 in 2021 and 2020, respectively	359,521	—	—	359,521	258,870
Total Assets	\$ 7,504,224	\$ 8,793,409	\$ 662,425	\$ 16,960,058	\$ 15,719,005

Liabilities And Fund Balance

Accounts payable	\$ 404,423	\$ —	\$ 662,425	\$ 1,066,848	\$ 476,776
Accrued payroll liabilities	375,499	—	—	375,499	385,529
Other liabilities	69,844	12,000	—	81,844	35,241
Assessments paid in advance	325,380	—	—	325,380	213,194
Excess assessments due to future years	262,419	—	—	262,419	687,220
Unearned revenue	84,021	—	—	84,021	102,053
PPP loan	—	—	—	—	1,058,700
Impound deposits	4,889,621	—	—	4,889,621	4,646,888
Total Liabilities	6,411,207	12,000	662,425	7,085,632	7,605,601
Fund Balance	1,093,017	8,781,409	—	9,874,426	8,113,404
Total Liabilities And Fund Balance	\$ 7,504,224	\$ 8,793,409	\$ 662,425	\$ 16,960,058	\$ 15,719,005

See notes to the financial statements.

HEATHER GARDENS ASSOCIATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE For The Year Ended December 31, 2021 (With Comparative Totals For The Year Ended December 31, 2020)

	2021			2020	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
Revenues And Gains					
Members' assessments	\$ 10,228,397	\$ 2,596,502	\$ —	\$ 12,824,899	\$ 12,251,673
Other income	203,520	—	—	203,520	161,155
Investment income	7,688	73,192	—	80,880	80,351
Insurance proceeds	—	—	589,393	589,393	1,003,438
Gain on forgiveness of PPP loan	1,053,700	—	—	1,053,700	—
Gain on sale of units held for sale	74,900	—	—	74,900	—
Total Revenues	11,573,155	2,669,694	589,393	14,832,242	18,496,617
Expenses					
Insurance	1,583,312	—	—	1,583,312	1,387,708
Gas and electricity	1,090,719	—	—	1,090,719	944,664
Water and sewer	1,179,328	—	—	1,179,328	1,254,564
Custodial services	456,547	—	—	456,547	556,156
Contract department	220,605	—	—	220,605	92,863
Repairs and maintenance - personnel	1,603,970	—	—	1,603,970	1,702,066
Repairs and maintenance - other	622,982	1,802,418	—	2,425,400	2,956,278
Roads and grounds - personnel	858,721	—	—	858,721	859,207
Roads and grounds - other	223,868	—	—	223,868	239,931
Security - personnel	502,305	—	—	502,305	499,868
Security - other	32,602	—	—	32,602	37,597
Administrative - personnel	1,094,313	—	—	1,094,313	1,029,644
Administrative - other	305,072	—	—	305,072	221,381
Painting - personnel	252,061	—	—	252,061	190,524
Painting - other	53,250	—	—	53,250	39,960
Payment in lieu of taxes	59,819	—	—	59,819	3,784
Income taxes	66,233	24,000	—	90,233	58,185
Depreciation and amortization	107,293	54,369	—	161,662	142,707
Insurance claims - repairs	113,687	—	589,393	703,080	1,053,104
Other expenses	159,859	—	—	159,859	175,889
Investment and advisory fees	739	8,755	—	9,494	7,679
Total Expenses	10,592,285	1,889,542	589,393	13,071,220	13,448,759
Excess Of Revenues Over (Under) Expenses	980,870	780,152	—	1,761,022	47,858
Fund Balance - Beginning Of Year	(89,453)	8,202,857	—	8,113,404	7,928,708
Capital Contributions	—	—	—	—	136,838
Transfers					
To operating - fixed asset capitalization	201,600	(201,600)	—	—	—
Fund Balance - End Of Year	\$ 1,093,017	\$ 8,781,409	\$ —	\$ 9,874,426	\$ 8,113,404

See notes to the financial statements.

HEATHER GARDENS ASSOCIATION

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2021

(With Comparative Totals For The Year Ended December 31, 2020)

Page 1 Of 2

	2021			2020	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
Cash Flows From Operating Activities					
Cash received from homeowners	\$ 10,240,942	\$ 2,596,502	\$ —	\$ 12,837,444	\$ 12,771,529
Cash paid to suppliers	(5,832,611)	(1,802,418)	—	(7,635,029)	(8,372,472)
Cash paid to employees	(4,782,947)	—	—	(4,782,947)	(4,929,777)
Income taxes paid	(19,534)	(3,501)	—	(23,035)	(70,008)
Net Cash Provided By (Used In) Operating Activities	(394,150)	790,583	—	396,433	(600,728)
Cash Flows From Investing Activities					
Purchase of property and equipment	(184,600)	—	—	(184,600)	(50,991)
Proceeds from sale of assets	500	—	—	500	—
Investment income	7,637	72,916	—	80,553	76,278
Proceeds from insurance claim	—	—	—	—	835,429
Cash paid on insurance claim repairs	—	—	—	—	(628,383)
Purchases of certificates of deposit	—	—	—	—	(1,191,295)
Sales of U.S. Treasury bills	—	—	—	—	5,518,278
Proceeds from sale of two units held for sale	979,000	—	—	979,000	—
Investment and advisory fees	(739)	(8,755)	—	(9,494)	(7,679)
Net Cash Provided By Investing Activities	801,798	64,161	—	865,959	4,551,637
Cash Flows From Financing Activities					
Interfund transfers - fixed assets	201,600	(201,600)	—	—	—
Interfund borrowing	1,078,494	(1,078,494)	—	—	—
Proceeds on PPP loan	—	—	—	—	1,058,700
Proceeds (Financing) provided to the District	200,368	—	—	200,368	(314,674)
Net Cash Provided By (Used In) Financing Activities	1,480,462	(1,280,094)	—	200,368	744,026
Net Increase (Decrease) In Cash And Cash Equivalents	1,888,110	(425,350)	—	1,462,760	4,694,935
Cash And Cash Equivalents - Beginning Of Year	2,983,577	6,483,334	—	9,466,911	4,771,976
Cash And Cash Equivalents - End Of Year	\$ 4,871,687	\$ 6,057,984	\$ —	\$ 10,929,671	\$ 9,466,911

See notes to financial statements.

HEATHER GARDENS ASSOCIATION

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2021

(With Comparative Totals For The Year Ended December 31, 2020)

Page 2 Of 2

	2021			2020	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
Reconciliation Of Excess Of Revenues Over Expenses To Net Cash Provided By (Used In) Operating Activities					
Excess revenues over expenses	\$ 980,870	\$ 780,152	\$ —	\$ 1,761,022	\$ 47,858
Adjustments To Reconcile Excess Of Revenues Over Expenses To Net Cash Provided By (Used In) Operating Activities					
Depreciation and amortization expense	107,293	54,369	—	161,662	142,707
Gain on disposal of assets	(17,500)	—	—	(17,500)	—
Gain on PPP loan forgiveness	(1,058,700)	—	—	(1,058,700)	—
Gain on sale of CP4	(74,900)	—	—	(74,900)	—
Investment income	(7,638)	(73,192)	—	(80,830)	(80,351)
Investment and advisory fees	739	8,755	—	9,494	7,679
Changes in assets and liabilities:					
Accounts and assessments receivable	(102,561)	—	—	(102,561)	(109,383)
Allowance for doubtful accounts	17,000	—	—	17,000	1,000
Prepaid expenses and other	(41,729)	8,499	—	(33,230)	(246,295)
Other assets - units held for resale	(48,250)	—	—	(48,250)	(837,128)
Inventory	5,642	—	—	5,642	36,909
Deficient assessments due to Association	(91,075)	—	—	(91,075)	59,553
Accounts payable	(10,030)	—	—	(10,030)	63,069
Accrued payroll liabilities	34,603	12,000	—	46,603	(92,312)
Other liabilities	112,186	—	—	112,186	(1,565)
Assessments paid in advance	(424,801)	—	—	(424,801)	7,375
Assessments due to members	(18,032)	—	—	(18,032)	219,850
Unearned revenue	242,733	—	—	242,733	(23,626)
Impound deposits	(1,375,020)	10,431	—	(1,364,589)	203,932
Total Adjustments					
	\$ (394,150)	\$ 790,583	\$ —	\$ 396,433	\$ (600,728)
Net Cash Provided By (Used In) Operating Activities					

See notes to financial statements.

HEATHER GARDENS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

1. Organization And Purpose

Heather Gardens Association (the Association) was incorporated in January 1973 as a not-for-profit corporation to act as manager of the condominium units, townhouses and patio homes and properties located in Heather Gardens Filing No. 2 - 4 Subdivision in Arapahoe County, Colorado. At December 31, 2021, the membership consisted of owners of 2,426 units.

