



## ASSOCIATION and METROPOLITAN DISTRICT

### **Budget & Finance Committee**

#### **Agenda**

**Monday, April 17, 2023**

**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, John Recob, and Bev Havens

**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 20, 2023
3. **Monthly Operating Analysis Review** – March 2023
4. **Subcommittee and Other Reports:**
  - a. Audit Subcommittee (Bev Havens) – March 27, 2023, Report
  - b. Insurance Subcommittee (Randy Lane) – No Meeting
  - c. Capital Program Subcommittee (John Recob) – No Meeting
  - d. Investment (Terry Hostetler)
5. **Unfinished Business**
  - a. Recommend Revisions to B&F Joint Procedure Memorandum (JPM B-1)
6. **New Business:**
  - a. 2022 Draft HGA and HGMD Audit Report Presentation – Rubin Brown
  - b. Recommend 2023 Roof Replacement Project for Buildings 215, 218, 220 and 241 (\$1,895,962)
  - c. Recommend Exterior Paint Project for Building 232 (\$87,450)
  - d. Recommend Extending the Term Members of the Audit Subcommittee
  - e. Discuss Joint Long Range Planning Mission Statement
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 tell when an agenda item is being addressed.

The next Budget and Finance Committee meeting is on May 15, 2023 at 10 a.m.

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE  
MARCH 20, 2023, MEETING REPORT  
COMMITTEE MET IN BOARD ROOM  
MEETING ALSO AVAILABLE ON ZOOM**

**TO:** Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, Chief Executive Officer, and Chief Financial 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, Richard Ferguson, John Recob, and Bev Havens

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

**Audience:** Approximately 17 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 guest.

The January meeting report was accepted as presented.

**Monthly Operating Analysis Review:** Jerry Counts, CFO, reviewed the February 2023 financial statements for HGA and HGMD. All questions were answered.

**Subcommittee and Other Reports:**

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: No meeting was held.

Capital Projects Subcommittee: No Meeting was held. A meeting is being planned for next month (date to be determined).

Investment Update: Nothing new to report.

**Unfinished Business:** A draft of the revised JPM B-1 was given to all committee members. It is available on line for any interested resident to review. The B&F Committee will meet April 4, 2023 at 1:00 PM to review and discuss the draft. The committee will meet in the Board Room

and the meeting will be available on zoom. Written comments are welcomed and should be sent to Terry Hostetler co-chair of the committee as soon as possible.

**New Business:**

- 1) Discussion of Key Bank by Jerry Counts (CFO) and Ray Nash (committee member with extensive banking background). The committee decided to have the discussion on Tuesday March 21<sup>st</sup> at 11 AM. The committee will meet in the Board room and the meeting will also be available via zoom.
  
- 2) Motion by Baldwin, seconded by Nash and passed unanimously recommending that the Heather Gardens Association Board of Directors approve a contract with Carpet One and Flooring to replace the carpets for 17 floors of various multi-story buildings. The specific floors are reflected on the request for capital expenditure dated March 6, 2023. The total contract cost is \$183,958.36 with a change order allowance of \$14,761.64 for a total cost of \$198,720.00. This is an approved budgeted project.
  
- 3) Motion by Lane, seconded by Havens and passed unanimously recommending that the Heather Gardens Association Board of Directors approve the allocation of up to \$37,013 for the purchase of a used van or truck for the HG Paint Department. The purchase is an approved budget item for \$37,013.

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

The meeting was adjourned at 11:23 AM. The next meeting will be on April 17, 2023, at 10 AM in the Board Room and via Zoom.

# HEATHER GARDENS ASSOCIATION

## Budget Exceptions Report

Through: 3/31/2023

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% Variance from Budget	Annual Budget	% of Annual Budget Spent
<b>OPERATIONS</b>						
Assessment Income - 2023	\$ 2,907,980	\$ 2,907,474	\$ 506	0.02%	\$ 11,629,896	25%
Planned Deficit from Oper Reserve	\$ -	\$ 75,000	\$ (75,000)	-100.00%	\$ 300,000	0%
Assessment Surplus - 2021	\$ 8,046	\$ 8,046	\$ -	0.00%	\$ 32,184	25%
Misc Income	\$ 88,441	\$ 37,284	\$ 51,157	137.21%	\$ 147,936	60%
<b>Total Income</b>	<b>\$ 3,004,467</b>	<b>\$ 3,027,804</b>	<b>\$ (23,337)</b>	<b>-0.77%</b>	<b>\$ 12,110,016</b>	<b>25%</b>
<b>Expenses:</b>						
General	\$ 1,194,279	\$ 1,215,148	\$ 20,869	1.72%	\$ 5,142,805	23%
Custodial	\$ 123,821	\$ 135,283	\$ 11,462	8.47%	\$ 496,677	25%
Contracts	\$ 65,306	\$ 81,440	\$ 16,134	19.81%	\$ 319,377	20%
Maintenance	\$ 626,937	\$ 662,506	\$ 35,569	5.37%	\$ 2,600,509	24%
Administration	\$ 300,892	\$ 359,342	\$ 58,450	16.27%	\$ 1,360,507	22%
Paint	\$ 90,922	\$ 94,619	\$ 3,697	3.91%	\$ 366,217	25%
Roads & Grounds	\$ 298,391	\$ 313,077	\$ 14,686	4.69%	\$ 1,267,900	24%
Security	\$ 134,140	\$ 166,559	\$ 32,419	19.46%	\$ 656,025	20%
Interest Expense	\$ 126	\$ -	\$ (126)		\$ -	
<b>Total Expenses</b>	<b>\$ 2,834,814</b>	<b>\$ 3,027,974</b>	<b>\$ 193,160</b>	<b>6.38%</b>	<b>\$ 12,210,017</b>	<b>23%</b>
<b>Net Operating Income/(Loss)</b>	<b>\$ 169,653</b>	<b>\$ (170)</b>	<b>\$ 169,823</b>		<b>\$ (100,001)</b>	
<b>CAPITAL RESERVES</b>						
Capital Reserve Income	\$ 1,061,939	\$ 1,062,173	\$ (234)	-0.02%	\$ 4,248,694	25%
Interest Income	\$ 49,628	\$ 16,481	\$ 33,147	201.12%	\$ 74,300	67%
Capital Expenditures	\$ 133,249	\$ 467,852	\$ 334,603	71.52%	\$ 5,382,929	2%
Less Insurance Fund Income/(Expense)	\$ -	\$ -	\$ -		\$ -	
<b>Net Capital Reserve Income</b>	<b>\$ 978,318</b>	<b>\$ 610,802</b>	<b>\$ 367,516</b>	<b>60.17%</b>	<b>\$ (1,059,935)</b>	
<b>GRAND TOTALS</b>	<b>\$ 1,147,971</b>	<b>\$ 610,632</b>	<b>\$ 537,339</b>	<b>88.00%</b>	<b>\$ (1,159,936)</b>	

<b>Executive Summary</b>						
	YTD ACTUAL	YTD BUDGET	VARIANCE	% Variance from Budget	Annual Budget	% of Annual Budget Spent
<b>Income Summary</b>	<b>\$ 3,004,467</b>	<b>\$ 3,027,804</b>	<b>\$ (23,337)</b>	<b>-0.77%</b>	<b>\$ 12,110,016</b>	<b>25%</b>
<b>Expense Summary</b>	<b>\$ 2,834,814</b>	<b>\$ 3,027,974</b>	<b>\$ 193,160</b>	<b>6.38%</b>	<b>\$ 12,210,017</b>	<b>23%</b>
<b>Overall Expenses</b>						
<b>General</b>	A411.0, Planned Deficit, in the revenue section, is for the 2023 budgeted use of \$300k from the Operating Reserve. Due to the increased earnings from investments, the income tax accrual is now being allocated between operating and capital reserve. The YTD adjustment resulted in a negative income tax expense in account A626 for March. The nearly \$40K YTD surplus in A652.1, Insurance Claims, will be reduced by about \$20K for future repair costs associated with the leak at B233.					
<b>Custodial</b>	March costs were below budget by \$3.3K.					
<b>Contracts</b>	The Resident Renovation Insurance Manager has not yet been hired resulting in March costs being below budget.					
<b>Maintenance</b>	March costs were slightly under budget. Some of the larger expenditures included \$6.6K for replacing elevator hangers required from recent inspections. We also had nearly \$9K in window replacement costs resulting from internal inspections.					
<b>Administration</b>	March costs were \$17.8K below budget mainly due to 9 FTEs vs a budget of 11. We are currently reviewing applications and interviewing for the operation position. The communication position was filled at the end of March.					
<b>Paint</b>	March costs were below budget by \$1.3K.					
<b>Roads &amp; Grounds</b>	March costs were \$14.3K below budget mainly led by not needing to replenish our snow removal supplies and pushing back out-side contractor work. Trash was significantly over budget due to various tree removal projects and continuous cleanup at lot 216.					
<b>Security</b>	March costs were \$5.4K below budget mainly due to having 8 FTEs vs. a budget of 9. At the end of March, the Security RAV4 vehicle was damaged beyond repair. We will receive approximately \$19K from the insurance company. We are currently looking for a replacement vehicle.					

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

**March 2023**

STATUS	PROJECT OWNER	DEPT.	2023 APPROVED PROJECTS	ACCT	2023	2023	% VAR	START DATE	FINISH DATE	#Days	2023 INVOICES PAID	UNDER/	%	UNDER /	PROJECT Notes / Comments
					APPROVED BUDGET AMOUNT	SIGNED CONTRACT AMOUNT						(OVER) CONTRACT AMOUNT	VAR FROM CONTRACT	(OVER) BUDGET	
					A	B				D	B-C-D	A-C-D			
In Process	Matt	R&G	HD Util. Veh., # 513 Workman	F810	\$35,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$35,000	2/3/23 - Researching
In Process	Matt	R&G	HD Util. Veh., # 515 Workman	F811	\$35,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$35,000	2/3/23 - Researching
In Process	Matt	R&G	Mower, 60" # 543	F812	\$18,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$18,000	3/1/23 - Ordered
In Process	Matt	R&G	Mower Grandstand #1	F813	\$12,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$12,000	3/1/23 - Ordered
In Process	Matt	R&G	Mower Grandstand #2	F814	\$12,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$12,000	3/1/23 - Ordered
In Process	Matt	R&G	Mower Grandstand #3	F815	\$12,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$12,000	3/1/23 - Ordered
In Process	Matt	R&G	Mower Grandstand #4	F816	\$12,000		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$12,000	3/1/23 - Ordered
In Process	Matt	R&G	Snow Raider Plow	F817	\$13,455		-100%	02/01/23	07/31/23	180		\$0	#DIV/0!	\$13,455	2/3/23 - Researching
In Process	Don	Contracts	Carpet Replacement - Annual Allocation	F818	\$198,720	\$183,958	-7%	02/01/23	07/31/23	180		\$183,958	-100%	\$198,720	3/21/23 - Board Approved. Working on collecting voter sheets from residents living in corridors scheduled for replacement.
In Process	Jon H	Contracts	Chair Rail Installation - 3 Bldgs	F819	\$86,940	\$82,593	-5%	01/01/23	12/29/23	362	\$16,830	\$65,763	-80%	\$70,110	2/3/23 - B214 is on-going, B221 - Scheduled to start in April, B222 is scheduled to start in late July beginning of August. B250 scheduled start for November.
not-started	Jon H	Contracts	Elevator Cab Renovation - 2 Bldgs	F820	\$47,508		-100%	06/01/23	08/31/23	91		\$0	#DIV/0!	\$47,508	
In Process	Don	Contracts	Exterior Painting	F821	\$77,200		-100%	01/01/23	08/01/23	212		\$0	#DIV/0!	\$77,200	2/3/23 - We received specifications/ RFP from Sherwin Williams for the 2023 Project. We are waiting on weather to determine which building we plan to paint in 2023. 4/4/23- Received pricing we are \$6K short on the budget if we approve our preferred vender DCC. Submitting for MC approval in April meeting.
In Process	Manny	Maint.	Maintenance Equipment Camera	F822	\$11,432		-100%	01/16/23	09/01/23	228		\$0	#DIV/0!	\$11,432	2/3/23 - Discussing with HG Auger guy to determine camera requirements.
In Process	Manny	Paint	Paint Equipment - Used Truck	F823	\$37,013	\$29,116	-21%	01/16/23	06/30/23	165	\$28,107	\$1,009	-3%	\$8,906	2/3/23 - Researching
not-started	Jon H	Contracts	Recirculation Lines	F824	\$24,840		-100%	07/01/23	11/29/23	151		\$0	#DIV/0!	\$24,840	2/21/23 - Board approved in Feb.
In Process	Don	Contracts	Roof Replacement - 3 Bldgs	F825	\$1,707,750		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$1,707,750	4/4/23 - Submitting for MC Approval in the April meeting.
not-started	TJ	Security	Security Equipment - Vehicle	F826	\$36,225		-100%	04/01/23	07/01/23	91		\$0	#DIV/0!	\$36,225	
In Process	Matt	R&G	Retaining Walls - 2 small	F827	\$24,840		-100%	01/01/23	12/01/23	334		\$0	#DIV/0!	\$24,840	2/3/23 - Researching and Collecting Bids.
not-started	Jon H	Contracts	Retaining Walls - 1 Large	F828	\$103,500		-100%	03/31/23	07/31/23	122		\$0	#DIV/0!	\$103,500	
In Process	Jon H	Contracts	Concrete repairs/handrails	F829	\$238,050		-100%	01/16/23	12/29/23	347		\$0	#DIV/0!	\$238,050	2/21/23 - Board approved in Feb.
not-started	Jon H	Contracts	Evaporative Coolers	F830	\$20,700		-100%	07/01/23	10/31/23	122		\$0	#DIV/0!	\$20,700	
not-started	Jon H	Contracts	Water Heaters	F831	\$82,800		-100%	01/06/23	12/29/23	357		\$0	#DIV/0!	\$82,800	Emergency's Only
not-started	Don	Contracts	Eng. Spec. Contractors quotes/inquiries - General Proj	F832	\$25,875		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$25,875	2/3/23 - As needed
not-started	Don	Contracts	Eng. Spec. Contractors quotes/inquiries - Bldg Structure/Upgrade	F833	\$25,875		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$25,875	2/3/23 - As needed
In Process	Don	Contracts	Plumbing Infrastructure Inspection	F834	\$150,000		-100%	01/01/23	09/01/23	243		\$0	#DIV/0!	\$150,000	2/3/23 - Researching additional qualified vendors to evaluate the plumbing infrastructure.
not-started	Jon H	Contracts	Fire Main Replacement	F835	\$36,225		-100%	05/01/23	10/31/23	183		\$0	#DIV/0!	\$36,225	2/3/23 - Contract is executed. Waiting on contractor to provide schedule.
In Process	Matt	Contracts	Water Wise	F836	\$51,750	\$24,990	-52%	05/01/22	05/01/23	365		\$24,990	-100%	\$51,750	2/3/23 - Waiting on the Weather/Snow to clear so we can evaluate the project and generate scope.
In Process	Don	Contracts	Atrium Xeriscape	F837	\$72,450		-100%	03/01/23	08/01/23	153		\$0	#DIV/0!	\$72,450	
In Process	Don	Contracts	Parking Structure Maintenance - Plan year 1	F838	\$1,004,392		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$1,004,392	
not-started	Jon H	Contracts	Parking Slab Coating	F839	\$62,100		-100%	05/01/23	12/31/23	244		\$0	#DIV/0!	\$62,100	
In Process	Jon H	Contracts	Access Control - 1 building	F840	\$46,575		-100%	01/04/23	12/31/23	361		\$0	#DIV/0!	\$46,575	2/3/23 - Researching Security Consultants to make recommendations and generate RFP.
not-started	Jon H	Contracts	Boiler Renovation - 2 each year	F841	\$124,200		-100%	05/01/23	09/29/23	151		\$0	#DIV/0!	\$124,200	
<b>TOTAL 2023 FUNDED PROJECTS</b>					<b>\$4,446,415</b>	<b>\$320,658</b>	<b>-93%</b>				<b>\$44,937</b>	<b>\$275,721</b>	<b>-86%</b>	<b>\$4,401,478</b>	
<b>2023 CONTINGENCY PROJECTS</b> Future event or circumstance which is possible, but cannot be predicted with certainty															