The Association levies monthly assessment fees to condominium, townhome and patio home owners in accordance with the formulas contained in the Declaration of Condominium (the Declaration). These assessments are to be used to maintain and preserve the buildings, grounds, improvements and general common elements; to purchase equipment and other personal property; to pay utilities, insurance and other common element expenses relating to the operation and to provide for the repair and replacement of facilities.

Prior to 2015, the Declaration required the Association to rebate or charge individual unit owners for any overages or shortages of actual operating expenses and operating assessments made. The Declaration was amended and restated effective January 1, 2015, which affected the 2016 budget year. Starting in 2016, any overages or shortages of actual operating expenses will be applied to future-year assessments. Since these amendments, overages or shortages of capital assessments are neither rebated nor charged to individual unit owners.

Additionally, the Association's monthly assessment fees include a recreation fee. The recreation fee is set by the Association during the budget process to cover the expected shortfall in the Heather Gardens Metropolitan District's (the District) annual budget, which provides for the operation and maintenance of the District facilities (Note 6), which consists primarily of the golf course, clubhouse and restaurant.

2. Date Of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date which the financial statements were available for issue, which is the date of the Independent Auditors' Report.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

3. Summary Of Significant Accounting Policies

Financial Statement Presentation

The financial statements are presented on the fund method of accounting and report separately the transactions of the normal operations (the Operating Fund), the reserves for replacement and repair and maintenance of the common elements which must be replaced on a periodic basis (the Capital Reserve Fund) (Note 8) and insurance monies received for property damage (the Insurance Fund). The fund method reports the Association's transactions on the accrual basis of accounting. The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions and major repairs and replacements. Any excess assessments (under Section 6.4 of the Declaration) at year end are retained by the Association for use in the succeeding year. Assessments for the Operating Fund in 2021 are as follows:

	<u>Amount</u>
Member assessments per the 2021 budget	\$ 9,803,596
2019 excess assessments applied to 2021	467,370
Assessment excess - 2023	<u>(42,569)</u>
Member Assessment Revenue	<u>\$ 10,228,397</u>

An excess in assessments from 2020 of \$219,850 will be applied to the year 2022. An excess in assessments from 2021 of \$42,569 will be applied to the year 2023. In accordance with the Declaration, deficient assessments at year end are collectable by the Association in a succeeding year. Deficient assessments of \$467,376 from 2019 were applied to the year 2021.

Cash Equivalents And Investments

For purposes of the statement of cash flows, the Association considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for any U.S. Treasury bills, which are considered to be investments held to maturity when purchased. Certificates of deposits and U.S. Treasury bills are reported at amortized cost.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

Inventory

Inventory is valued at the lower of cost, computed on the first-in, first-out basis, or net realizable value, and consists of fuel and other consumable supplies.

Property And Equipment

The common elements comprise the buildings and land in which the unit owners have an undivided interest. Since the Association does not have equity in these common elements, they are not recorded as assets in the financial statements. Significant expenditures for capital improvements to the common elements are not recorded as assets of the Association for the same reason.

Other property, consisting of maintenance equipment and leasehold improvements, is recorded at cost as an asset of the Association if the property is owned, and able to be sold or disposed of, by the Association.

Depreciation of recorded assets is computed over the estimated useful lives of the assets using the straight-line method. For financial statement presentation, depreciation expense is charged to the Operating Fund.

Capital assets are defined by the Association as assets with an initial, individual cost of more than \$5,000 and are depreciated on the straight-line method over estimated economic useful lives of 7 to 39 years for buildings and improvements and 5 to 15 years for furniture and equipment.

Revenue Recognition

The Association accounts for revenue recognition in accordance with Accounting Standards Codification Topic 606; *Revenue from Contracts with Customers*, which aligns revenue recognition with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods or services. This core principle is achieved through the application of the following five-step model: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract and (5) recognize revenue as performance obligations are satisfied.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (*Continued*)

For member operating assessments, the Association recognizes assessment contract revenue over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer with the expectation of receiving ongoing management and maintenance as needed of common area property and elements within the community. The Association recognizes revenue on a monthly basis. This method is the most faithful depiction of the Association's performance because it relates to the value of the services transferred to the customer. Customer payments on contracts are typically due within 30 days of billing. Reserve assessments are recognized on a monthly basis, as the reserve assessments stand ready to be utilized for future major repairs and replacements.

For compensation agreement revenues, the Association recognizes contract revenue over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. The Association recognizes revenue on a monthly basis. This method is the most faithful depiction of the Association's performance because it relates to the value of the services transferred to the customer. Customer payments on contracts may be due prior to the start of the contract or within 30 days of billing as defined by the contract. Total revenues on these contracts amounted to \$117,150 in 2021.

For other ancillary operational revenues, revenue is recognized at the point in time in which the service has transferred to the customer. Under this method, revenues are recognized at the time the Association fulfills its various contractual obligations. Customer payments on these revenues are typically due upon receipt. Total revenues on these contracts amounted to \$68,870 in 2021.

When a contract has a single performance obligation, as is the case with the revenues above, the entire transaction price is attributed to that performance obligation.

Occasionally, the Association's contracts give rise to variable consideration for volume incentives. The Association recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Association estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount. Factors such as history with the customer related to volume incentive and how the contract is performing in relation to volume incentive requirements are considered in determining whether volume incentives should be recognized as variable consideration.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (*Continued*)

Contract Assets And Liabilities

Contract assets include deficient assessments from prior years that will be collected from homeowners in future years. Based on historical experience and the rights of the Association, the Association generally considers the collection risk related to billable amounts to be low.

Contract liabilities consist of deferred revenue on compensation agreements, prepaid assessments and excess assessments as income will be recognized as the performance obligation is satisfied.

Income Taxes

The Association qualifies as a tax-exempt homeowners association under Internal Revenue Code Section 528 for the year ended December 31, 2021. For federal tax purposes, the Association is taxed on all net income from nonmembership activities reduced only by losses from nonmembership activities for which a profit motive exists. Nonmembership income may not be offset by membership losses, and any excess membership deductions may only be carried forward to offset membership income of future tax periods. Any net membership income not applied to the subsequent tax year is subject to taxation. The Association files Form 1120-H, which has a flat tax rate of 30% that is applied to net taxable income. For state tax purposes, a rate of 4.55% is applied to net taxable income by the State of Colorado.

In evaluating the Association's tax provisions and accruals, the Association believes that its estimations are appropriate, based on the facts and circumstances.

Insurance

The Declaration requires the Association to obtain insurance coverage for the full insurable replacement costs of the general common elements and buildings. The Association carries commercial insurance to meet this requirement.

Other Expenses

Other expenses within the Operating Fund departments consist of materials, supplies and equipment rental. Other repairs and maintenance expenses of the Capital Reserve Fund consist mainly of roofing maintenance, asphalt and sidewalk repairs and elevator maintenance.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

Use Of Estimates

The preparation of financial statements, in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Paycheck Protection Program Loan

The Association had a loan that was part of the Paycheck Protection Program (the PPP) established under the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration.

During the year ended December 31, 2021, Company applied for and received forgiveness of its PPP loan totaling \$1,058,700, which is equal to the sum of qualified expenses under the PPP incurred during the covered period following initial disbursement. Accordingly, the Company has recorded loan forgiveness income for the full amount.

Totals (Memorandum Only)

Total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles.

4. Cash And Cash Equivalent

The Association follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Cash Deposits

At December 31, 2021, the Association's cash deposits had a bank balance and a carrying balance as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ —	\$ 400
Cash on deposit	11,212,982	10,929,271
	<u>\$ 11,212,982</u>	<u>\$ 10,929,671</u>

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

Concentration Of Credit Risk

The financial instruments which potentially subject the Association to concentrations of credit risk are cash and certificates of deposit. The Association holds a checking account, a money market account and certificates of deposit at different financial institutions located in the United States. Noninterest-bearing accounts and interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per employer identification number. The funds deposited in the financial institutions exceed this limit by \$8,466,921 as of December 31, 2021.

5. Investments

The Association's investments consist of certificates of deposit and are classified as held-to-maturity. All of the securities purchased were at a premium to par value. The Association's policy is to amortize the premiums paid for these securities on a straight-line basis during the period between the purchase and call dates on the expectation that all of securities will be called prior to maturity. Amortization expense recorded in 2021 amounted to \$60,713. The par value, amortized cost basis, gross unrealized holding gains and fair value as of December 31, 2021 are as follows:

	December 31, 2021			
	Par Value	Amortized Cost	Gross Unrealized Holding Gain	Fair Value
Certificates of deposit	\$ 3,007,000	\$ 3,099,247	\$ 4,372	\$ 3,103,619

The certificates of deposit have maturities ranging from July 2022 through April 2024.

Investment income earned during the year ended December 31, 2021 was \$80,830.

6. The District

The District was formed to fund the purchase of the recreation facilities previously owned by the developer of the subdivision, which are amenities to the residents of Heather Gardens.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

The Association and the District have entered into a management agreement. Under the terms of the agreement, the District designated the Association as the District's agent to operate, manage and supervise the properties and facilities of the District. The District makes all decisions relative to the District's capital reserves. The final responsibility and authority for the District's property remains with the District. The Association shall take reasonable steps to collect and enforce the collection of all fees, charges, rents and other sums arising from use of District property. The Association transfers all collections of clubhouse fees, restaurant and facilities (golf course) revenue to the District monthly, net of reimbursement of expenses and costs incurred for the operation and maintenance of the District's assets.

The Association's members are permitted use of the District's facilities on a nonexclusive basis with other members of the general public. The Association leases office space in the Clubhouse at no cost. The value of the lease is not considered significant to the Association and, accordingly, is not recorded in the financial statements.

At December 31, 2021, there was a balance of \$114,306 receivable from the District.

7. Impoundment Deposits

Impoundment deposits are provided for under the Association's Declaration. The funds may be used for the following purposes: as working capital; delinquent account of a homeowner and/or emergency needs. Upon purchase of a unit, the homeowner is required to deposit an amount that is equal to six times the estimated monthly common element expense assessment. The deposits are recorded as a liability, as they are refundable to the owner upon sale of the unit. The new purchaser must make a similar deposit at the then-prevailing rates. As of December 31, 2021, the Association has \$4,889,621 in impoundment deposits. These deposits are held by the Association in various forms and covered by the following balances within the Operating Fund as of December 31, 2021:

Cash and cash equivalents	\$ 4,871,687
Certificates of deposit, net of amortization	240,669
Due from the District	114,306
Interfund receivable	144,695
Accounts and assessments receivable, net	<u>284,149</u>
Total	<u>\$ 5,655,506</u>

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

8. Capital Reserve Fund

The Association's governing documents require that funds be accumulated for significant repairs and replacement of the common elements. During the year ended December 31, 2021, the Association accumulated and utilized the following funds:

Balance - Beginning Of Year	\$ 8,202,857
Receipts:	
Annual assessments	2,596,502
Interest income	73,192
Disbursements:	
Major repairs and replacements	(1,802,418)
Transfer to the Operating Fund for fixed asset capitalization	(201,600)
Income taxes	(12,000)
Premium amortization	(54,369)
Investment and advisory fees	(8,755)
Balance - End Of Year	<u>\$ 8,793,409</u>

Estimates of remaining useful lives and the replacement costs of the components of common property were obtained from a combination of management and outside contractors who inspected the property. The table included in the unaudited supplemental information on future major repairs and replacements is based on these estimates.

These estimates encompassed expenditures for roofs, exterior weatherproofing, carpeting, elevators, parking lot paving, drainage and equipment.

The Association is funding for significant repairs and replacements using a 30-year rolling budget adjusted for inflation (3.5%), based on the estimates of current replacement costs and considering amounts previously accumulated in the Capital Reserve Fund. The Association adopted a Capital Projects Financing Plan (the Financing Plan) in late 2016. The Financing Plan identified a desired minimum capital reserve funds balance of 50% and a target of 60% based on the National Reserves Study Standards concept of full-funding balance. Based on these estimates and the Financing Plan, the Budget and Finance Committee of the Association has included an updated detailed capital reserve estimate for expenditures through the year 2050 in its 2021 budget. As of December 31, 2021, estimated current replacement costs amounted to \$123,666,690. The annual funding requirement, which is based upon a 30-year rolling average of \$4,122,223, has been included in the Association's 2022 budget.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (*Continued*)

Funds are being accumulated in the Capital Reserve Fund based on estimates of future needs for repairs and replacement of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the Capital Reserve Fund may not be adequate to meet all future needs for major repairs and replacements.

9. Employees' Retirement Plan

The Association changed plans during the year from the Heather Gardens Association 401(k) Plan to the OnePoint HRO, LLC Multiple Employer 401(k) Plan (the Plan), both a defined contribution pension plan for the benefit of its employees, which is administered by OnePoint as Trustee. The Plan is a prototype retirement plan intended to qualify under Section 401(k) of the Internal Revenue Code. Under the terms of the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. All employees are eligible to become participants, unless they are within the following classes of employees: any employee covered by a collective bargaining agreement that does not provide for participation in the Plan, any leased employee and any employee who is a nonresident alien who received no earned income which constitutes income from services performed within the United States. Employees may contribute up to 100% of their annual compensation up to a maximum contribution of \$19,500, if 49 and younger, or \$26,000, if 50 or older, for 2021. The Association will provide a matching contribution up to 5% of the employees' annual compensation. The Association's contributions, plus earnings, are always fully vested. There is no liability for benefits under the Plan beyond the Association's matching payments.

The Association's matching contribution amounted to \$130,981 for the year ended December 31, 2021.

10. Operating Leases

Equipment

The Association consolidated various operating lease agreements for copier equipment on June 1, 2019. The leases are for a term of 60 months and require lease payments of \$1,100 per month.

A total of \$13,200 was paid in 2021 for the lease obligations.

HEATHER GARDENS ASSOCIATION

Notes To Financial Statements (Continued)

The following schedule summarizes the minimum future payments for the next three years, which is the remaining term of the contracts:

<u>Year</u>	<u>Amount</u>
2022	\$ 13,200
2023	13,200
2024	5,500
<u>Total</u>	<u>\$ 31,900</u>

Laundry

The Association is the lessor in an operating lease with a vendor for laundry services, effective August 1, 2013, for 10 years. The lessee is required to pay the Association 54% of its gross income after applicable expenses as defined in the lease. Additionally, in accordance with the lease, there is a one-time decorating allowance that must be paid to the Association for \$115,000. It is payable in monthly installments of \$9,583 starting in June 2013, and payable over 12 months. As the amount is refundable if the contract is terminated before the end of the 10-year term, \$14,744 has been recorded as unearned revenue at December 31, 2021. The unearned revenue is being recognized as other income ratably over the 10-year term.

11. Insurance Claims

In 2018, the Association suffered fire-related property damages to two of its resident's properties. The Association, under the terms of the Declaration, bought and rehabilitated the properties. On February 8, 2021, the first property was sold, and on April 29, 2021, the second property was sold for a total combined value of \$979,000.

In late 2021, additional costs were discovered from the contractor on these properties that were sold in February and April of 2021 for the amount of \$662,425. Of this amount, \$589,393 has been committed to be reimbursed with insurance monies. The deficiency of \$73,032 will be held in other assets until final determination by the insurance company.

Upon final determination by the insurance company related to the insurance claims, any excess or deficient insurance proceeds will be transferred to the Capital Reserve Fund. In 2020, excess insurance proceeds held by the Association of \$136,838 were contributed to the Capital Reserve Fund in accordance with Internal Revenue Code Section 118.

HEATHER GARDENS ASSOCIATION
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS - UNAUDITED
December 31, 2021

During 2016, the Association completed a study which estimated the remaining useful lives and the replacement costs of the components of common property from 2021 to 2050. The estimates were obtained from a combination of management and contractors who inspected the property. The following assumes an inflation rate of 3.5%.

The following table is based on the estimates and presents significant information about the components of common property:

	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Capital Reserve Fund Balance December 31, 2021
Structure			
Road repair/replace	6 to 30	\$ 3,797,253	*
Road sealcoat	1 to 6	1,567,505	*
Pond renovation	13 to 30	403,725	*
Recirculation lines	38 to 40	—	*
Roof replacement	1 to 30	40,927,232	*
Roof recoat	2 to 10	4,373,536	*
Gutter replacement	26 to 30	2,309,622	*
Atrium reglaze	12 to 15	391,348	*
Building fascia	1 to 20	685,356	*
Siding replacement	21 to 28	6,086,301	*
Carpet replacement	1 to 30	4,800,911	*
Exterior painting	1 to 8	14,442,461	*
CP pillar fencing	1 to 30	565,662	*
Parking slab renovation	1 to 20	1,104,481	*
Chair rail installation	1 to 30	1,446,501	*
Chimney restoration	46 to 50	—	*
Main duct insulation replacement	1 to 40	191,521	*
Stone replacement	47 to 50	—	*
Elevator cab renovation	1 to 30	636,115	*
Elevator jacks	1 to 40	378,807	*
Fire dept connections	1 to 40	10,552	*
Boiler replacement bldg. 250	2 to 30	323,369	*
Boiler replacement 4 story	8 to 15	1,049,127	*
Boiler replacement 6 story	9 to 15	548,040	*
Building air handlers	11 to 25	80,935	*
Cabinet unit heater	13 to 15	155,714	*
Elevator electrical panels	4 to 20	49,450	*
Evap cooler replacement	2 to 10	83,962	*
Concrete repairs	1 to 30	5,342,949	*
Handrails	1 to 30	1,335,737	*
Retaining walls	1 to 30	1,602,885	*
Large bldg elect. rm. panel	1 to 20	102,926	*
PS post tension repairs	1 to 30	10,685,895	*
Water heaters	1 to 30	2,387,058	*
Unanticipated items	1 to 30	6,973,899	*
Structure - Subtotal		114,840,835	*
Equipment			
R&G equipment	1 to 30	5,169,209	*
Maintenance equipment	1 to 17	1,233,882	*
Paint equipment	2 to 15	288,517	*
Office equipment	2 to 11	1,710,673	*
Security equipment	3 to 7	344,662	*
Custodial equipment	6 to 15	73,912	*
Equipment - Subtotal		8,825,855	*
Total Capital Reserves		\$ 123,666,690	\$ 8,781,409

* The Association does not allocate or assign reserve balances by components of common property.