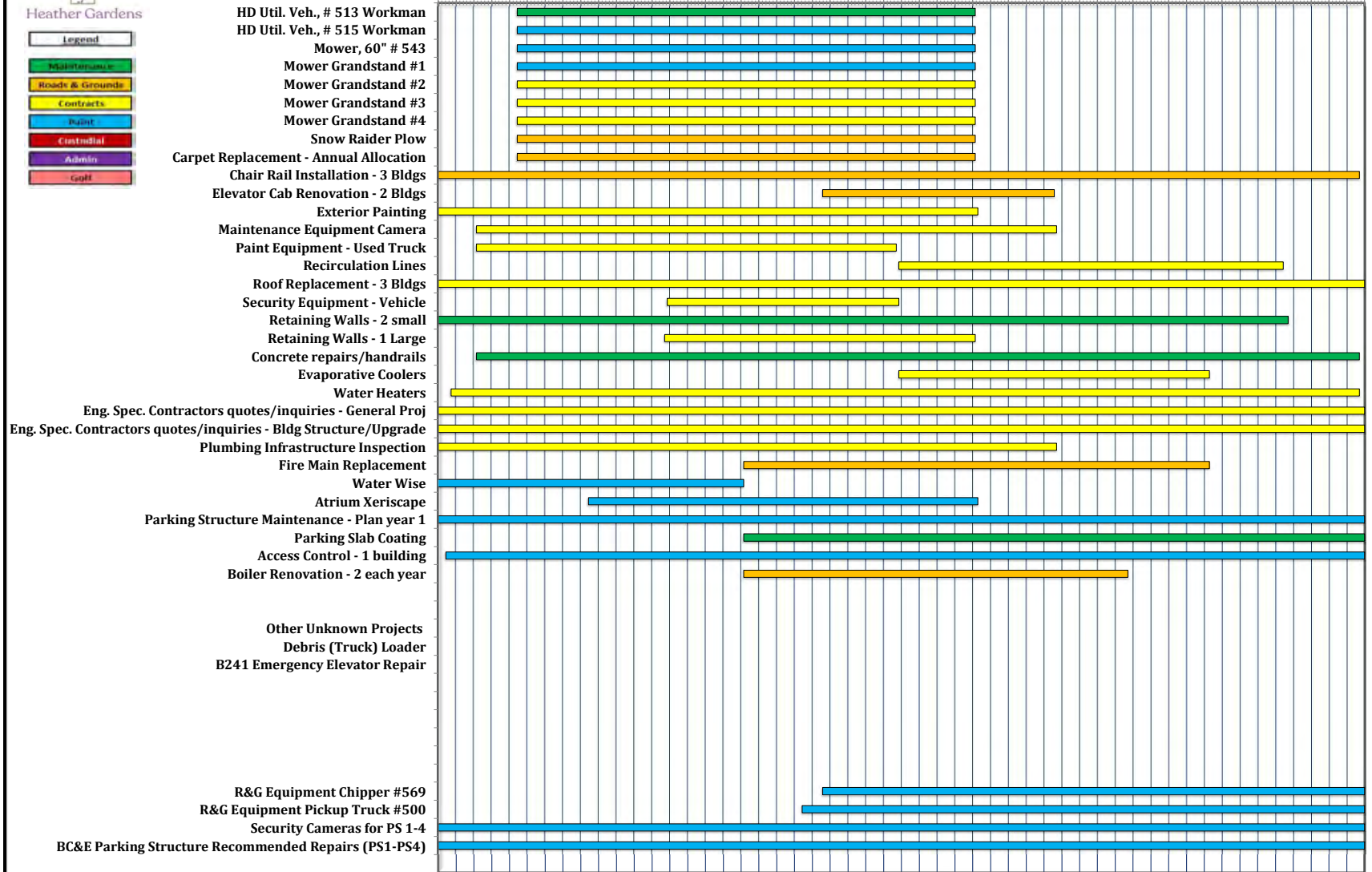
**HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:  
March 2023**

STATUS	PROJECT OWNER	DEPT.	2023 APPROVED PROJECTS	ACCT	2023	2023	% VAR	START DATE	FINISH DATE	#Days	2023	UNDER/	%	UNDER /	PROJECT Notes / Comments	
					APPROVED BUDGET AMOUNT A	SIGNED CONTRACT AMOUNT B					INVOICES PAID D	(OVER) CONTRACT AMOUNT B-C-D	VAR FROM CONTRACT	(OVER) BUDGET A-C-D		
			Other Unknown Projects	F842.1 - F842.9	\$285,643								#DIV/0!	\$285,643		
Completed	Matt	R&G	Debris (Truck) Loader	F842.1	\$10,800	\$10,800	0%			0	\$ 10,881	(\$81)	1%	(\$81)	4/5/23 - Purchased and Delivered Project is Complete.	
Completed	Jon H	Contracts	B241 Emergency Elevator Repair	F842.2	\$14,057	\$14,057	0%			0	\$ 14,057	\$0	0%	\$0	2/21/23 - Board approved in Feb.	
<b>TOTAL 2023 CONTINGENCY PROJECTS</b>						\$310,500	\$24,857				\$24,938	(\$81)	\$0	\$285,562		
<b>TOTAL 2023 CAPITAL RESERVE FUNDS</b>						\$4,756,915	\$345,515					\$69,875	\$275,640	-80%	\$4,687,040	
<b>2022 PROJECTS TO BE COMPLETED IN 2023</b>																
In Process	Matt	R&G	R&G Equipment Chipper #569	F787	\$20,188		-100%	06/01/23	12/31/23	213		\$0	#DIV/0!	\$20,188	2/3/23 - Approx \$34k short from budget amount. Will allocate excess from Contingency.	
In Process	Matt	R&G	R&G Equipment Pickup Truck #500	F788	\$51,330		-100%	05/24/23	12/31/23	221		\$0	#DIV/0!	\$51,330	4/5/23 - Dealership confirmed the truck is being built.	
In Process	Don	Contracts	Security Cameras for PS 1-4	F807.8	\$54,496		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$54,496	2/3/23 - Researching Security Consultants to make recommendations and generate RFP.	
In Process	Don	Contracts	BC&E Parking Structure Recommended Repairs (PS1-PS4)	F801	\$500,000	\$392,237	-22%	01/01/23	12/31/23	364	\$63,375	\$328,862	-84%	\$436,625	4/4/23 - Exploratory Concrete Cuts at Engineer selected locations to occur on 4/19/23.	
<b>TOTAL PRIOR YEAR PROJECTS</b>						\$626,014	\$392,237				\$63,375	\$328,862	-84%	\$562,639		
<b>GRAND TOTAL PER BUDGET</b>						\$5,382,929	\$737,752					\$133,249	\$604,502	-82%	\$5,249,680	
<b>PROJECTS TARGETED FOR COMPLETION IN 2023 BUT NOT IN THE PUBLISHED BUDGET</b>																
<b>TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2023</b>						\$0	\$0				\$0	\$0	#DIV/0!	\$0		
<b>GRAND TOTAL</b>						\$5,382,929	\$737,752					\$133,249	\$604,502	-82%	\$5,249,680	



**Legend**

- Maintenance
- Roads & Grounds
- Contracts
- Paint
- Construction
- Admin
- Griff



Heather Gardens Association  
Investments  
03/31/23

Bank	Yield	Maturity	Principal	Fund	G/L Acct.
Raymond James - Cash/Interest Receivable/Investments - Operating Account	4.54%		\$ 256,637	Operating	A106/A106.05/A107.2/A115.1
KeyBanc Capital Mkts - Money Market - Federated Hermis Govt Oblig SS	4.42%		\$ 4,029,777	Operating	A108
Federal Home LN BKS 5.25%	5.15%		\$ 2,008,750	Operating	A108.01/A115.1
<b>TOTAL - OPERATING ACCT - CASH/INVESTMENTS</b>			<u>\$ 6,295,164</u>		
	0.555% -				
Raymond James - Cash/Interest Receivable/Investments - Capital Reserve	4.606%		\$ 5,423,079	Capital	A106.1/A106.11/A107.3/A107.4/A115.2/A115.3
Key Bank Capital Reserve Savings			\$ 28,210	Capital	A107
KeyBanc Capital Mkts - Money Market - Federated Hermis Govt Oblig SS	4.42%		\$ 3,431,148	Capital	A107.01
Federal Home LN BKS 5.25%	5.15%		\$ 2,008,750	Capital	A107.02/A115.2
<b>TOTAL CAPITAL RESERVE INVESTMENTS - CASH/INVESTMENTS</b>			<u>\$ 10,891,187</u>		
<b>TOTAL INVESTMENTS</b>			<u><u>\$ 17,186,351</u></u>		