Budget and Finance Committee

Date: April 18, 2022

Motion: Recommend the Acceptance and Approval of the 2021 Heather Gardens Metropolitan District Audit

Project Cost: N/A

I move that the Joint Budget and Finance Committee recommends that the Heather Gardens Metropolitan District Board of Directors accept and approve the 2021 Audit, pending completion of the open items listed on the lead page of the December 31, 2021, financial statements.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: After review of the 2021 Audit and discussion with the Audit staff, the Joint Budget and Finance Committee recommends that the Heather Gardens Metropolitan District Board of Directors accept and approve the 2021 Heather Gardens Metropolitan District Audit, which in the opinion of the Audit staff presents fairly in all material respects, the financial position of the business-type activities and the fiduciary activities of the District as of December 31, 2021, and the respective changes in its financial position, and where applicable its cash flows for the year then ended in accordance with Accounting Principles generally accepted in the United States of America.

**HEATHER GARDENS
METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Open Items:

- Quality control review
- Subsequent event inquiry
- Representation letter
- Report date

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Independent Auditors' Report

Board of Directors
Heather Gardens Metropolitan District
Aurora, Colorado

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Heather Gardens Metropolitan District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary activities of the District as of December 31, 2021, and the respective changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

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

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 District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 District'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 District'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.

Report On Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budget and actual schedule and note to the schedule on pages 28 and 29, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

We have previously audited the District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

XXX XX, 2022

DRAFT FOR
DISCUSSION PURPOSES
ONLY

HEATHER GARDENS METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2021

Our discussion and analysis of Heather Gardens Metropolitan District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the District's financial statements, which begin on page 9.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for business-type activities are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting. Required statements for fiduciary funds are: 1) Statement of Fiduciary Net Position and 2) Statement of Changes in Fiduciary Net Position. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the business-type statements because the resources of those funds are not available to support the District's own programs.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position as of December 31, 2021. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall position of the District.

The Statement of Revenues, Expenses and Changes in Net Position reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The Statement of Cash Flows, as its name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financial activities and, 4) cash flows from investing activities.

HEATHER GARDENS METROPOLITAN DISTRICT

Management's Discussion And Analysis (*Continued*)

Financial Highlights

- The District's net position increased by \$135,544 or 2.8% as a result of this year's operations, based on beginning of year net position.
- During the year, the District's operating revenues increased by \$423,675 or 20.0% from revenues in 2020. The District's operating expenses increased \$123,634 or 5.0% from expenses in 2020.
- Non-operating revenues decreased by \$67,165 or 10.9% as a result of a decrease in property taxes collected, specific ownership taxes, and lower bond interest income. There was a slight increase in Conservation Trust Fund entitlement and a decrease in interest earned on Certificates of Deposit.
- Non-operating Expenses decreased by \$44,603 or 11.7%. The reduction is attributed to a loss on the sale of an asset in 2020.
- Funds related to The District's annual Change in Net Position are allocated between restricted and unrestricted based on board designations and external restrictions.
- Outstanding long-term debt was reduced by \$270,000 or 3.4%

Financial Summary and Analysis

Capital Assets

	2021	2020	2019
Land	\$ 1,725,000	\$ 1,725,000	\$ 1,725,000
Intangible assets (City of Aurora water rights)	133,190	133,190	133,190
Construction in progress	32,195	18,515	—
Property, furniture and equipment	16,223,625	16,078,770	16,053,966
Less accumulated depreciation	(7,401,522)	(6,847,098)	(6,271,023)
Total Capital Assets - Net	\$ 10,712,488	\$ 11,108,377	\$ 11,641,133

For additional information, see note 4.

HEATHER GARDENS METROPOLITAN DISTRICT

Management's Discussion And Analysis (Continued)

The following condensed financial information was derived from the District's financial statements:

	2021	2020	2019
Current assets	\$ 2,389,189	\$ 2,209,103	\$ 1,852,078
Noncurrent assets	356,595	395,242	381,388
Capital assets, net of accumulated depreciation	10,712,488	11,108,377	11,641,133
Total Assets	13,458,272	13,712,722	13,874,599
Deferred Outflows of Resources	614,585	647,074	679,564
Current liabilities	612,145	728,123	421,938
Long-term liabilities	8,039,207	8,352,734	8,656,260
Total Liabilities	8,651,352	9,080,857	9,078,198
Deferred Inflows of Resources	500,779	493,757	548,848
Invested in capital assets, net of related debt	3,007,866	3,132,717	3,404,437
Restricted	352,058	412,900	399,396
Unrestricted	1,560,802	1,239,565	1,123,284
Total Net Position	\$ 4,920,726	\$ 4,785,182	\$ 4,927,117
Operating revenues	\$ 2,538,393	\$ 2,114,718	\$ 2,662,850
Nonoperating revenues	550,283	617,448	646,899
Total Revenues	3,088,676	2,732,166	3,309,749
Operating expenses	2,616,578	2,492,944	3,154,698
Nonoperating expenses	336,554	381,157	346,262
Total Expenses	2,953,132	2,874,101	3,500,960
Changes In Net Position	135,544	(141,935)	(191,211)
Ending Net Position	\$ 4,920,726	\$ 4,785,182	\$ 4,927,117

The District's non-operating revenue decreased \$67,165 due to decreased property taxes, specific ownership taxes, and lower bond interest income. The District attempts to collect in property taxes the amount needed for principal and interest on its outstanding bonds less \$60,000 from excess operating funds from prior years. These decreases were offset by a small increase in the Conservation Trust Fund (lottery) entitlement but reduced by a decrease in interest earned on certificates of deposit.

HEATHER GARDENS METROPOLITAN DISTRICT

Management's Discussion And Analysis (*Continued*)

Long-Term Debt Outstanding

	2021	2020	2019
General obligation bonds	\$ 7,685,000	\$ 7,955,000	\$ 8,215,000

Bond payments are made twice yearly (June 1 and December 1). The June payment includes only interest and the December payment includes both interest and principal. During 2021, the District paid down the principal by \$270,000 on the outstanding bonds. The bond payments are funded by the property tax revenue and specific ownership tax revenue received by the District.

Budgetary Discussion

Due to the partial closure of the District's facilities in 2021 resulting from the COVID-19 pandemic, revenues were \$273,071 below budget. There were no budget amendments made for 2021.

All requests for Custodial Fund and Foundation expenditures are made by motion to the Board and are not authorized without specific Board approval.

Economic Factors and Rates

The District saw a rebound in business volume as it emerged from the COVID-19 pandemic for the year ended December 31, 2021. The District made sales totaling approximately \$990,000 from restaurant income, golf course fees, and clubhouse usage; a 49% increase from 2020. Management expects business volume to increase in 2022 as restrictions are eased or eliminated.

Contacting the District's Financial Management

This financial report is designed to provide our residents and future residents of Heather Gardens with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jerry Counts, Chief Financial Officer, at Heather Gardens Association, 2888 S. Heather Gardens Way, Aurora, CO 80014 or call 303-755-0652.

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2021

(With Comparative Totals As of December 31, 2020)

Assets And Deferred Outflows Of Resources

	Proprietary Fund	
	2021	2020
Current Assets		
Cash and cash equivalents	\$ 1,010,096	\$ 883,632
Certificates of deposit	750,000	750,000
Property tax receivable	500,779	493,757
Accounts receivable, net of allowance for doubtful accounts of \$1,000 in 2021 and 2020, respectively	24,789	28,079
Prepaid expenses	50,935	—
Inventory	41,182	38,254
Due from the Foundation	—	3,973
Other current assets	11,408	11,408
Total Current Assets	2,389,189	2,209,103
Noncurrent Assets		
Cash restricted	356,595	395,242
Nondepreciable capital assets	1,767,195	1,743,515
Intangible assets	133,190	133,190
Depreciable capital assets, net of accumulated depreciation of \$7,401,522 and \$6,847,098 in 2021 and 2020, respectively	8,822,103	9,231,672
Total Noncurrent Assets	11,069,083	11,503,619
Total Assets	13,458,272	13,712,722
Deferred Outflows Of Resources		
Deferred loss on 2010 bond refunding	614,585	647,074
Liabilities, Deferred Inflows Of Resources And Net Position		
Current Liabilities		
Accounts payable	61,972	8,659
Interest payable	25,617	32,702
Deposits	13,653	13,536
Due to the Association	114,306	314,674
Due to the Foundation	1,100	—
Unearned revenue	92,533	65,588
Unspent insurance claim	22,964	22,964
Current portion of bonds payable	280,000	270,000
Total Current Liabilities	612,145	728,123
Long-Term Liabilities		
Bonds payable	8,039,207	8,352,734
Total Liabilities	8,651,352	9,080,857
Deferred Inflows Of Resources		
Unearned property tax revenue	500,779	493,757
Net Position		
Net investment in capital assets	3,007,866	3,132,717
Restricted	352,058	412,900
Unrestricted	1,560,802	1,239,565
Total Net Position	\$ 4,920,726	\$ 4,785,182

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For The Year Ended December 31, 2021

(With Comparative Totals For the Year Ended December 31, 2020)

	Proprietary Fund	
	2021	2020
Operating Revenue		
Recreation use fees	\$ 1,516,879	\$ 1,382,809
Golf course fees	445,303	364,875
Restaurant income	430,184	271,390
Clubhouse fees	116,158	33,590
Recreational vehicle lot rentals	26,165	35,231
Other operating revenue	3,704	26,823
Total Operating Revenue	2,538,393	2,114,718
Operating Expenses		
Clubhouse, golf course, recreational vehicle lot	1,318,651	1,273,380
Depreciation	574,695	586,883
Restaurant expenses	558,949	457,395
Professional services and insurance	133,299	131,066
Other operating expenses	30,984	44,220
Total Operating Expenses	2,616,578	2,492,944
Operating Loss	(78,185)	(378,226)
Nonoperating Revenue		
Property taxes	493,757	548,743
Specific ownership taxes	33,937	39,858
Conservation Trust Fund entitlement	20,726	17,406
Income on certificates of deposit	1,863	11,441
Total Nonoperating Revenue	550,283	617,448
Nonoperating Expenses		
Interest	317,300	322,580
Amortization of deferred loss on bond refunding and discount	32,489	32,489
Other nonoperating expenses	20,292	18,769
Loss on disposition of assets	—	40,845
Amortization of bond premium, net	(33,527)	(33,526)
Total Nonoperating Expenses	336,554	381,157
Change In Net Position	135,544	(141,935)
Net Position - Beginning Of Year	4,785,182	4,927,117
Net Position - End Of Year	\$ 4,920,726	\$ 4,785,182

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2021

(With Comparative Totals For The Year Ended December 31, 2020)

Page 1 Of 2

	For The Years Ended	
	December 31,	
	2021	2020
Cash Flows From Operating Activities		
Payments received from customers	\$ 2,573,818	\$ 2,106,567
Payments to suppliers for goods and services	(2,242,801)	(1,617,137)
Net Cash Provided By Operating Activities	331,017	489,430
Cash Flows From Noncapital Financing Activities		
Specific ownership taxes	33,937	39,858
Other nonoperating expenses	(20,292)	(18,769)
Net Cash Provided By Noncapital Financing Activities	13,645	21,089
Cash Flows From Capital And Related Financing Activities		
Property taxes levied for debt service, net	493,757	548,743
Principal paid on long-term debt	(270,000)	(260,000)
Interest paid on long-term debt	(324,385)	(331,435)
Conservation Trust Fund entitlement	20,726	17,406
Acquisition of property and equipment	(178,806)	(94,972)
Net Cash Used In Capital And Related Financing Activities	(258,708)	(120,258)
Cash Flows Provided By Investing Activities		
Income on certificates of deposit	1,863	11,441
Net Increase In Cash And Cash Equivalents	87,817	401,702
Cash And Cash Equivalents - Beginning Of Year	1,278,874	877,172
Cash And Cash Equivalents - End Of Year	\$ 1,366,691	\$ 1,278,874

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2021

(With Comparative Totals For The Year Ended December 31, 2020)

Page 2 Of 2

	For The Years Ended December 31,	
	2021	2020
Reconciliation Of Loss From Operations To Net Cash Provided By Operating Activities		
Operating loss	\$ (78,185)	\$ (378,226)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	574,695	586,883
Changes in assets:		
Receivables	7,263	(23,948)
Prepaid expenses	(50,935)	—
Inventory	(2,928)	(8,555)
Other assets	—	8,235
Changes in liabilities:		
Accounts payable	54,413	(24,609)
Due to the Association	(200,368)	313,853
Deposits	117	(665)
Unearned revenue	26,945	16,462
Net Cash Provided By Operating Activities	\$ 331,017	\$ 489,430

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
(With Comparative Totals For The Year Ended December 31, 2020)
December 31, 2021

	Heather Gardens Foundation Custodial Fund	
	2021	2020
Assets		
Cash and cash equivalents restricted	\$ 38,293	\$ 41,751
Certificates of deposit restricted	150,000	150,000
Due from the District	1,100	—
Total Assets	189,393	191,751
Liabilities		
Due to the District	—	3,973
Total Liabilities	—	3,973
Net Position		
Restricted	189,393	187,778
Total Net Position	\$ 189,393	\$ 187,778

HEATHER GARDENS METROPOLITAN DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(With Comparative Totals For The Year Ended December 31, 2020)
For The Year Ended December 31, 2021

	Heather Gardens Foundation Custodial Fund	
	2021	2020
Additions		
Donations	\$ 2,956	\$ 4,260
Investment income on certificates of deposit	233	3,546
Total Additions	3,189	7,806
Deductions		
Other expenses	1,574	11,229
Change In Net Position	1,615	(3,423)
Net Position - Beginning Of Year	187,778	191,201
Net Position - End Of Year	\$ 189,393	\$ 187,778

HEATHER GARDENS METROPOLITAN DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

1. Definition Of Reporting Entity

The Heather Gardens Metropolitan District (the District), a quasi-municipal corporation, was formed April 5, 1983. It is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located within the City of Aurora, Arapahoe County, Colorado. The District was established to provide and operate park and recreation facilities and to improve and maintain Linvale Place within the District. The current activities of the District consist of recreational services and operations, the most significant of which is the operation of a public golf course and restaurant.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not a component unit of any other governmental entity. The District is financially accountable for the Heather Gardens Foundation (the Foundation), a committee whose purpose is to enhance the quality of life and enjoyment of the residents. All members of the Heather Gardens Association (the Association) are members of the Foundation. The Foundation is primarily funded through donations. The Foundation is not a legally separate entity, and is therefore not considered a component unit of the District, but is considered a fiduciary fund as described in Note 2.

The District has no employees and all operations and administrative functions are contracted.

2. Summary Of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to state and local governmental units.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

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

Measurement Focus And Basis Of Accounting

For financial reporting purposes, operations of the District's business type activities are reported as a single enterprise fund using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and loans is recorded as a reduction in liabilities. Fiduciary fund information is not included on the statement of net position, revenues, expenditures and changes in fund balance or on the statement of cash flows of the enterprise fund.

Additionally, the District reports the following fiduciary fund:

Custodial Fund

The Custodial Fund is fiduciary in nature and presents changes in fiduciary net position. The Custodial Fund is accounted for using the accrual basis of accounting. The fund accounts for assets held in a fiduciary capacity for the Foundation, which is to be used in the enhancement of the quality of life and enjoyment of the residents.

Operating Revenues And Expenses

The District's business-type activities distinguish between operating revenues and expenses and nonoperating items in the statement of revenues, expenses and changes in net position. Operating revenues and expenses generally result from providing services in connection with the District's purpose of providing and operating park and recreation facilities and to improve and maintain streets within the District. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of services, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Budgetary Information

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

Cash Equivalents And Certificates Of Deposit

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are reported at cost.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation is calculated using the straight-line method over the following estimated economic useful lives:

Buildings and improvements	7 - 39 years
Furniture and equipment	5 - 15 years

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties effective January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and tax sales of the liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue, and the receivable is reduced.

Net Position

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Comparative Data

The financial statements include certain prior-year comparative information in total, but not at the level of detail required for presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the 2020 District financial statements from which the summarized information was derived.

Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The District has unearned property tax income. This item has been reported as deferred inflows on the statement of net position.