HGA Detail of Investments

HGA INVESTMENTS - 3/31/2023									
		Face/Maturity	Amount	Accrued	Premium	Maturity	= Short-Term/Current Assets		
CAPITAL RESERVE RJ ACCT C650	YTM	Value	Invested	Interest	Paid	Date	Purchased	Accrued	
Purchases				Purchased			Date	Earnings	
BMW BANK OF NORTH AMERICA SEMI-ANNUAL 1.4500 %	0.555%	245,000.00	251,759.15	622.90	6,136.25	4/14/2023	6/15/2020		
CITIBANK NA SEMI-ANNUAL 3.3000 %	0.651%	200,000.00	218,843.59	2,549.59	16,294.00	8/24/2023	7/10/2020		
COMENITY CAPITAL BANK MONTHLY 3.3500 %	0.700%	100,000.00	108,730.92	-	8,730.92	10/17/2023	6/15/2020		
DISCOVER BK SEMI-ANNUAL 3.2000 %	0.590%	203,000.00	221,433.97	355.95	18,078.02	1/16/2024	7/31/2020		
GE MONEY BANK SEMI-ANNUAL 3.3000 %	0.837%	145,000.00	159,274.92	878.34	13,396.58	4/11/2024	6/15/2020		
GOLDMAN SACHS BANK USA SEMI-ANNUAL 2.8000 %	0.892%	140,000.00	150,676.64	579.95	10,096.69	4/24/2024	6/15/2020		
GOLDMAN SACHS BANK USA SEMI-ANNUAL 3.3000 %	0.846%	100,000.00	110,024.94	1,383.29	8,641.65	1/16/2024	6/15/2020		
MORGAN STANLEY BANK, NA SEMI-ANNUAL 3.4500 %	0.755%	100,000.00	109,409.25	444.25	8,965.00	11/1/2023	6/15/2020		
MORGAN STANLEY PRIVATE BANK NA SEMI-ANNUAL 3.1000 %	0.837%	158,000.00	172,618.87	1,945.78	12,673.09	1/24/2024	6/15/2020		
SALLIE MAE BK SEMI-ANNUAL 3.2000 %	0.618%	114,000.00	122,817.67	389.79	8,427.88	5/9/2023	6/15/2020		
SYNCHRONY BANK SEMI-ANNUAL 1.3000 %	0.623%	245,000.00	250,179.94	532.29	4,647.65	4/17/2023	6/15/2020		
WELLS FARGO BANK NA MONTHLY 3.1000 %	0.740%	200,000.00	216,714.99	16.99	16,698.00	2/13/2024	7/10/2020		
CITY NB LOS ANGELES, CD SEMI-ANNUAL 4.5000 %	4.281%	245,000.00	246,418.22	422.88	995.34	1/13/2025	1/23/2023		
UBS BANK CD MONTHLY 4.5000 %	4.421%	245,000.00	245,548.73	181.23	367.50	1/21/2025	1/23/2023		
AMEX NATIONAL BANK SALT LAKE CITY, CD SEMI-ANNUAL 4.9000 %	4.150%	245,000.00	251,910.09	2,072.10	4,837.99	11/24/2025	1/23/2023		
STATE BANK & TRUST CD SEMI-ANNUAL 4.3000 %	4.405%	245,000.00	244,510.00	-	(490.00)	1/27/2025	1/24/2023		
MANUFACTURERS & TRADERS TC CD SEMI-ANNUAL 4.5000 %	4.606%	245,000.00	244,510.00	-	(490.00)	1/31/2025	1/25/2023		
AMERICAN NATIONAL BANK CD MONTHLY 4.4000 %	4.400%	245,000.00	245,206.74	206.74	(0.00)	1/23/2025	1/26/2023		
MORGAN STANLEY BANK, NA SALT LAKE CITY, CD SEMI-ANNUAL 4.2500 %		100,000.00	100,269.86	69.86	200.00	2/2/2026	2/6/2023		
US TREASURY NOTES 2.125% 7/31/2024	3.224%	316,000.00	309,235.63	3,172.00		7/31/2024	7/20/2022		
US TREASURY NOTES 2.375% 8/15/2024	3.011%	245,000.00	241,913.77	2,587.90		8/15/2024	7/25/2022		
US TREASURY NOTES 2.375% 8/15/2024	3.188%	109,000.00	107,301.13	14.07		8/15/2024	8/16/2022		
US TREASURY NOTES 4.25% 9/30/2024	4.539%	100,000.00	99,464.84	233.52		9/30/2024	10/19/2022	27,411.50	All CDs and Bonds
Raymond James Bank Deposit Program		4,054.86							
Money Market - FIMM Treasury only	4.020%	50,163.33					10/26/2022	191.74	
Money Market - Goldman Sachs Financial Square Treasury Instruments		-					10/26/2022	-	
		4,344,218.19	4,428,773.86	18,659.43	138,206.55			27,603.24	A115.2
		A106.1/A106.11/A107.4							
<b>HGA OPERATING RJ ACCT 8380</b>									
Raymond James Bank Deposit Program - Savings		4,993.78							
US TREASURY NOTES 4.25% 9/30/2024	4.535%	235,000.00	233,760.74	548.76		9/30/2024	10/19/2022	-	A115.1
		A106/A106.05							
<b>Total CD's and US Treasury ACCT C650 &amp; 8380</b>		4,584,211.97	4,662,534.60	19,208.19	138,206.55				

HGA Detail of Investments

CAPITAL RESERVE RJ ACCT 502 - ANNUITIES		Current Value	Previous Month Value	Current Month Earnings	Amount Invested	Year with 0% Penalty	Purchase Date		
FIDELITY & GUARANTY LEF INS CO F&G SECURE MYGA 3 YEAR (MVA)	3.350%	257,257.81	256,538.86	718.95	250,000.00	5/17/2025	5/17/2022		
FORETHOUGHT LIFE INSURANCE CO SECUREFORE V2	3.100%	256,953.56	256,288.17	665.39	250,000.00	5/6/2025	5/6/2022		
GREAT AMERICAN LIFE INSURANCE CO SECURE GAIN 3 MVA	2.900%	256,585.99	255,963.76	622.23	250,000.00	5/2/2025	5/2/2022		
MIDLAND NATIONAL LIFE INSURANCE CO MNL GUARANTEE PRO	2.250%	255,111.28	254,629.63	481.65	250,000.00	5/2/2025	5/2/2022		
<b>Total Annuities</b>		1,025,908.64	1,023,420.42	2,488.22	1,000,000.00				
<b>CAPITAL RESERVE RJ ACCT 502</b>		<b>A106.1/A115.3</b>							
Raymond James Bank Deposit Program - Savings		25,348.97	<b>A107.3</b>						
<b>Total ACCT 502</b>		<u>1,051,257.61</u>							
<b>HGA OPERATING RJ ACCT 875</b>									
Raymond James Bank Deposit Program - Savings		16,643.46	<b>A107.2</b>						
<b>Total ACCT 875</b>		<u>16,643.46</u>							
<b>HGA OPERATING KEYBANC ACCT 3297</b>									
Federal Home LN BKS 5.25%	5.150%	2,000,000.00	<b>A108.01</b>		1,920.00	3/1/2024		<b>8,750.00</b>	<b>A115.1</b>
KeyBanc Capital Mkts - Money Market - Federated Hermes Govt Oblig SS	4.420%	4,029,777.05	<b>A108</b>		<b>A108.011</b>				
<b>Total ACCT 3297</b>		<u>6,029,777.05</u>							
<b>HGA CAPITAL RESERVE KEYBANC ACCT 4345</b>									
Federal Home LN BKS 5.25%	5.150%	2,000,000.00	<b>A107.02</b>		1,920.00	3/1/2024		<b>8,750.00</b>	<b>A115.2</b>
KeyBanc Capital Mkts - Money Market - Federated Hermes Govt Oblig SS	4.420%	3,431,148.45	<b>A107.01</b>		<b>A107.021</b>				
<b>Total ACCT 4345</b>		<u>5,431,148.45</u>							
<b>HGA CAPITAL RESERVE KEYBANC ACCT 5363</b>									
KeyBank Savings Account		28,209.71	<b>A107</b>						
<b>Total ACCT 5363</b>		<u>28,209.71</u>							

	3/31/2023	2/28/2023	1/31/2023	12/31/2022
<b>CURRENT ASSETS</b>				
Operating Bank Account	153,700	2,100,809	3,875,355	5,136,327
Money Mkt - Key Bank Operating	6,031,537	4,018,100	2,005,775	0
Raymond James Operating Savings	16,643	16,640	16,635	16,802
Savings-Capital Reserve	28,210	1,092,111	1,755,849	4,713,310
Money Mkt - Key Bank Cap Res	5,432,908	4,021,217	3,008,663	0
Raymond James Cap Reserve Savings	25,349	19,404	8,600	8,597
Raymond James - Cap Reserve Investments	1,741,663	1,745,078	1,645,385	2,650,186
Assessment Receivables	59,601	61,477	64,333	70,275
Allow Doubtful Acct	(62,891)	(66,536)	(65,000)	(65,000)
A/R - Other	94,374	93,884	87,392	103,938
AR - Insurance Claim	0	0	0	17,218
Interest Receivable	45,103	24,062	26,558	31,022
Inventory	215,392	209,061	213,664	223,487
Prepaid Insurance	931,960	1,087,286	1,242,613	1,397,939
Prepaid Expenses	33,454	21,741	25,068	32,495
Due To/From Seville	2,712	780	(709)	425
Due To/From - HGMD	47,279	51,547	38,063	134,768
<b>TOTAL CURRENT ASSETS</b>	<b>14,796,996</b>	<b>14,496,659</b>	<b>13,948,244</b>	<b>14,471,789</b>
<b>LONG-TERM INVESTMENTS (more than 12 mos)</b>				
Raymond James - Operating Investments	239,040	233,992	233,943	233,889
Raymond James - Cap Reserve Investments	3,624,022	3,624,758	3,724,102	2,709,377
Int Rec RJ Cap Res Annuities	25,909	23,420	21,178	18,622
<b>TOTAL LONG-TERM INVESTMENTS</b>	<b>3,888,970</b>	<b>3,882,171</b>	<b>3,979,224</b>	<b>2,961,888</b>
<b>BUILDING, LAND &amp; EQUIPMENT</b>				
FF&E (Equipment & Furniture)	1,611,234	1,611,234	1,611,234	1,611,234
ROU Asset	16,559	17,643	18,727	19,811
Accumulated Depreciation FF&E	(1,339,725)	(1,339,725)	(1,339,725)	(1,339,725)
<b>TOTAL BUILDING, LAND &amp; EQUIPMENT</b>	<b>288,068</b>	<b>289,152</b>	<b>290,236</b>	<b>291,320</b>
<b>TOTAL ASSETS</b>	<b>18,974,034</b>	<b>18,667,982</b>	<b>18,217,704</b>	<b>17,724,998</b>
<b>CURRENT LIABILITIES</b>				
Accounts Payable Trade	44,648	189,657	76,791	91,495
ROU Liability	17,283	18,521	19,581	20,637
Accounts Pay Other/Taxes Payable	299,314	286,243	384,318	307,584
Prepaid Monthly Assessments	309,418	308,315	327,808	290,141
Accrued Payroll	184,281	143,851	145,767	106,768
Accrued PTO	292,205	282,734	284,274	283,802
Excess Assessments 2021	24,140	26,822	29,504	32,186
Deferred Revenue-Comcast	48,520	49,531	50,542	51,553
Six MO Impound Fund	5,263,012	5,225,429	5,206,238	5,184,401
Unearned Revenue	2,833	1,332	2,290	3,248
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,485,655</b>	<b>6,532,434</b>	<b>6,527,112</b>	<b>6,371,815</b>
<b>TOTAL CURRENT &amp; LONG TERM LIABILITIES</b>	<b>6,485,655</b>	<b>6,532,434</b>	<b>6,527,112</b>	<b>6,371,815</b>
<b>FUND EQUITY</b>				
Capital Improvement Reserve	8,797,409	8,797,409	8,797,409	8,797,409
Operating Fund	1,108,570	1,108,570	1,108,570	1,108,570
Cumulative Effect Adj	(798)	(798)	(798)	(798)
2022 Net/Income (Loss)	1,435,228	1,435,228	1,448,003	0
Net/Income (Loss)	1,147,970	795,139	337,409	1,448,003
<b>Total Equity</b>	<b>12,488,379</b>	<b>12,135,548</b>	<b>11,690,592</b>	<b>11,353,183</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>18,974,034</b>	<b>18,667,982</b>	<b>18,217,704</b>	<b>17,724,998</b>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
Assessments	972,446	996,840	(24,394)	2,916,026	2,990,520	(74,494)	11,962,080
Interest Income	21,662	638	21,024	41,349	1,730	39,619	6,920
Late Charges to Residents	91	250	(159)	641	750	(109)	3,000
Interest from Residents	(54)	0	(54)	(58)	0	(58)	0
Laundry Comm	3,541	3,501	40	10,805	10,504	301	42,016
Misc Income	7,139	3,300	3,839	16,886	9,900	6,986	39,600
Comcast Revenue	5,061	1,000	4,061	17,083	13,000	4,083	52,000
Hea 'N Yon Profits	0	0	0	1,600	1,400	200	4,400
Vendor Disc Taken	60	0	60	136	0	136	0
<b>Total Revenue</b>	<b>1,009,946</b>	<b>1,005,530</b>	<b>4,416</b>	<b>3,004,467</b>	<b>3,027,804</b>	<b>(23,337)</b>	<b>12,110,016</b>
<b>EXPENSES</b>							
General	381,760	408,254	26,495	1,194,278	1,215,148	20,870	5,142,805
Custodial	37,144	40,539	3,394	123,821	135,283	11,462	496,677
Contracts	20,914	25,949	5,034	65,306	81,440	16,134	319,377
Maintenance	222,156	224,061	1,905	626,937	662,506	35,569	2,600,509
Administration	90,126	107,930	17,804	300,892	359,342	58,450	1,360,507
Paint	29,434	30,786	1,352	90,922	94,619	3,697	366,217
Roads & Grounds	96,592	110,971	14,378	298,391	313,077	14,686	1,267,900
Security	46,415	51,848	5,433	134,140	166,559	32,419	656,025
Interest Expense	42	0	(42)	126	0	(126)	0
<b>Total Expenses</b>	<b>924,583</b>	<b>1,000,337</b>	<b>75,754</b>	<b>2,834,814</b>	<b>3,027,974</b>	<b>193,160</b>	<b>12,210,016</b>
<b>Surplus (Deficit)</b>	<b>85,363</b>	<b>5,193</b>	<b>80,170</b>	<b>169,653</b>	<b>(170)</b>	<b>169,823</b>	<b>(100,000)</b>
<b>INSURANCE CLAIMS</b>							
Net Insurance	0	0	0	0	0	0	0
<b>RESERVES</b>							
Capital Rsv Revenue	365,355	360,361	4,994	1,111,567	1,078,654	32,913	4,322,994
Less Expenses	97,887	322,503	224,616	133,249	467,852	334,603	5,382,929
<b>Net Surplus (Deficit)</b>	<b>267,468</b>	<b>37,858</b>	<b>229,610</b>	<b>978,318</b>	<b>610,802</b>	<b>367,516</b>	<b>(1,059,935)</b>
<b>Net Income/(Loss)</b>	<b>352,831</b>	<b>43,051</b>	<b>309,780</b>	<b>1,147,970</b>	<b>610,632</b>	<b>537,338</b>	<b>(1,159,935)</b>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
<b>PAYROLL EXPENSES BY DEPT</b>							
Custodial	32,944	35,831	2,887	104,620	113,210	8,590	424,723
Contracts	20,544	25,514	4,970	64,190	80,135	15,945	312,154
Maintenance	128,441	132,723	4,282	386,558	418,398	31,840	1,592,637
Administration	78,105	93,533	15,428	245,463	294,079	48,616	1,133,292
Paint	25,386	24,834	(552)	77,860	77,851	(9)	298,086
Roads & Grounds	74,721	78,638	3,917	238,575	245,845	7,271	975,268
Security	43,761	48,993	5,233	127,974	158,549	30,575	614,945
<b>TOTAL PAYROLL EXPENSES</b>	<u>403,903</u>	<u>440,066</u>	<u>36,164</u>	<u>1,245,238</u>	<u>1,388,067</u>	<u>142,829</u>	<u>5,351,105</u>
<b>OPERATING EXPENSES BY DEPT</b>							
General	381,760	408,254	26,495	1,194,278	1,215,148	20,870	5,142,805
Custodial	4,200	4,708	508	19,201	22,073	2,871	71,954
Contracts	370	435	65	1,116	1,305	189	7,223
Maintenance	93,714	91,338	(2,376)	240,380	244,108	3,729	1,007,872
Administration	12,021	14,396	2,375	55,430	65,263	9,833	227,215
Paint	4,048	5,953	1,905	13,062	16,768	3,706	68,131
Roads & Grounds	21,871	32,332	10,462	59,816	67,232	7,416	292,632
Security	2,654	2,854	200	6,167	8,010	1,843	41,079
<b>TOTAL OPERATING EXPENSES</b>	<u>520,638</u>	<u>560,271</u>	<u>39,633</u>	<u>1,589,450</u>	<u>1,639,907</u>	<u>50,457</u>	<u>6,858,911</u>
<b>TOTAL PAYROLL &amp; OPERATING</b>	<u>924,541</u>	<u>1,000,337</u>	<u>75,796</u>	<u>2,834,688</u>	<u>3,027,974</u>	<u>193,286</u>	<u>12,210,016</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
<b>REVENUE SUMMARY</b>							
A404.2 Investment Income Operati	21,822	638	21,184	41,682	1,915	39,767	7,660
A404.3 Premium Amortization	(160)	0	(160)	(160)	0	(160)	0
A404.4 RJ Advis. Fees Operating	0	0	0	(173)	(185)	12	(740)
A408 Insurance	150,350	150,233	117	450,594	450,699	(105)	1,802,796
A408.4 Insurance Adj 2021	10,724	10,724	0	32,172	32,172	0	128,688
A409 Water & Sewer	124,962	124,907	55	374,628	374,721	(93)	1,498,884
A409.4 Water & Sewer Adj 2021	(16,907)	(16,907)	0	(50,721)	(50,721)	0	(202,884)
A410 Gas & Electric	115,945	115,896	49	347,752	347,688	64	1,390,752
A410.4 Gas & Elec Adj 2021	(3,718)	(3,718)	0	(11,154)	(11,154)	0	(44,616)
A411 Maintenance	578,506	578,122	384	1,735,007	1,734,366	641	6,937,464
A411.0 Planned Deficit	0	25,000	(25,000)	0	75,000	(75,000)	300,000
A411.4 Maintenance Adj 2021	12,583	12,583	0	37,749	37,749	0	150,996
A414 Late Charges to Residents	91	250	(159)	641	750	(109)	3,000
A414.5 Interest from Residents	(54)	0	(54)	(58)	0	(58)	0
A415 Laundry Commissions	3,541	3,501	40	10,805	10,504	301	42,016
A416 Miscellaneous Income	7,139	3,300	3,839	16,886	9,900	6,986	39,600
A416.2 Comcast Revenue	5,061	1,000	4,061	17,083	13,000	4,083	52,000
A417 Heather 'N Yon Profits	0	0	0	1,600	1,400	200	4,400
A418 Vendor Discounts Taken	60	0	60	136	0	136	0
<b>TOTAL REVENUE</b>	<b>1,009,946</b>	<b>1,005,530</b>	<b>4,416</b>	<b>3,004,467</b>	<b>3,027,804</b>	<b>(23,337)</b>	<b>12,110,016</b>
<b>ASSOC GENERAL EXPENSES</b>							
A622 Payment In Lieu Of Taxes	0	0	0	0	0	0	30,375
A624 Personal Property Tax	0	0	0	7,673	5,000	(2,673)	5,000
A626 Income Taxes	(2,547)	4,584	7,131	20,691	13,750	(6,941)	55,000
A628 Bad Debt Expense	0	0	0	0	0	0	7,500
A640 Electric - High Rises	31,752	29,248	(2,505)	93,679	87,350	(6,329)	370,435
A641 Electric - Parking	987	881	(106)	2,817	2,669	(148)	11,517
A642 Electric - Town Homes	1,027	779	(248)	3,022	2,524	(498)	12,028
A643 Gas - High Rises	80,897	87,034	6,137	285,668	283,296	(2,372)	952,159
A652 Insurance Coverages	155,327	155,139	(188)	465,980	465,417	(563)	1,931,479
A652.1 Insurance - Claims	22,183	38,000	15,817	48,485	88,000	39,515	313,000
A653 HRA Admin Costs/Misc	5,270	1,708	(3,562)	18,060	4,790	(13,270)	20,893
A660 Legal Fees	2,680	4,617	1,937	2,638	13,851	11,213	55,404
A671 Outside Services	0	600	600	788	950	162	3,300
A672 Communications Expense	1,412	1,924	512	4,230	5,699	1,469	23,015
A673 Annual Meeting/Election	0	0	0	90	0	(90)	20,000
A675 Incentive Program	2,704	2,500	(204)	2,704	2,500	(204)	35,700
A698 Water & Sewer	80,067	81,240	1,173	237,754	239,353	1,599	1,296,000
A700 Interest Expense	42	0	(42)	126	0	(126)	0
<b>TOTAL ASSOC GENERAL EXPEN</b>	<b>381,802</b>	<b>408,254</b>	<b>26,452</b>	<b>1,194,404</b>	<b>1,215,148</b>	<b>20,744</b>	<b>5,142,805</b>

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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
<b>CAPITAL RESERVE FUND</b>							
<b>REVENUE SUMMARY</b>							
F608 Capital Reserve	354,216	354,058	158	1,061,939	1,062,173	(234)	4,248,694
F611.1 Capital Reserve Investmen	35,983	9,600	26,383	85,082	28,800	56,282	115,200
F611.2 Premium Amortization	(3,574)	(3,297)	(277)	(11,016)	(10,119)	(897)	(32,100)
F611.3 Raymond James Advisory Fe	0	0	0	(3,169)	(2,200)	(969)	(8,800)
F611.4 Income Taxes	(21,269)	0	(21,269)	(21,269)	0	(21,269)	0
<b>TOTAL REVENUE</b>	<b>365,355</b>	<b>360,361</b>	<b>4,994</b>	<b>1,111,567</b>	<b>1,078,654</b>	<b>32,913</b>	<b>4,322,994</b>
<b>EXPENSE SUMMARY</b>							
F787 R&G Equipment Chipper #56	0	0	0	0	0	0	20,188
F788 R&G Equipment Pick-up #50	0	51,330	51,330	0	51,330	51,330	51,330
F801 BC&E PS Recommended Repai	50,182	44,100	(6,082)	63,375	103,200	39,825	500,000
F807.8 Parking Structure Securit	0	54,496	54,496	0	54,496	54,496	54,496
F810 HD Util. Veh., # 513 Work	0	0	0	0	0	0	35,000
F811 HD Util. Veh., # 515 Work	0	0	0	0	0	0	35,000
F812 Mower, 60" # 543	0	18,000	18,000	0	18,000	18,000	18,000
F813 Mower Grandstand #1	0	12,000	12,000	0	12,000	12,000	12,000
F814 Mower Grandstand #2	0	12,000	12,000	0	12,000	12,000	12,000
F815 Mower Grandstand #3	0	12,000	12,000	0	12,000	12,000	12,000
F816 Mower Grandstand #4	0	12,000	12,000	0	12,000	12,000	12,000
F817 Snow Raider Plow	0	0	0	0	13,455	13,455	13,455
F818 Carpet Replacement - Annu	0	33,120	33,120	0	66,240	66,240	198,720
F819 Chair Rail Installation -	8,718	0	(8,718)	16,830	0	(16,830)	86,940
F820 Elevator Cab Renovation -	0	0	0	0	0	0	47,508
F821 Exterior Painting	0	0	0	0	0	0	77,200
F822 Maintenance Equipment Cam	0	11,432	11,432	0	11,432	11,432	11,432
F823 Paint Equipment - Used Tr	28,107	37,013	8,906	28,107	37,013	8,906	37,013
F824 Recirculation Lines	0	0	0	0	0	0	24,840
F825 Roof Replacement - 3 Bldg	0	0	0	0	0	0	1,707,750
F826 Security Equipment - Vehi	0	0	0	0	0	0	36,225
F827 Retaining Walls - 2 small	0	0	0	0	0	0	24,840
F828 Retaining Walls - 1 Large	0	0	0	0	0	0	103,500
F829 Concrete repairs/handrail	0	19,837	19,837	0	59,511	59,511	238,050
F830 Evaporative Coolers	0	0	0	0	0	0	20,700
F831 Water Heaters	0	0	0	0	0	0	82,800
F832 Eng. Spec. Contractors -	0	0	0	0	0	0	25,875
F833 Eng. Spec. Contractors -	0	0	0	0	0	0	25,875
F834 Plumbing Infrastructure I	0	0	0	0	0	0	150,000
F835 Fire Main Replacement	0	0	0	0	0	0	36,225
F836 Water Wise	0	0	0	0	0	0	51,750
F837 Atrium Xeriscape	0	0	0	0	0	0	72,450
F838 Parking Structure Mainten	0	0	0	0	0	0	1,004,392
F839 Parking Slab Coating	0	0	0	0	0	0	62,100
F840 Access Control - 1 buildi	0	5,175	5,175	0	5,175	5,175	46,575
F841 Boiler Renovation - 2 eac	0	0	0	0	0	0	124,200
F842 Contingency Projects	0	0	0	0	0	0	310,500
F842.1 R&G Debris Holder	10,881	0	(10,881)	10,881	0	(10,881)	0
F842.2 B241 Emergency Elevator R	0	0	0	14,057	0	(14,057)	0
<b>TOTAL EXPENSES</b>	<b>97,887</b>	<b>322,503</b>	<b>224,616</b>	<b>133,249</b>	<b>467,852</b>	<b>334,603</b>	<b>5,382,929</b>
<b>GROSS SURPLUS (DEFICIT)</b>	<b>267,468</b>	<b>37,858</b>	<b>229,610</b>	<b>978,318</b>	<b>610,802</b>	<b>367,516</b>	<b>(1,059,935)</b>
<b>BALANCE TO CASH (A107)</b>							
A302 Cap Imprv Reserve	0	0	0	8,797,409	0	(8,797,409)	0
ADD: Cap Reserve Revenue	365,355	360,361	(4,994)	1,111,567	1,078,654	(32,913)	4,322,994
LESS: Cap Reserve Expens	(97,887)	(322,503)	(224,616)	(133,249)	(467,852)	(334,603)	(5,382,929)
Int Rec CDs & Annuities	18,923	0	(18,923)	62,262	0	(62,262)	0
<b>TOTAL BALANCE TO CASH</b>	<b>286,391</b>	<b>37,858</b>	<b>(248,533)</b>	<b>9,837,988</b>	<b>610,802</b>	<b>(9,227,186)</b>	<b>(1,059,935)</b>