Subsequent Events

Management evaluates subsequent events through the date financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Cash, Cash Equivalents And Certificates Of Deposits

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation coverage is \$250,000 per official custodian. At December 31, 2021, the District's cash deposits at financial institutions had a book balance of \$2,304,984 and a corresponding bank balance of \$2,299,247. Of the bank balance, \$1,332,874 was covered by federal depository insurance with multiple banks. The remainder of the bank balance, \$966,373, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

As of December 31, 2021, the District's cash deposits and certificates of deposit had the following book and bank balances:

	<u>Book</u>	<u>Bank</u>
Deposits with financial institutions - unrestricted	\$ 1,009,346	\$ 1,004,923
Deposits with financial institutions - restricted	394,888	394,886
Certificates of deposit	900,000	899,438
Cash on hand	750	—
	<u>\$ 2,304,984</u>	<u>\$ 2,299,247</u>

At December 31, 2021, the District's cash and cash equivalents, as reported in the financial statements are as follows:

	<u>Proprietary Fund</u>	<u>Foundation Fund</u>	<u>Grand Total</u>
Cash and cash equivalents	\$ 1,010,096	\$ —	\$ 1,010,096
Cash and cash equivalents restricted	356,595	38,293	394,888
	<u>\$ 1,366,691</u>	<u>\$ 38,293</u>	<u>\$ 1,404,984</u>

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements *(Continued)*

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

The District generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Restricted Cash And Certificates Of Deposits

In accordance with Colorado Revised Statutes, the District maintains a separate bank account for the Custodial Fund. At December 31, 2021, the balance of this fund was \$38,293. The Custodial Fund also held \$150,000 in certificates of deposits as of December 31, 2021.

The District restricted cash to meet the bond reserve requirements for servicing the bonds in the amount of \$183,438 at December 31, 2021.

In accordance with Colorado Revised Statutes, the District maintains a separate bank account for the Conservation Trust Fund entitlement. At December 31, 2021, the balance of these funds were \$173,157.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

4. Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021 is as follows:

	Balance - January 1, 2021	Additions/ Transfers	Deletions/ Transfers	Balance - December 31, 2021
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$ 1,725,000	\$ —	\$ —	\$ 1,725,000
Construction in progress	18,515	13,680	—	32,195
Intangible asset (City of Aurora water rights)	133,190	—	—	133,190
Total Nondepreciable Capital Assets	1,876,705	13,680	—	1,890,385
Depreciable Capital Assets				
Property and equipment	13,307,508	64,010	—	13,371,518
Furniture and equipment	1,209,401	—	—	1,209,401
Restaurant equipment	137,948	101,116	(20,271)	218,793
Restaurant and pro shop renovation	1,346,537	—	—	1,346,537
Capital lease equipment	77,376	—	—	77,376
Total Depreciable Capital Assets	16,078,770	165,126	(20,271)	16,223,625
Total Capital Assets	17,955,475	178,806	(20,271)	18,114,010
Accumulated Depreciation	(6,847,098)	(574,695)	20,271	(7,401,522)
Net Depreciable Capital Assets	9,231,672	(409,569)	—	8,822,103
Total Capital Assets, Net Of Depreciation	\$ 11,108,377	\$ (395,889)	\$ —	\$ 10,712,488

5. Long-Term Obligations

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balance - January 1, 2021	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Series 2017 General Obligation Refunding Bonds	\$ 7,955,000	\$ —	\$ (270,000)	\$ 7,685,000	\$ 280,000
Premium on Series 2017 General Obligation Refunding Bonds	667,734	—	(33,527)	634,207	33,526
Total Long-Term Obligations	\$ 8,622,734	\$ —	\$ (303,527)	\$ 8,319,207	\$ 313,526

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Bonds Payable

In November 2017, the District issued \$8,025,000 of General Obligation Refunding Bonds, Series 2017, with interest rates ranging from 3.98% to 4.00%, for the purpose of advance refunding a portion of the General Obligations Bonds, Series 2010, with an interest rate ranging from 1.25% to 5.25%. The refunding resulted in a present value savings from the cash flow of \$1,149,527 and an economic loss on the refunding of \$747,249.

Bond and coupon payments to maturity are as follows:

Year	Principal	Interest	Total
2022	\$ 280,000	\$ 307,400	\$ 587,400
2023	290,000	296,200	586,200
2024	300,000	284,600	584,600
2025	315,000	272,600	587,600
2026	325,000	260,000	585,000
2027 - 2030	1,435,000	904,600	2,339,600
2031 - 2035	2,140,000	783,400	2,923,400
2036 - 2040	2,600,000	320,000	2,920,000
	<u>\$ 7,685,000</u>	<u>\$ 3,428,800</u>	<u>\$ 11,113,800</u>

6. Net Position

District Net Position

The District has a net position consisting of three components: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction or improvement of those assets.

As of December 31, 2021, the District had net position invested in capital assets, which is calculated as follows:

Capital assets - net of accumulated depreciation	\$ 10,712,488
Capital related borrowings	(8,319,207)
Deferred loss on 2010 bond refunding	614,585
	<u>\$ 3,007,866</u>

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had the following restricted net position as of December 31, 2021:

Restricted	
TABOR emergency reserves	\$ 15,831
Conservation Trust Fund	152,789
Debt service	<u>183,438</u>
Total	<u>\$ 352,058</u>

Emergency reserves have been provided for as required by Article X, Section 20, of the Constitution of the State of Colorado, otherwise known as the Taxpayer Bill of Rights (TABOR). A portion of the net position has been restricted in compliance with this requirement.

Debt service restricted net position represents amounts restricted for future payment of general obligation bond principal, interest and related costs.

The Conservation Trust Fund's restricted net position represents the net unspent proceeds received from the State Lottery for the Conservation Trust Fund.

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted.

Fiduciary Net Position

The Foundation has net position that is restricted. The restricted net position represents the net unspent proceeds of contributions received for the Foundation. The Foundation is a District operation and is not a legally separate entity.

The Foundation had the following restricted net position as of December 31, 2021:

Restricted	
Foundation	\$ 189,393
Total	<u>\$ 189,393</u>

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

7. Risk Management

The District is exposed to various risks related to torts; thefts of, damage to or destruction of assets; errors or omissions or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability and boiler and machinery insurance coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public official's liability. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

8. Heather Gardens Association

The District has entered into a management agreement with the Association, a homeowners association for the members who own units within the District's boundaries.

Under the terms of the agreement, the District designated the Association as the District's agent to operate, manage and supervise the properties and facilities of the District. The District makes all decisions relative to the District's capital reserves. The final responsibility and authority for the District's property remains with the District. The Association shall take reasonable steps to collect and enforce the collection of all fees, charges, rents and other sums arising from the use of District property. The Association transfers all collections of clubhouse fees, facilities revenue (golf course) and restaurant income to the District monthly, net of reimbursement of expenses and costs incurred for the operation and maintenance of District assets.

The District permits the members of the Association use of the District facilities on a nonexclusive basis with other members of the general public. The District also permits the Association to share office space at no cost, the value of which is offset by the services provided under the management agreement and therefore is insignificant and not reflected in the financial statements.

HEATHER GARDENS METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

At December 31, 2021, there was \$114,306 balance due to the Association.

9. Tax, Spending And Debt Limitations

TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes that its operations qualify for this exclusion; however, management has elected to adopt certain provisions of TABOR with respect to property tax revenue collected by the District.

Spending and revenue limits are determined based on the prior fiscal year's spending, adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded, unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding enterprise operations and bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Supplementary Information

The schedule of revenues, expenditures and changes in funds available - budget and actual (budgetary basis) is presented to demonstrate compliance with a resolution of the Board of Directors, which established a TABOR enterprise for the District's qualifying operations.

HEATHER GARDENS METROPOLITAN DISTRICT

PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)

For The Year Ended December 31, 2021

	Original And Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Recreation use fees	\$ 1,516,758	\$ 1,516,879	\$ 121
Golf course fees	469,218	445,303	(23,915)
Restaurant income	658,492	430,184	(228,308)
Clubhouse fees	111,564	116,158	4,594
Recreational vehicle lot rentals	41,808	26,165	(15,643)
Other operating revenues	—	3,704	3,704
Property taxes	493,745	493,757	12
Specific ownership taxes	39,996	33,937	(6,059)
Conservation Trust Fund entitlement	18,400	20,726	2,326
Income on certificates of deposit	11,766	1,863	(9,903)
Total Revenues	3,361,747	3,088,676	(273,071)
Expenditures			
Operating:			
Clubhouse, golf course, recreational vehicle lot	1,429,944	1,318,651	111,293
Restaurant expenses	740,992	558,949	182,043
Professional services	80,750	84,006	(3,256)
Insurance	56,635	49,293	7,342
Other operating expenses	5,480	30,984	(25,504)
Bad debt expense	2,250	—	2,250
Debt service:			
Principal	270,000	270,000	—
Interest	317,300	317,300	—
Other nonoperating expenses	—	12,477	(12,477)
County Treasurer's collection fees	7,407	7,415	(8)
Bank payee fee	1,400	400	1,000
Capital outlay	545,101	178,806	366,295
Total Expenditures	\$ 3,457,259	2,828,281	\$ 628,978
Excess Of Revenues Over Expenditures		260,395	
Adjustments to GAAP basis			
Depreciation		(574,695)	
Bond principal payments		270,000	
Amortization of bond premium, net		33,527	
Amortization of deferred loss on bond refunding and discount		(32,489)	
Capital outlay		178,806	
Changes In Net Position Per Statement Of Revenues, Expenses And Changes In Net Position - GAAP Basis		\$ 135,544	

HEATHER GARDENS METROPOLITAN DISTRICT

NOTE TO BUDGETARY COMPARISON SCHEDULE

Budgets And Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the budgetary schedule:

1. Prior to September 1, the District obtains budget requests from various department heads.
2. Prior to October 15, the proposed budget is submitted to the Board of Directors.
3. By December 15, the District must certify the levy to the County Commissioners.
4. By December 15, the Board enacts a resolution appropriating the budget.
5. Department heads are required to submit budget change requests after initial approval to the Board of Directors.
6. Supplemental requests are gathered by the Board of Directors. The Board of Directors will hold formal public hearings prior to approving the increased budget and appropriations.
7. Budgets for the Proprietary Fund are adopted on a basis consistent with GAAP with the following exceptions:
 - a. Depreciation, amortization of bond premium, net and amortization of deferred loss on bond refunding and discount are not budgeted expenses.
 - b. Bond principal payments and capital outlay are budgeted expenses.