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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	
<b>CUSTODIAL SERVICES</b>								
<b>WAGES/BENEFITS</b>								
J500	Salaries - FTP	30,139	29,499	(640)	94,076	92,708	(1,368)	355,155
J510	Salaries - Part Time	4,317	6,363	2,046	13,389	20,616	7,228	77,884
J520	Salaries - Overtime	467	874	407	1,227	2,354	1,127	8,072
J540	Taxes - Payroll	3,260	4,063	803	10,555	12,625	2,070	42,951
J550	Retirement Expense	87	202	115	277	628	351	2,418
J553	Insurance - Personnel	2,218	2,528	310	6,653	7,583	930	31,850
J574	Recruit / Train / Service	32	210	178	32	570	538	2,710
J580	PEO Administration	1,329	524	(805)	2,715	1,571	(1,145)	6,282
J588	Workers Comp Insurance	0	454	454	0	1,363	1,363	5,452
	<b>TOTAL WAGES/BENEFITS</b>	<b>41,848</b>	<b>44,717</b>	<b>2,869</b>	<b>128,923</b>	<b>140,018</b>	<b>11,095</b>	<b>532,773</b>
J675.2	Salary Charge Out - Opera	(10,970)	(10,922)	48	(30,302)	(32,719)	(2,417)	(132,022)
J675.2	Salary Charge from CH	2,066	2,036	(30)	5,998	5,911	(87)	23,971
	<b>NET WAGES/BENEFITS</b>	<b>32,944</b>	<b>35,831</b>	<b>2,887</b>	<b>104,620</b>	<b>113,210</b>	<b>8,590</b>	<b>424,723</b>
<b>OPERATING EXPENSES</b>								
J621	Fuel Expense	97	115	18	324	294	(31)	908
J621.1	Mileage Reimbursement	404	500	96	1,178	1,500	322	6,000
J639	Software & IT	61	60	(1)	190	180	(10)	720
J645	Uniforms	0	0	0	100	0	(100)	3,800
J680	Radio Communication	0	29	29	0	87	87	348
J683	Repairs - Equipment	1,143	254	(889)	1,163	762	(401)	3,048
J684	Supplies	2,496	3,750	1,254	8,505	11,250	2,745	45,000
J691	Licenses	0	0	0	0	0	0	130
J699	Window Cleaning	0	0	0	7,740	8,000	260	12,000
	<b>TOTAL OPERATING EXPENSES</b>	<b>4,200</b>	<b>4,708</b>	<b>508</b>	<b>19,201</b>	<b>22,073</b>	<b>2,871</b>	<b>71,954</b>
	<b>TOTAL CUSTODIAL SERVICES</b>	<b>37,144</b>	<b>40,539</b>	<b>3,394</b>	<b>123,821</b>	<b>135,283</b>	<b>11,462</b>	<b>496,677</b>

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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	
<b>CONTRACTS</b>								
<b>WAGES/BENEFITS</b>								
K500	Salaries - FT	17,292	20,613	3,321	53,094	64,825	11,731	253,532
K540	Taxes - Payroll	1,122	1,956	834	4,845	6,349	1,504	22,169
K550	Retirement Expense	712	886	174	2,102	2,787	686	10,653
K553	Insurance - Personne	1,056	1,844	788	3,166	5,531	2,366	23,232
K574	Recruiting, Training Serv	0	50	50	0	150	150	600
K580	PEO Administration	362	86	(276)	983	258	(725)	1,031
K588	Workers Comp Insurance	0	78	78	0	234	234	936
	<b>TOTAL WAGES/BENEFITS</b>	<b>20,544</b>	<b>25,514</b>	<b>4,970</b>	<b>64,190</b>	<b>80,135</b>	<b>15,945</b>	<b>312,154</b>
	<b>NET WAGES/BENEFITS</b>	<b>20,544</b>	<b>25,514</b>	<b>4,970</b>	<b>64,190</b>	<b>80,135</b>	<b>15,945</b>	<b>312,154</b>
<b>OPERATING EXPENSES</b>								
K621.1	Mileage Reimbursement	100	85	(15)	231	255	24	1,023
K639	Software & IT	154	225	71	607	675	68	2,700
K645	Uniforms	0	0	0	0	0	0	500
K662	Office Supplies	116	125	9	278	375	97	3,000
	<b>TOTAL OPERATING EXPENSES</b>	<b>370</b>	<b>435</b>	<b>65</b>	<b>1,116</b>	<b>1,305</b>	<b>189</b>	<b>7,223</b>
	<b>TOTAL CONTRACTS EXPENSES</b>	<b>20,914</b>	<b>25,949</b>	<b>5,034</b>	<b>65,306</b>	<b>81,440</b>	<b>16,134</b>	<b>319,377</b>

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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
<b>MAINTENANCE</b>							
<b>WAGES/BENEFITS</b>							
M500 Salaries - FTP	110,206	112,730	2,524	336,125	354,029	17,904	1,357,506
M520 Salaries - Overtime	2,097	2,529	432	5,470	7,396	1,926	37,794
M540 Taxes - Payroll	10,160	10,996	836	31,575	36,062	4,487	124,290
M550 Retirement Expense	2,491	3,573	1,082	7,340	11,204	3,864	43,254
M553 Insurance - Personnel	9,279	13,158	3,879	27,824	39,473	11,649	165,786
M574 Recruit/Train/Services	660	1,424	764	1,656	4,271	2,616	17,086
M580 PEO Administration	3,246	1,069	(2,178)	7,380	3,206	(4,174)	12,823
M588 Workers Comp Insurance	0	904	904	0	2,712	2,712	10,847
<b>TOTAL WAGES/BENEFITS</b>	<b>138,139</b>	<b>146,382</b>	<b>8,243</b>	<b>417,370</b>	<b>458,353</b>	<b>40,983</b>	<b>1,769,387</b>
M675.2 Salary Charge Out - Opera	(3,800)	(7,236)	(3,436)	(15,411)	(20,687)	(5,275)	(99,675)
M675.3 Salary Charge Out-Residen	(5,898)	(6,423)	(525)	(15,401)	(19,269)	(3,867)	(77,075)
<b>NET WAGES/BENEFITS</b>	<b>128,441</b>	<b>132,723</b>	<b>4,282</b>	<b>386,558</b>	<b>418,398</b>	<b>31,840</b>	<b>1,592,637</b>
<b>OPERATING EXPENSES</b>							
M621 Fuel Expense	524	398	(126)	1,242	1,247	5	4,075
M621.1 Mileage Reimbursement	1,781	2,300	519	5,371	6,900	1,529	27,600
M639 Software & IT	2,568	3,200	632	8,106	9,600	1,494	38,400
M640 Electric	360	341	(18)	1,190	1,120	(70)	4,237
M643 Gas	250	204	(46)	921	703	(217)	2,066
M644 Elevator	19,012	15,000	(4,012)	46,517	45,000	(1,517)	180,000
M645 Uniforms	0	0	0	93	0	(93)	13,000
M646 Maintenance Shop Repairs	1,272	1,466	194	3,732	4,398	666	17,592
M654 Lamp Replacement	715	1,400	685	1,537	4,400	2,863	15,800
m662 Office Supplies	418	1,500	1,082	1,186	4,500	3,314	17,400
M665 Rent - Equipment	0	0	0	0	0	0	1,000
M671 Outside Contractors - Mis	0	1,225	1,225	0	3,425	3,425	18,625
M671.1 Glass Replacement	10,317	5,500	(4,817)	23,511	10,000	(13,511)	35,000
M671.3 Boiler/HVAC Repairs	0	0	0	0	0	0	7,200
M671.4 Roof Repairs	0	0	0	0	0	0	7,500
M671.5 Electrical	0	2,500	2,500	0	7,500	7,500	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	8,925	8,000	(925)	12,800	24,000	11,200	100,000
M672 Door Repair	0	1,250	1,250	0	3,750	3,750	15,000
M680 Radio Communications	0	140	140	187	420	233	1,680
M683 Repairs - Equipment	1,340	330	(1,010)	1,947	990	(957)	4,000
M684 Supplies - Misc	3,181	2,160	(1,021)	9,379	6,480	(2,899)	26,000
M684.1 HVAC/Plumbing	16,043	21,300	5,257	51,484	48,900	(2,584)	155,100
M684.2 Electrical	2,573	2,300	(273)	7,857	7,100	(757)	28,000
M684.3 Hardware/Fasteners	446	150	(296)	446	1,050	604	4,200
M684.4 Safety Equipment	116	0	(116)	286	2,000	1,714	4,000
M684.5 Doors & Door Hardware	2,447	2,200	(247)	14,976	6,600	(8,376)	26,400
M684.6 Roof & Sealant Materials	243	100	(143)	379	400	21	10,000
M684.7 Chemicals	6,602	5,000	(1,602)	13,907	14,500	593	73,000
M684.8 Tools	925	900	(25)	2,510	2,700	190	10,800
M684.9 Billable Supplies	(4,194)	(3,825)	369	(9,950)	(11,476)	(1,526)	(45,902)
M685 TV Repairs	0	300	300	0	900	900	3,600
M690 ROU Equip Leases	226	0	(226)	679	0	(679)	0
M691 Licenses	6,510	6,500	(10)	7,023	8,500	1,477	47,500
M694 Trash Removal	11,115	9,500	(1,615)	33,065	28,500	(4,565)	114,000
<b>TOTAL OPERATING EXPENSES</b>	<b>93,714</b>	<b>91,338</b>	<b>(2,376)</b>	<b>240,380</b>	<b>244,108</b>	<b>3,729</b>	<b>1,007,872</b>
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>222,156</b>	<b>224,061</b>	<b>1,905</b>	<b>626,937</b>	<b>662,506</b>	<b>35,569</b>	<b>2,600,509</b>

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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	66,080	74,725	8,645	207,011	234,845	27,834	911,730
O520	Salaries - Overtime	294	650	356	658	1,950	1,292	7,800
O540	Taxes - Payroll	5,343	7,025	1,682	18,492	23,561	5,069	76,431
O550	Retirement Expense	2,417	2,864	448	7,444	8,998	1,554	34,417
O553	Insurance - Personnel	4,062	5,881	1,819	12,142	17,643	5,501	74,100
O574	Recruit/Train/Services	0	1,200	1,200	0	3,600	3,600	14,400
O580	PEO Administration	1,226	500	(727)	1,033	1,499	466	5,996
O588	Workers Comp Insurance	(1,383)	647	2,030	(1,383)	1,941	3,324	7,763
	<b>TOTAL WAGES/BENEFITS</b>	<b>78,039</b>	<b>93,492</b>	<b>15,453</b>	<b>245,396</b>	<b>294,037</b>	<b>48,641</b>	<b>1,132,637</b>
O675.2	Salary Charge Out	66	41	(25)	66	41	(25)	655
	<b>NET WAGES/BENEFITS</b>	<b>78,105</b>	<b>93,533</b>	<b>15,428</b>	<b>245,463</b>	<b>294,079</b>	<b>48,616</b>	<b>1,133,292</b>
OPERATING EXPENSES								
O639	Software and Internet Fee	1,151	1,038	(113)	6,900	6,337	(563)	27,244
O639.5	IT Services	2,125	3,300	1,175	7,254	9,900	2,646	39,600
O656	Professional Services	0	0	0	15,900	15,900	0	64,250
O659	Miscellaneous	0	215	215	0	645	645	2,580
O661	Administrative Expense	5	300	295	1,399	2,100	701	7,350
O662	Office Supplies & Postage	2,207	2,868	661	6,292	9,640	3,348	34,202
O663	Publications	0	0	0	5,032	7,000	1,968	7,000
O689	Telephone Expense	2,601	2,681	80	7,458	8,044	586	32,176
O690	ROU Equip Leases	631	669	38	1,894	2,372	478	9,488
O695	Marketing	3,300	3,325	25	3,300	3,325	25	3,325
	<b>TOTAL OPERATING EXPENSES</b>	<b>12,021</b>	<b>14,396</b>	<b>2,375</b>	<b>55,430</b>	<b>65,263</b>	<b>9,833</b>	<b>227,215</b>
	<b>TOTAL ADMINISTRATIVE EXPE</b>	<b>90,126</b>	<b>107,930</b>	<b>17,804</b>	<b>300,892</b>	<b>359,342</b>	<b>58,450</b>	<b>1,360,507</b>

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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	20,819	20,711	(108)	65,074	65,076	2	249,256
P520	Salaries - Overtime	24	0	(24)	41	0	(41)	600
P540	Taxes - Payroll	1,856	2,071	215	6,004	6,574	570	22,565
P550	Retirement Expense	363	321	(42)	1,164	1,009	(155)	3,873
P553	Insurance - Personnel	1,663	1,202	(461)	4,990	3,606	(1,384)	15,146
P574	Recruit/Train/Services	0	0	0	0	0	0	300
P580	PEO Administration	662	227	(434)	1,474	682	(792)	2,729
P588	Workers Comp Insurance	0	302	302	0	905	905	3,618
	<b>TOTAL WAGES/BENEFITS</b>	<b>25,386</b>	<b>24,834</b>	<b>(552)</b>	<b>78,746</b>	<b>77,851</b>	<b>(895)</b>	<b>298,086</b>
P675.2	Salary Charge Out - Opera	0	0	0	(886)	0	886	0
	<b>NET WAGES/BENEFITS</b>	<b>25,386</b>	<b>24,834</b>	<b>(552)</b>	<b>77,860</b>	<b>77,851</b>	<b>(9)</b>	<b>298,086</b>
OPERATING EXPENSES								
P621	Fuel Expense	184	295	111	452	764	311	2,300
P621.1	Mileage Reimbursement	0	38	38	0	114	114	456
P639	Software & IT	73	85	12	227	255	28	1,020
P645	Uniforms	0	0	0	391	500	109	3,600
P680	Radio Communications	0	0	0	0	0	0	800
P683	Repairs - Equipment	12	600	588	126	700	574	2,800
P684	Supplies	3,779	4,700	921	11,865	14,100	2,235	56,400
P689	Telephone Expense	0	25	25	0	75	75	300
P691	Licenses	0	210	210	0	260	260	455
	<b>TOTAL OPERATING EXPENSES</b>	<b>4,048</b>	<b>5,953</b>	<b>1,905</b>	<b>13,062</b>	<b>16,768</b>	<b>3,706</b>	<b>68,131</b>
	<b>TOTAL PAINTING EXPENSES</b>	<b>29,434</b>	<b>30,786</b>	<b>1,352</b>	<b>90,922</b>	<b>94,619</b>	<b>3,697</b>	<b>366,217</b>

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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
<b>ROADS &amp; GROUNDS</b>							
<b>WAGES/BENEFITS</b>							
R500 Salaries - FTP	60,732	62,075	1,343	194,093	194,974	880	748,509
R510 Salaries - Part Time	0	0	0	0	0	0	31,072
R520 Salaries - Overtime	304	2,673	2,370	1,336	6,005	4,669	17,370
R540 Taxes - Payroll	5,441	6,229	788	18,441	20,326	1,885	72,196
R550 Retirement Expense	980	1,360	379	2,704	4,221	1,517	16,736
R553 Insurance - Personnel	5,616	6,281	665	17,786	18,844	1,058	79,144
R574 Recruit/Train/Services	32	375	343	32	1,125	1,093	4,500
R580 PEO Administration	1,912	676	(1,236)	4,372	2,029	(2,344)	8,114
R588 Workers Comp Insurance	0	531	531	0	1,594	1,594	6,376
<b>TOTAL WAGES/BENEFITS</b>	<b>75,017</b>	<b>80,200</b>	<b>5,184</b>	<b>238,763</b>	<b>249,116</b>	<b>10,353</b>	<b>984,017</b>
R675.2 Salary Charge Out-Operati	(295)	(1,562)	(1,267)	(189)	(3,271)	(3,082)	(8,748)
<b>NET WAGES/BENEFITS</b>	<b>74,721</b>	<b>78,638</b>	<b>3,917</b>	<b>238,575</b>	<b>245,845</b>	<b>7,271</b>	<b>975,268</b>
<b>OPERATING EXPENSES</b>							
R621 Fuel Expense	1,911	2,670	759	6,123	6,891	768	26,237
R635 Tree & Shrub Replacement	0	0	0	0	0	0	5,500
R639 Software & IT	331	1,060	729	973	1,535	562	3,926
R640 Electric	270	256	(14)	893	840	(52)	3,191
R643 Gas	188	153	(35)	690	528	(163)	1,549
R645 Uniforms	175	200	25	538	600	62	10,000
R647 Extermination	2,000	1,000	(1,000)	3,000	3,000	0	12,000
R665 Rent - Equipment	349	1,500	1,151	349	1,500	1,151	6,000
R670 Asphalt Repairs	0	0	0	0	0	0	4,200
R671 Outside - Contractors	627	5,725	5,098	1,896	6,558	4,662	38,385
R680 Radio Communications	0	0	0	0	400	400	800
R682 Snow Removal Supplies	0	8,543	8,543	21,622	20,855	(767)	33,355
R683 Repairs - Equipment	531	3,450	2,919	1,595	6,857	5,262	33,765
R684 Supplies	8,215	2,225	(5,990)	11,016	8,237	(2,779)	61,363
R684.1 Irrigation - Supplies	2,280	2,153	(127)	2,307	2,197	(110)	20,388
R689 Telephone Expense	89	70	(19)	266	210	(56)	840
R691 Licenses	0	2,744	2,744	0	2,744	2,744	4,544
R694 Trash Removal	4,905	584	(4,321)	8,549	4,280	(4,269)	26,589
<b>TOTAL OPERATING EXPENSES</b>	<b>21,871</b>	<b>32,332</b>	<b>10,462</b>	<b>59,816</b>	<b>67,232</b>	<b>7,416</b>	<b>292,632</b>
<b>TOTAL ROADS &amp; GROUNDS EXP</b>	<b>96,592</b>	<b>110,971</b>	<b>14,378</b>	<b>298,391</b>	<b>313,077</b>	<b>14,686</b>	<b>1,267,900</b>

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	
<b>SECURITY</b>								
<b>WAGES/BENEFITS</b>								
S500	Salaries - FTP	33,864	36,954	3,090	99,579	119,319	19,740	459,722
S520	Salaries - Overtime	1,407	353	(1,054)	2,746	2,404	(342)	7,168
S540	Taxes - Payroll	3,448	3,589	141	10,007	12,566	2,559	43,020
S550	Retirement Expense	461	900	439	1,675	2,867	1,192	11,084
S553	Insurance - Personnel	2,725	5,459	2,734	9,284	16,376	7,092	68,780
S560	Employee Incentive	787	850	63	2,454	2,550	96	10,200
S574	Recruit/Train/Services	45	267	222	90	600	510	7,500
S580	PEO Administration	1,024	365	(659)	2,139	1,096	(1,043)	4,385
S588	Workers Comp Insurance	0	257	257	0	772	772	3,087
	<b>TOTAL WAGES/BENEFITS</b>	<b>43,761</b>	<b>48,993</b>	<b>5,233</b>	<b>127,974</b>	<b>158,549</b>	<b>30,575</b>	<b>614,945</b>
<b>OPERATING EXPENSES</b>								
S621	Fuel Expense	668	959	291	1,790	2,175	385	8,389
S639	Software & IT	917	750	(167)	2,451	2,250	(201)	9,000
S645	Uniforms	0	0	0	50	150	100	7,500
S659	Miscellaneous	0	140	140	0	420	420	1,680
S680	Radio Communications	0	125	125	0	375	375	1,500
S683	Repairs - Equipment	800	300	(500)	800	900	100	3,600
S684	Supplies	0	300	300	268	900	632	4,850
S689	Telephone Expense	270	280	11	809	840	32	3,360
S691	Licenses	0	0	0	0	0	0	1,200
	<b>TOTAL OPERATING EXPENSES</b>	<b>2,654</b>	<b>2,854</b>	<b>200</b>	<b>6,167</b>	<b>8,010</b>	<b>1,843</b>	<b>41,079</b>
	<b>TOTAL SECURITY EXPEN</b>	<b>46,415</b>	<b>51,848</b>	<b>5,433</b>	<b>134,140</b>	<b>166,559</b>	<b>32,419</b>	<b>656,025</b>

# HEATHER GARDENS METROPOLITAN DISTRICT

## Budget Exceptions Report

Through: 3/31/2023

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% Variance from Budget	Annual Budget	% of Annual Budget Spent
Total Revenue	\$ 862,413	\$ 857,634	\$ 4,779	0.6%	\$ 3,705,026	23%
Cost of Goods Sold	\$ 46,073	\$ 47,093	\$ 1,020	2.2%	\$ 234,140	20%
Gross Profit	\$ 816,340	\$ 810,541	\$ 5,799	0.7%	\$ 3,470,886	
Operating Expenses	\$ 565,209	\$ 631,626	\$ 66,417	10.5%	\$ 3,009,041	19%
<b>Net Operating Income/(Loss)</b>	<b>\$ 251,131</b>	<b>\$ 178,915</b>	<b>\$ 72,216</b>		<b>\$ 461,845</b>	
Capital Improvements Exp	\$ 38,097	\$ 33,000	\$ (5,097)	-15.4%	\$ 822,414	5%
Non-Operating (Inc)/Exp	\$ -	\$ -	\$ -		\$ -	
<b>Net Surplus/(Loss)</b>	<b>\$ 213,034</b>	<b>\$ 145,915</b>	<b>\$ 67,119</b>		<b>\$ (360,569)</b>	

### Executive Summary

#### Club House

Revenue	\$ 40,419	\$ 50,604	\$ (10,185)	-20.1%	\$ 196,479	21%
Expenses	\$ 189,170	\$ 222,044	\$ 32,872	14.8%	\$ 881,232	21%
<b>Net Subsidy</b>	<b>\$ (148,751)</b>	<b>\$ (171,440)</b>	<b>\$ 22,687</b>		<b>\$ (684,753)</b>	

#### Golf

Revenue	\$ 24,064	\$ 24,382	\$ (318)	-1.3%	\$ 504,624	5%
Expenses	\$ 133,907	\$ 149,751	\$ 15,843	10.6%	\$ 760,610	18%
<b>Net Subsidy</b>	<b>\$ (109,843)</b>	<b>\$ (125,369)</b>	<b>\$ 15,525</b>		<b>\$ (255,986)</b>	

#### Restaurant

Revenue	\$ 129,289	\$ 141,229	\$ (11,940)	-8.5%	\$ 675,363	19%
Cost of Goods Sold	\$ 44,554	\$ 45,124	\$ 570	1.3%	\$ 216,506	21%
Gross Profit	\$ 84,735	\$ 96,105	\$ (11,370)	-11.8%	\$ 458,857	
Expenses	\$ 123,393	\$ 137,041	\$ 13,648	10.0%	\$ 562,957	22%
<b>Net Subsidy</b>	<b>\$ (38,658)</b>	<b>\$ (40,936)</b>	<b>\$ 2,278</b>		<b>\$ (104,100)</b>	

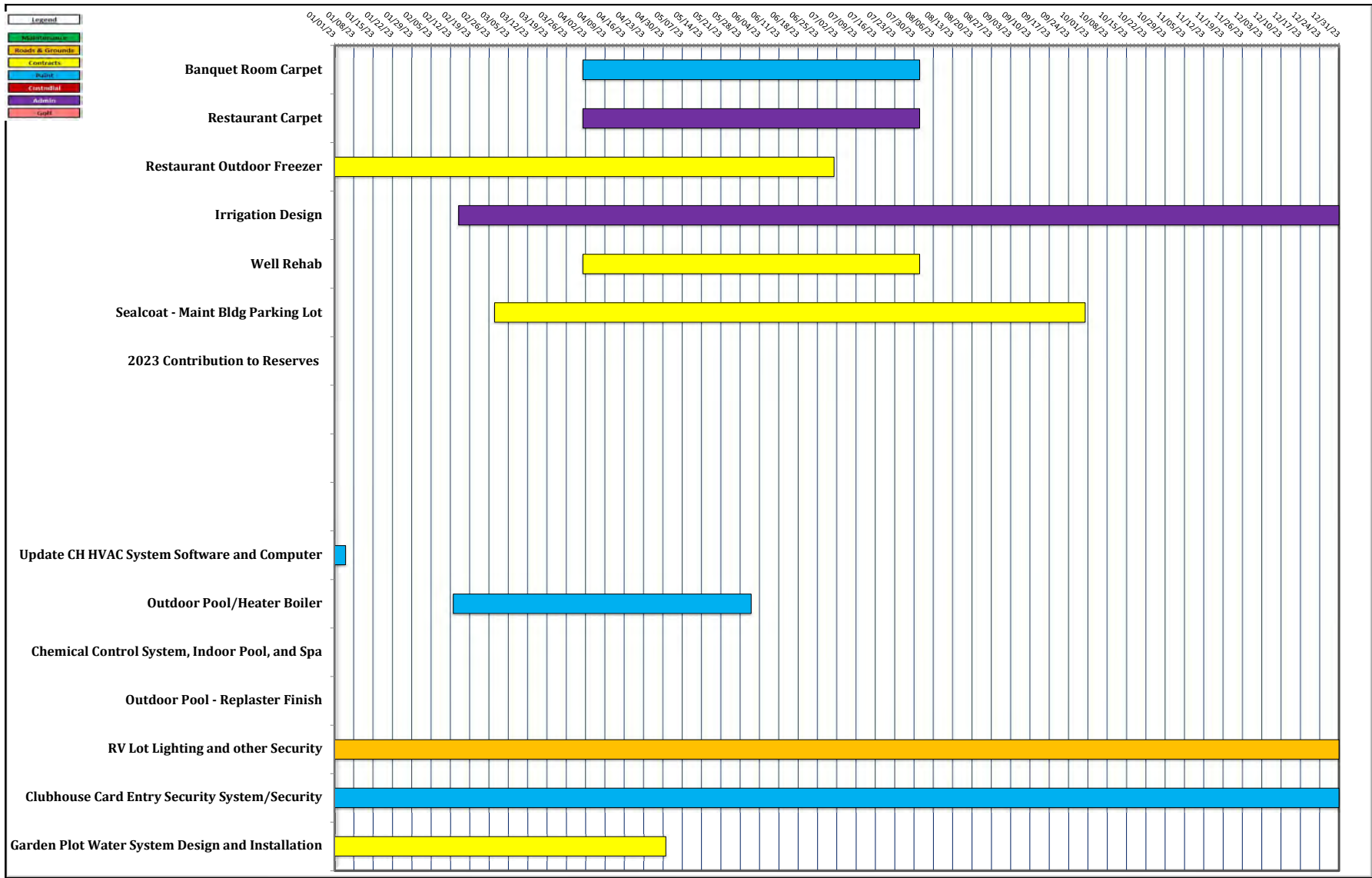
Restricted Funds	Total Total Revenue	Total Expenses	Net Surplus/(Loss)	Cash Balance
Conservation Trust Fund	\$ 6,683	\$ 5,890	\$ 793	\$ 150,778
Debt Service Fund	\$ 201,713	\$ 76,936	\$ 124,777	\$ 325,652
Foundation Fund	\$ 1,589	\$ -	\$ 1,589	\$ 187,619