From: [Jon Rea](#)
To: [Jill Bacon](#); [Evelyn Ybarra](#)
Cc: [Jerry Counts](#)
Subject: Fwd: 100 Gallon Tank Install (Signed Quote for Building 216 Water Heater)
Date: Friday, April 8, 2022 10:24:28 AM
Attachments: [image002.png](#)
[image001.png](#)
[20220407112650956.pdf](#)

FYI - this is an emergency expense from maintenance. Failed water heater. I executed this yesterday for Jon H. The water heater is the only one of its kind/style in colorado. The building has redundancy with a backup water heater however, the failed one must be replaced in order to supply the building with adequate amount of hot water as well as reduce stress on the sole functioning water heater.

We will want to add this to the appropriate committee meetings and board. This the same situation we had a few months ago in another building. Replacement quote is attached \$34k.

Thank you,

Jon Rea
Chief Executive Officer
Heather Gardens Association
[303-755-0652](tel:303-755-0652) Ext. 101

Sent from my iPhone, please disregard typos

Begin forwarded message:

From: Jon Howell <jon.howell@heathergardensmail.com>
Date: April 7, 2022 at 12:54:05 PM MDT
To: Richard DiFranco <rdifranco@coloradomech.com>
Cc: Jon Rea <jon.rea@heathergardensmail.com>, Manuel Duraes <manuel.duraes@heathergardensmail.com>, MC <MC@heathergardensmail.com>, Don OGorman <Don.OGorman@heathergardensmail.com>
Subject: RE: 100 Gallon Tank Install (Signed Quote for Building 216 Water Heater)

Hi Richard,

See the attached signed quote. Please schedule installation ASAP. In my absence starting tomorrow through the 18th please get with Leonel Munoz to schedule. We need at least 24-hours' notice prior to the work if possible.

Leo Munoz contact info:

MC@HeatherGardensmail.com

720-985-9348 or 720-974-6958

Thanks

Jon Howell

Heather Gardens Association
Maintenance . Facilities Engineer

2888 S. Heather Gardens Way
Aurora CO 80014

Office 720.974.6916
Fax 303.750.8404
Cell 720.422.0837

NOTE NEW EMAIL: jon.howell@heathergardensmail.com
www.heathergardens.org

From: Richard DiFranco <rdifranco@coloradomech.com>
Sent: Thursday, April 7, 2022 9:06 AM
To: Jon Howell <jon.howell@HeatherGardensmail.com>
Subject: 100 Gallon Tank Install

[External Content] This message is from an external source.

Jon,

Please see attachment to install 1 100 Gallon water tank located at

Heather Gardens Association – Building 216
13691 E Marina Dr, Aurora CO 80014

Please sign/scan/return at your earliest convenience.

And as always, Thank you for this opportunity!

1 Tank in stock as of 3pm yesterday.

Thank you

Respectfully yours,

Ricky DiFranco

Senior Account Executive

7094 S. Revere Parkway, Centennial CO 80112 - 720.908.1998

7363 McClain Pt. Colotrado Springs CO80915 Direct – 719.733.7035

COLORADO MECHANICAL SYSTEMS, LLC.

To: Heather Gardens Association

PHONE: 720-422-0837

DATE: 4/7/2022

Attn: Jon Howell

JOB NAME/LOCATION:

Heather Gardens Association – Building 216
13691 E Marina Dr, Aurora CO 80014

EMAIL: Jon.Howell@HeatherGardensmail.com

JOB: 100 Gallon Tank

Scope of Work: CMS proposes to provide the following services:

Rheem - Ruud 100 Gallon Hot H2O Tank

Inclusions:

- ☉ Existing Hot Water Tank is drained by Heather Gardens.
- ☉ Remove old Hot Water Tank and dispose of properly.
- ☉ Furnish and install (1) new Hot Water Tank.
- ☉ (Rheem – Ruud, Model # G100-400A – ASME Certified) Please see specifications.
- ☉ Reconnect existing associated piping.
- ☉ Furnish and install new unions at boiler / water piping connections.
- ☉ Reconnect existing gas piping.
- ☉ Reconnect existing 120V electrical connection.
- ☉ Reconnect to existing flue at B vent wye section.
- ☉ Ensure shut down time to a minimum.
- ☉ Installation of Hot Water Tank must be performed in 1 full day.
- ☉ Installation of new owner provided shut off ball valves if necessary.
- ☉ Perform factory authorized startup and test new Hot Water Tank for proper operation.
- ☉ Clean area of work debris.
- ☉ Provided carpet protection from elevator to mechanical room.
- ☉ CMS provides 1-year labor warranty to all work performed.
- ☉ Rheem provides manufacture warranty.
- ☉ This proposal is subject to change based on unknown items that may occur as a result of COVID-19 such as material delays, labor shortages due to vaccination status, jobsite disruptions or governmental intervention. Manufacturers and production facilities are feeling the impacts of decreasing international imports, health and safety concerns and economic impacts to their businesses. As a result, manufacturing production may be impacted. Therefore, lead times and production may be extended without warning and pricing may be affected. CMS reserves the right to pass on supplier and subcontractor price adjustments from the time of contract execution until the material release date with these entities. Known projects with critical completion schedules should be coordinated with CMS.

Exclusions:

After hours, overtime and or weekend labor, upgrades to line voltage electrical, permits, design and/or engineering, removal/repair/replacement of finished surfaces; DDC Controls, drywall repair or replacement if necessary; any GC work; carpentry; painting; fire alarm; fire suppression/sprinkle work; liquidated damages; pre-existing conditions; insulation; controls modifications or upgrades; warranty to existing equipment or components; any labor, or material not specified in above scope.

Thank you for the opportunity to submit this proposal!

CMS proposes to furnish material and labor as per the scope of work set forth above for the sum of:

\$Thirty-four Thousand, Five Hundred Thirty Dollars* **\$34,530.00*

Payment to be made as follows: Net 20 Days

All material is as specified. All work to be completed according to standard practices. Any alteration or deviation from the above involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire, tornado and other necessary insurance.

ACCEPTANCE OF PROPOSAL – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date 4/7/2022

Title CEO

Authorized Representative:

Signature Richard DiFranco

Richard DiFranco
Senior Account Executive

Note: This proposal may be withdrawn by us if not accepted within **10** days.

Heather Gardens Budget & Finance Committee

Date: April 18, 2022

Motion: Recommend approval for the request to increase the CEO's discretionary spending authority for Operating Expenditures to \$20,000

Project Cost: N/A

I move that the Joint Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the request to increase the CEO's discretionary spending authority for Operating Expenditures from \$10,000 to \$20,000, to maintain proper and timely workflow.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: The request to increase the CEO's discretionary spending limit from \$10,000 to \$20,000 for Operating Expenses, comes at a time when Heather Gardens has seen the rate of inflation for goods and services has increased dramatically.

This will help to expedite necessary purchases and expenditures that come before Heather Gardens, which will lower the costs of doing business while helping to keep the current and future budgets within a reasonable range. It will also maintain the staff's workflow more effortlessly, without having to experience delays caused by needing approval before making an acquisition of supplies or authorizing a vital expenditure.

Budget and Finance Committee

Date: April 18, 2022

Motion: Recommend the Chair Rail Project for Building 214

Project Cost: \$25,818

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve the Chair Rail Project for Building 214. The project cost \$24,161 with a change order amount of \$1,657 for a total cost of \$25,818. The budgeted amount is \$25,818.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: See the attached description and justification.

HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: 2022 Chair Rail Project for Building 214

F781

DEPT: Maintenance

DATE: March 14, 2022

BUDGET	Budget Amount:	\$ 25,819	Contract Amount:	\$24,161
Year: 2022	Expended YTD:	\$ 0.00	Change Order Res.:	\$1,657
Tab: 3	Unexpended Balance:	\$ 0.00	Total Project Cost:	\$25,818
Page: 52			Add. Funds Requested:	

DESCRIPTION: This project is to furnish and install fluted poplar chair rail with 45 degree ends in all common areas of Building 214. New chair rail will be installed in each corridor and lobby of Building 214. The chair rail will wrap around the hallway and into each unit's door area. The corridor walls will be painted two separate colors above and below the new chair rail. Common area corner protectors will be installed on walls where needed. This project will include new interior signage where needed (Elevators, Stairs etc.). This project will also include the installation of new carpet base where needed. If time and budget allow, the removal of all center stairwell vinyl stair treads, tile, and cove base will be removed and painted to match the two end stairwells. This project includes asbestos testing and abatement where necessary.

JUSTIFICATION: (Attach backup material as required)

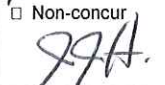
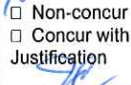

This project will provide the building hallways and lobbies with an ascetically pleasing and updated appearance. Installing chair rail to the building's corridors will provide protection to the upper portion of the wall, therefore the upper wall will not need to be painted as frequently. This will save many hours of painting, maintenance, and use of materials.

BID COMPARISON: (If required, summarize, or attach separate schedule.)

Each portion of this project will be performed, using vendors HGA has successfully worked with on previous projects. The project will be pieced out to our current standing contractors. Tabor Millworks, Les the Patch Guy, Expressions in Flooring, DS Consulting, Complete Abatement Service, Carpet One, Hansen's Floor Removal and Commercial Sheet Metal. The material cost of last year's chair rail project of a similar building was \$8,924. Installation of the chair rail was \$8,637. The removal of vinyl flooring and adhesive in the center stair well was \$4,500, The non-slip stair strip material was \$900. Signage and corner protectors were \$1,200 for a total project cost of \$24,161.

RECOMMENDATION:

Heather Gardens Maintenance recommends the completion of the 2022 chair rail project at Building 214 to help update the building's interior aesthetics. This work is estimated at \$24,161. A 7% Change Order Reserve of \$1,657 has been included to cover the cost of unforeseen issues. The total cost of this project is not to exceed \$25,819 without prior board approval.

1. Dept. Head	2. CFO	3. CEO	4. Dept. Chair	5. B&F Committee	6. HGA President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check: Concur, Non-concur or Concur with justification, then initial. Attach comment sheet if you like.

*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/revised as follows:
All Items require Block 1, 2 (when needed), and 3 through 8 completed.

Budget and Finance Committee

Date: April 18, 2022

Motion: Recommend the Chair Rail Project for Building 219

Project Cost: \$25,818

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve the Chair Rail Project for Building 219. The project cost \$24,161 with a change order amount of \$1,657 for a total cost of \$25,818. The budgeted amount is \$25,818.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: See the attached description and justification.

HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: 2022 Chair Rail Project for Building 219

F782

DEPT: Maintenance

DATE: March 14, 2022

BUDGET	Budget Amount:	\$ 25,819	Contract Amount:	\$24,161
Year: 2022	Expended YTD:	\$ 0.00	Change Order Res.:	\$1,657
Tab: 3	Unexpended Balance:	\$ 0.00	Total Project Cost:	\$25,818
Page: 52			Add. Funds Requested:	

DESCRIPTION: This project is to furnish and install fluted poplar chair rail with 45 degree ends in all common areas of Building 219. New chair rail will be installed in each corridor and lobby of Building 219. The chair rail will wrap around the hallway and into each unit's door area. The corridor walls will be painted two separate colors above and below the new chair rail. Common area corner protectors will be installed on walls where needed. This project will include new interior signage where needed (Elevators, Stairs etc.). This project will also include the installation of new carpet base where needed. If time and budget allow, the removal of all center stairwell vinyl stair treads, tile, and cove base will be removed and painted to match the two end stairwells. This project includes asbestos testing and abatement where necessary.

JUSTIFICATION: (Attach backup material as required)

This project will provide the building hallways and lobbies with an ascetically pleasing and updated appearance. Installing chair rail to the building's corridors will provide protection to the upper portion of the wall, therefore the upper wall will not need to be painted as frequently. This will save many hours of painting, maintenance, and use of materials.

BID COMPARISON: (If required, summarize, or attach separate schedule.)

Each portion of this project will be performed, using vendors HGA has successfully worked with on previous projects. The project will be pieced out to our current standing contractors. Tabor Millworks, Les the Patch Guy, Expressions in Flooring, DS Consulting, Complete Abatement Service, Carpet One, Hansen's Floor Removal and Commercial Sheet Metal. The material cost of last year's chair rail project of a similar building was \$8,924. Installation of the chair rail was \$8,637. The removal of vinyl flooring and adhesive in the center stair well was \$4,500, The non-slip stair strip material was \$900. Signage and corner protectors were \$1,200 for a total project cost of \$24,161.

RECOMMENDATION:

Heather Gardens Maintenance recommends the completion of the 2022 chair rail project at Building 219 to help update the building's interior aesthetics. This work is estimated at \$24,161. A 7% Change Order Reserve of \$1,657 has been included to cover the cost of unforeseen issues. The total cost of this project is not to exceed \$25,819 without prior board approval.

1. Dept. Head	2. CFO	3. CEO	4. Dept. Chair	5. B&F Committee	6. HGA President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur JH	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification JC	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur AD	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check: Concur, Non-concur or Concur with justification, then initial. Attach comment sheet if you like.

*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/revised as follows:
All Items require Block 1, 2 (when needed), and 3 through 8 completed.

Budget and Finance Committee

Date: April 18, 2022

Motion: Recommend the Chair Rail Project for Building 243

Project Cost: \$25,818

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve the Chair Rail Project for Building 243. The project cost \$24,161 with a change order amount of \$1,657 for a total cost of \$25,818. The budgeted amount is \$25,818.

Motion made by:	
Seconded by:	

Outcome of Vote:	
For:	
Against:	
Absent/Abstaining:	
Notes:	

Rationale/Notes: See the attached description and justification.

HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: 2022 Chair Rail Project for Building 243

F783

DEPT: Maintenance

DATE: March 14, 2022

BUDGET	Budget Amount:	\$ 25,819	Contract Amount:	\$24,361
Year: 2022	Expended YTD:	\$ 0.00	Change Order Res.:	\$1,457
Tab: 3	Unexpended Balance:	\$ 0.00	Total Project Cost:	\$25,818
Page: 52			Add. Funds Requested:	

DESCRIPTION: This project is to furnish and install fluted poplar chair rail with 45 degree ends in all common areas of Building 243. The new chair rail will be installed in each corridor and lobby of Building 243. Chair rail will wrap around the hallway and into each unit's door area. The corridor walls will be painted two separate colors above and below the new chair rail. Common area corner protectors will be installed on walls where needed. This project will include new interior signage where needed (Elevators, Stairs etc.). This project will also include the installation of new carpet base if/where needed, the purchase and install of 45 new 3 LED bulb sconce lights in the common area hallways, replacing the existing 4' fluorescent light fixtures.

JUSTIFICATION: (Attach backup material as required)

This project will provide the building hallways and lobbies with an ascetically pleasing and updated appearance. Installing chair rail to the building's corridors will provide protection to the upper portion of the wall, therefore the upper wall will not need to be painted as frequently. This will save many hours of painting, maintenance, and use of materials.

BID COMPARISON: (If required, summarize, or attach separate schedule.)

Each portion of this project will be performed, using vendors HGA has successfully worked with on previous projects. The project will be pieced out to our current standing contractors. Tabor Millworks, Les the Patch Guy, Expressions in Flooring, DS Consulting, Complete Abatement Service, Carpet One, Hansen's Floor Removal and Commercial Sheet Metal. Some work will be completed by in-house personnel. The material cost of last year's chair rail project of a similar building was \$8,924. Installation of the chair rail was \$8,637. Sconce light fixtures LED bulbs and electrical parts cost was \$5,600. Signage and corner protectors were \$1,200 for a total project cost of \$24,361.

RECOMMENDATION:

Heather Gardens Maintenance recommends the completion of the 2022 chair rail project at Building 243 to help update the building's interior aesthetics. This work is estimated at \$24,361. A 6% Change Order Reserve of \$1,657 has been included to cover the cost of unforeseen issues. The total cost of this project is not to exceed \$25,819 without prior board approval.

1. Dept. Head	2. CFO	3. CEO	4. Dept. Chair	5. B&F Committee	6. HGA President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check: Concur, Non-concur or Concur with justification, then initial. Attach comment sheet if you like.

*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/revised as follows:
All Items require Block 1, 2 (when needed), and 3 through 8 completed.