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

**March 2023**

STATUS	PROJECT OWNER	DEPT.	2023 APPROVED PROJECTS	ACCT	2023	2023	% VAR	START DATE	FINISH DATE	#DAYS	2023 INVOICES PAID	+/-	%	TOTAL	PROJECT		
					APPROVED BUDGET AMOUNT	SIGNED CONTRACT AMOUNT						SIGNED CONTRACT AMOUNT	VAR FROM CONTRACT	UNDER / (OVER) BUDGET		Notes / Comments	
					A	B											
					D	B-C-D											
not-started	Cormac	Restaurant	Banquet Room Carpet	D601	\$11,966		-100%	04/01/23	08/01/23	122		\$0	#DIV/0!	\$11,966			
not-started	Cormac	Restaurant	Restaurant Carpet	D601	\$11,194		-100%	04/01/23	08/01/23	122		\$0	#DIV/0!	\$11,194			
In Process	Cormac	Restaurant	Restaurant Outdoor Freezer	D601	\$30,000		-100%	01/01/23	07/01/23	181		\$0	#DIV/0!	\$30,000	2/3/23 - Received pricing from 2 vendors with multiple options. Working on evaluating size, cost and permitting for the options provided.		
In Process	Brian/Greg	Golf	Irrigation Design	D601	\$13,031		-100%	02/15/23	12/31/23	319		\$0	#DIV/0!	\$13,031	4/4/23 - Electrician said we need a freezer that is compatible with a 35 amp circuit. We will need to receive additional pricing for freezer that meet the 35 amp requirement.		
not-started	Brian/Greg	Golf	Well Rehab	D601	\$115,408		-100%	04/01/23	08/01/23	122		\$0	#DIV/0!	\$115,408	2/3/23 - Researching		
In Process	Don	Maint Bldg	Sealcoat - Maint Bldg Parking Lot	D601	\$35,000		-100%	02/28/23	09/30/23	214		\$0	#DIV/0!	\$35,000	2/3/23 - Waiting on weather/ snow to clear to best evaluate/ generate project scope.		
<b>TOTAL 2023 FUNDED PROJECTS</b>						<b>\$216,599</b>	<b>\$0</b>					<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>\$216,599</b>		
<i>2023 CONTINGENCY PROJECTS Future event or circumstance which is possible, but cannot be predicted with certainty</i>																	
not-started	Management	Management	2023 Contribution to Reserves	D601	\$340,159					0		\$0	#DIV/0!	\$340,159			
										0		\$0	#DIV/0!	\$0			
						<b>\$340,159</b>	<b>\$0</b>					<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>\$340,159</b>		
<b>TOTAL CAPITAL RESERVE FUNDS</b>						<b>\$556,758</b>	<b>\$0</b>					<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>\$556,758</b>		
<b>2022 PROJECTS TO BE COMPLETED IN 2023</b>																	
Completed	Jon H	Clubhouse	Update CH HVAC System Software and Computer	D601.2	\$5,395	\$5,395	0%	01/01/23	01/05/23	4	\$5,395	\$0	0%	\$ -			
In Process	Jon H	Clubhouse	Outdoor Pool/Heater Boiler	D601.2	\$22,880	\$22,880	0%	02/13/23	06/01/23	108	\$17,160	\$5,720	-25%	\$ 5,720			
not-started	Jon H	Clubhouse	Chemical Control System, Indoor Pool, and Spa	D601.2	\$17,361		-100%			0		\$0	#DIV/0!	\$ 17,361			
not-started	Jon H	Clubhouse	Outdoor Pool - Replaster Finish	D601.2	\$60,020		-100%			0		\$0	#DIV/0!	\$ 60,020			
In Process	Don	Admin.	RV Lot Lighting and other Security	D601.2	\$50,000		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$ 50,000	2/3/23 - Researching security consultants to make recommendations and generate RFP.		
In Process	Don	Clubhouse	Clubhouse Card Entry Security System/Security	D601.2	\$80,000		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$ 80,000	2/3/23 Researching Security Consultants to make recommendations and generate RFP.		
In Process	Matt	Admin.	Garden Plot Water System Design and Installation	D601.2	\$30,000	\$28,258	-6%	01/01/23	05/01/23	120	\$15,542	\$12,716	-45%	\$14,458	2/3/23 - Contract executed, waiting on contractor schedule to complete the work		
<b>TOTAL PRIOR YEAR PROJECTS</b>						<b>\$265,656</b>	<b>\$56,533</b>					<b>\$38,097</b>	<b>\$18,436</b>	<b>-33%</b>	<b>\$227,559</b>		
<b>GRAND TOTAL PER BUDGET</b>						<b>\$822,414</b>	<b>\$56,533</b>					<b>\$38,097</b>	<b>\$18,436</b>	<b>-33%</b>	<b>\$784,317</b>		
<b>PROJECTS TARGETED FOR COMPLETION IN 2023</b>																	
<b>TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2023</b>						<b>\$0</b>	<b>\$0</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			
<b>PROJECTS FUNDED BY THE CONSERVATION FUND</b>																	
not-started	Montrell	Pools	Pool Water Filter - (reimbursed through Conservation Fund)	D566	\$55,000		-100%	05/30/23	06/29/23	30		\$0	#DIV/0!	\$55,000			
<b>TOTAL PROJECTS FUNDED BY THE CONSERVATION FUND</b>						<b>\$55,000</b>	<b>\$0</b>					<b>\$0</b>	<b>\$0</b>	<b>\$55,000</b>			
<b>GRAND TOTAL</b>						<b>\$877,414</b>	<b>\$56,533</b>					<b>\$38,097</b>	<b>\$18,436</b>	<b>\$839,317</b>			





**Heather Gardens Metropolitan District**  
**Summary of Investments**  
**03/31/23**

<b>Bank</b>	<b>Yield</b>	<b>Maturity</b>	<b>Interest Paid</b>	<b>Principal</b>	<b>Monthly Interest</b>	<b>Fund</b>	<b>Account</b>
<b>Key Bank - Foundation</b>							
Bank of America							
US Treasury Bills	4.577%	1/25/2024	Maturity	\$ 48,187	\$ 183.85	Foundation	D106.1/D106.11/D106.12
US Treasury Notes 0.125% Coupons	2.413%	6/30/2023	Semi Annual	\$ 99,440	\$ 102.79	Foundation	D106.1/D106.11/D106.12
Foundation - checking				\$ 37,786		Foundation	D103.5
				<u>\$ 185,412</u>	<u>\$ 286.65</u>		
<b>Key Bank - Conservation Trust Fund/Lottery</b>							
			Monthly	\$ 150,778	\$ 50.00	Conservation	D104
US Treasury Notes 2.125% Coupons	2.870%	7/31/2024	Semi Annual	\$ 246,396	\$ 592.86	Enterprise	D106
Fed Farm Credit Bank Bonds	3.375%	8/26/2024	Semi Annual	\$ 249,785	\$ 702.52	Enterprise	D106
US Treasury Notes 3.00% Coupons	3.00%	7/31/2024	Semi Annual	\$ 250,000	\$ 625.00	Enterprise	D106
Net Inc/(Decr) in FMV of Investments	(1)			\$ (16,791)			
				<u>\$ 729,390</u>	<u>\$ 1,920.38</u>		
<b>KeyBanc Capital Mkts - Money Market</b>							
Federated Hermis Govt Oblig SS	4.42%	N/A	Monthly	\$ 1,256,886	\$ 4,297.15	Enterprise	D103
<b>Total Investment</b>				<u><u>\$ 2,322,466</u></u>	<u><u>\$ 2,257.02</u></u>		

(1) - The Enterprise investments are held to maturity. Because the investments are considered LT, we are required to report them at market value. The net increase or decrease in fair market value will be eliminated at maturity. Adjustment will be made at the end of the year.

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
<b>REVENUE</b>							
D503 Conservation Trust (Lottery)	6,536	5,500	1,036	6,536	5,500	1,036	20,075
D504 Interest Income	6,193	130	6,063	12,608	390	12,218	1,560
D504.2 2010 Bond Restr Interest	987	28	959	1,862	84	1,778	336
D504.3 Interest Income Lottery	51	1	50	147	3	144	12
D505 Recreation Fee Income	144,999	144,948	51	434,736	434,844	(108)	1,739,378
Restaurant Income	50,551	54,280	(3,730)	129,289	141,229	(11,941)	675,363
D507 Golf Fees Daily	13,299	12,937	362	13,836	15,013	(1,177)	346,760
D507.1 Golf Simulator	425	165	260	1,890	919	972	1,393
D509.2 Golf Disc - 40 Play	1,170	621	549	1,233	1,009	224	19,735
D511 Golf Cart Rental Income	2,704	2,537	167	2,864	2,928	(64)	83,432
D511.1 Golf Merchandise	1,722	1,352	370	2,225	3,429	(1,204)	30,711
D511.2 Golf Lesson	775	594	181	1,600	743	858	8,893
D511.3 Golf Bag Storage	0	0	0	120	0	120	7,970
D511.4 Golf Pull Cart	296	301	(5)	296	341	(45)	5,730
D512 CH Building Rentals	2,598	3,058	(460)	5,740	7,781	(2,041)	25,185
D513 Events	4,476	2,639	1,837	7,802	7,917	(115)	31,668
D513.1 Trips Revenue	859	3,025	(2,166)	1,691	9,075	(7,384)	36,300
D514 RV Lot Income	0	0	0	8,017	8,000	17	32,000
D514.1 Garden Plot Income	70	0	70	2,640	2,450	190	2,450
D515 Classes	7,580	8,360	(781)	24,666	25,081	(416)	100,326
D515.1 Donation Revenue	225	0	225	565	0	565	0
D515.3 Interest Income - Foundation	378	0	378	1,024	0	1,024	0
D516 Miscellaneous Revenue	45	0	45	655	0	655	0
D516.1 Coffee Revenue	184	250	(66)	520	750	(230)	3,000
D517 Property Tax Revenue	185,617	176,071	9,546	192,404	182,898	9,506	503,745
D518 Specific Ownership Tax Revenue	2,572	2,417	155	7,446	7,251	195	29,004
<b>TOTAL REVENUE</b>	<b>434,311</b>	<b>419,215</b>	<b>15,096</b>	<b>862,413</b>	<b>857,634</b>	<b>4,779</b>	<b>3,705,027</b>
D590 Cost of Goods Sold	20,533	18,235	(2,298)	46,073	47,093	1,020	234,140
<b>GROSS PROFIT</b>	<b>413,778</b>	<b>400,980</b>	<b>12,798</b>	<b>816,340</b>	<b>810,541</b>	<b>5,799</b>	<b>3,470,886</b>
<b>OPERATING EXPENSES</b>							
D519 Zion Bank Payee Fee	500	600	100	900	1,000	100	1,000
D520 Debt Service Interest	24,683	24,683	0	74,050	74,049	(1)	295,230
D522 Services - Insurance	4,651	4,882	230	13,954	14,645	691	58,581
D523 Services - Audit	0	0	0	11,800	11,800	0	36,000
D524 Services - Professional	950	4,000	3,050	3,614	12,000	8,386	48,000
D525 County Collection Fee	2,784	2,637	(147)	2,886	2,777	(109)	7,855
D525.1 Election Expense	3,759	2,083	(1,675)	4,311	6,250	1,939	25,000
D526 Miscellaneous Expense	236	200	(36)	236	600	364	2,400
D526.1 SDA Membership Dues	0	0	0	1,238	1,250	13	1,250
D550 Club House Expenses	55,824	71,645	15,821	189,170	222,045	32,875	881,231
D555 Golf Course Expenses	48,880	49,507	627	132,388	147,781	15,393	742,978
D557 Restaurant Expenses	41,507	45,355	3,848	123,393	137,039	13,646	562,956
D560 RV Lot Expenses	67	105	38	1,379	315	(1,064)	1,260
D565 Garden Plot Expenses	0	25	25	0	75	75	300
D566 Conservation Expenses	250	0	(250)	5,890	0	(5,890)	55,000
D601 Capital Outlay	0	0	0	0	0	0	556,758
D601.2 2022 Cap Carry Foward Projects	0	0	0	38,097	33,000	(5,097)	265,656
D700 Bond Principal Payment	0	0	0	0	0	0	290,000
<b>TOTAL OPERATING EXPENSES</b>	<b>184,091</b>	<b>205,722</b>	<b>21,631</b>	<b>603,306</b>	<b>664,627</b>	<b>61,321</b>	<b>3,831,455</b>
<b>NET OPERATING REVENUE/EXPENSE</b>	<b>229,686</b>	<b>195,258</b>	<b>34,428</b>	<b>213,034</b>	<b>145,915</b>	<b>67,120</b>	<b>(360,569)</b>
<b>NET REVENUE EXPENSE</b>	<b>229,686</b>	<b>195,258</b>	<b>34,428</b>	<b>213,034</b>	<b>145,915</b>	<b>67,120</b>	<b>(360,569)</b>

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
<b>ENTERPRISE FUND</b>							
<b>REVENUE</b>							
D504 Bnk Intrst Rsv Acct	6,193	130	6,063	12,608	390	12,218	1,560
D505 Rec Fee Income	144,999	144,948	51	434,736	434,844	(108)	1,739,378
Restaurant Income	50,551	54,280	(3,730)	129,289	141,229	(11,941)	675,363
D507 Golf Fees Daily	13,299	12,937	362	13,836	15,013	(1,177)	346,760
D507.1 Golf Simulator	425	165	260	1,890	919	972	1,393
D509.2 Golf Disc - 40 Play	1,170	621	549	1,233	1,009	224	19,735
D511 Golf Cart Rental Income	2,704	2,537	167	2,864	2,928	(64)	83,432
D511.1 Golf Merchandise	1,722	1,352	370	2,225	3,429	(1,204)	30,711
D511.2 Golf Lesson	775	594	181	1,600	743	858	8,893
D511.3 Golf Bag Storage	0	0	0	120	0	120	7,970
D511.4 Golf Pull Cart	296	301	(5)	296	341	(45)	5,730
D512 CH Building Rentals	2,598	3,058	(460)	5,740	7,781	(2,041)	25,185
D513 Events	4,476	2,639	1,837	7,802	7,917	(115)	31,668
D513.1 Trips Revenue	859	3,025	(2,166)	1,691	9,075	(7,384)	36,300
D514 RV Lot Income	0	0	0	8,017	8,000	17	32,000
D514.1 Garden Plot Income	70	0	70	2,640	2,450	190	2,450
D515 Classes	7,580	8,360	(781)	24,666	25,081	(416)	100,326
D516 Miscellaneous Revenue	45	0	45	655	0	655	0
D516.1 Coffee Revenue	184	250	(66)	520	750	(230)	3,000
<b>TOTAL ENTERPRISE REVENUE</b>	<b>237,945</b>	<b>235,198</b>	<b>2,747</b>	<b>652,428</b>	<b>661,898</b>	<b>(9,471)</b>	<b>3,151,855</b>
D590 Cost of Goods Sold	20,533	18,235	(2,298)	46,073	47,093	1,020	234,140
<b>GROSS PROFIT</b>	<b>217,412</b>	<b>216,963</b>	<b>449</b>	<b>606,355</b>	<b>614,805</b>	<b>(8,451)</b>	<b>2,917,714</b>
<b>OPERATING EXPENSES</b>							
D550 Club House Expenses	55,824	71,645	15,821	189,170	222,045	32,875	881,231
D555 Golf Course Expenses	48,880	49,507	627	132,388	147,781	15,393	742,978
D557 Restaurant Expenses	41,507	45,355	3,848	123,393	137,039	13,646	562,956
D560 RV Lot Expenses	67	105	38	1,379	315	(1,064)	1,260
D522 Services - Insurance	4,651	4,882	230	13,954	14,645	691	58,581
D523 Services - Audit	0	0	0	11,800	11,800	0	36,000
D524 Services - Professional	950	4,000	3,050	3,614	12,000	8,386	48,000
D525.1 Election Expense	3,759	2,083	(1,675)	4,311	6,250	1,939	25,000
D526 Miscellaneous Expense	236	200	(36)	236	600	364	2,400
D526.1 SDA Membership Dues	0	0	0	1,238	1,250	13	1,250
D519 Zion Bank Payee Fee	500	600	100	900	1,000	100	1,000
D565 Garden Plot Expenses	0	25	25	0	75	75	300
D601 Capital Outlay	0	0	0	0	0	0	556,758
D601.2 2022 Cap Carry Foward Projects	0	0	0	38,097	33,000	(5,097)	265,656
<b>TOTAL OPERATING EXPENSES</b>	<b>156,374</b>	<b>178,402</b>	<b>22,028</b>	<b>520,480</b>	<b>587,800</b>	<b>67,321</b>	<b>3,183,370</b>
<b>NET OPERATING REVENUE/EXPEN</b>	<b>61,038</b>	<b>38,561</b>	<b>22,477</b>	<b>85,875</b>	<b>27,005</b>	<b>58,870</b>	<b>(265,656)</b>
<b>NET ENTERPRISE FUND REVENUE/EX</b>	<b>61,038</b>	<b>38,561</b>	<b>22,477</b>	<b>85,875</b>	<b>27,005</b>	<b>58,870</b>	<b>(265,656)</b>

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
<b>RESTRICTED FUNDS</b>							
<b>CONSERVATION TRUST FUND (Lottery)</b>							
REVENUE							
D503 Conservation Trust (Lottery Ac	6,536	5,500	1,036	6,536	5,500	1,036	20,075
D504.3 Interest Inc Lottery	<u>51</u>	<u>1</u>	<u>50</u>	<u>147</u>	<u>3</u>	<u>144</u>	<u>12</u>
TOTAL LOTTERY REVENUE	6,586	5,501	1,085	6,683	5,503	1,180	20,087
EXPENSES							
D566 Conservation Expenses	<u>250</u>	<u>0</u>	<u>(250)</u>	<u>5,890</u>	<u>0</u>	<u>(5,890)</u>	<u>55,000</u>
TOTAL LOTTERY EXPENSES	250	0	(250)	5,890	0	(5,890)	55,000
<b>REVENUE OVER(UNDER) EXPENSES</b>	<b><u>6,336</u></b>	<b><u>5,501</u></b>	<b><u>(835)</u></b>	<b><u>793</u></b>	<b><u>5,503</u></b>	<b><u>4,710</u></b>	<b><u>(34,913)</u></b>
<b>FOUNDATION FUND</b>							
REVENUE							
D515.1 Donation Revenue	225	0	225	565	0	565	0
D515.3 Interest Inc - Found	<u>378</u>	<u>0</u>	<u>378</u>	<u>1,024</u>	<u>0</u>	<u>1,024</u>	<u>0</u>
TOTAL FOUNDATION REVENUE	603	0	603	1,589	0	1,589	0
<b>REVENUE OVER(UNDER) EXPENSES</b>	<b><u>603</u></b>	<b><u>0</u></b>	<b><u>603</u></b>	<b><u>1,589</u></b>	<b><u>0</u></b>	<b><u>1,589</u></b>	<b><u>0</u></b>
<b>DEBT SERVICE FUND 2010 BOND ISSUE</b>							
REVENUE							
D517 Property Tax Revenue	185,617	176,071	9,546	192,404	182,898	9,506	503,745
D518 Specific Ownership Tax	2,572	2,417	155	7,446	7,251	195	29,004
Bond Restricted Interest	<u>987</u>	<u>28</u>	<u>959</u>	<u>1,862</u>	<u>84</u>	<u>1,778</u>	<u>336</u>
TOTAL DEBT SERVICE REVENUE	189,176	178,516	10,660	201,713	190,233	11,480	533,085
EXPENSES							
D520 Debt Serv Interest	24,683	24,683	0	74,050	74,049	(1)	295,230
D525 Cnty Collection Fee	2,784	2,637	(147)	2,886	2,777	(109)	7,855
D700 Bond Principal Pymnt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>290,000</u>
TOTAL DEBT SERVICE EXPENSES	27,467	27,320	(147)	76,936	76,826	(110)	593,085
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b><u>161,709</u></b>	<b><u>151,196</u></b>	<b><u>10,513</u></b>	<b><u>124,777</u></b>	<b><u>113,407</u></b>	<b><u>11,370</u></b>	<b><u>(60,000)</u></b>

	3/31/2023	2/28/2023	1/31/2023	12/31/2022
<b>CURRENT ASSETS</b>				
Cash - Operating	80,301	184,346	254,794	537,432
Money Market	1,256,886	1,002,588	200,578	0
Capital Projects - Savings	26,477	112,762	821,627	799,028
Conservation (Lottery) Bank Acct	150,778	149,832	149,786	149,823
Enterprise Investments	729,390	729,390	729,390	729,390
Investments - Foundation	147,627	147,249	146,908	148,872
Zion Debt Service	326,640	140,248	130,584	127,813
Foundation Account	37,786	37,736	37,446	40,018
Accrued Interest	2,940	1,058	3,644	8,257
Accounts Receivable Net of Allowance	5,953	5,892	6,181	7,376
Inventory	49,263	53,579	44,364	43,040
Prepaid Expenses	41,863	46,514	51,166	59,117
Prop Tax Receivable	503,744	503,744	503,744	503,744
<b>TOTAL CURRENT ASSETS</b>	<b>3,359,646</b>	<b>3,114,938</b>	<b>3,080,209</b>	<b>3,153,910</b>
<b>BUILDING, LAND &amp; EQUIPMENT (Net of Depr)</b>				
CIP Asset	10,460	10,460	10,460	10,460
Restaurant Equipment	128,042	128,042	128,042	128,042
Equipment	226,011	226,011	226,011	226,011
Property	8,123,985	8,123,985	8,123,985	8,123,985
Land At Cost	1,725,000	1,725,000	1,725,000	1,725,000
Intangible Assets	133,190	133,190	133,190	133,190
<b>TOTAL BUILDING, LAND &amp; EQUIPMENT</b>	<b>10,346,688</b>	<b>10,346,688</b>	<b>10,346,688</b>	<b>10,346,688</b>
<b>TOTAL ASSETS</b>	<b>13,706,335</b>	<b>13,461,627</b>	<b>13,426,898</b>	<b>13,500,598</b>
<b>CURRENT LIABILITIES</b>				
Accounts & Interest Payable	99,201	92,057	51,856	26,000
Due To/From HGA	47,279	51,547	40,000	136,705
Bonds Payable - Short Term	290,000	290,000	290,000	290,000
Unearned Revenue	74,706	62,308	66,697	74,869
Prepaid Rec Fees	33,916	33,614	35,928	29,706
Gift Cards	11,107	12,468	12,408	11,859
Sales Tax Payable	7,949	6,475	6,553	6,087
Server Tips Payable	3,806	4,474	1,946	0
Deferred Property Tax	503,744	503,744	503,744	503,744
Deferred Insurance Claims	22,964	22,964	22,964	22,964
Deferred Revenue - PARQ	7,204	7,204	7,204	7,204
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,101,876</b>	<b>1,086,855</b>	<b>1,039,300</b>	<b>1,109,139</b>
<b>LONG TERM DEBT</b>				
Bond Issue	7,115,000	7,115,000	7,115,000	7,115,000
Deferred Loss Series 2017 Refunding Bond	(582,096)	(582,096)	(582,096)	(582,096)
Original Issue Premium 2017 Bonds	600,681	600,681	600,681	600,681
RV Lot Gate Opener Deposit	1,295	1,295	1,330	1,330
<b>TOTAL CURRENT &amp; LONG TERM LIABILITIES</b>	<b>8,236,756</b>	<b>8,221,735</b>	<b>8,174,215</b>	<b>8,244,054</b>
<b>FUND EQUITY</b>				
Investment In Property	2,912,134	2,912,134	2,912,134	2,912,134
Debt Service Fund	127,813	127,813	127,813	127,813
Conservation Trust Fund (Lottery)	149,735	149,735	149,735	149,735
Heather Gardens Foundation	189,393	189,393	189,393	189,393
Unrestricted Net Assets	1,715,059	1,715,059	1,715,059	1,715,059
Tabor Reserve	15,984	15,984	15,984	15,984
2022 Net Income/(Loss)	146,427	146,427	146,427	0
Net Income/(Loss)	213,034	(16,652)	(3,862)	146,427
<b>Total Equity</b>	<b>5,469,579</b>	<b>5,239,892</b>	<b>5,252,682</b>	<b>5,256,544</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,706,335</b>	<b>13,461,627</b>	<b>13,426,898</b>	<b>13,500,598</b>



**Heather Gardens Metropolitan District  
Club House P&L  
3/31/2023**

4/5/2023  
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	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET	
<b>REVENUE</b>								
D512	CH Building Rentals	2,598	3,058	(460)	5,740	7,781	(2,041)	25,185
D515	Classes	7,580	8,360	(781)	24,666	25,081	(416)	100,326
D513	Events	4,476	2,639	1,837	7,802	7,917	(115)	31,668
D516.1	Coffee Revenue	184	250	(66)	520	750	(230)	3,000
D513.1	Trips Revenue	859	3,025	(2,166)	1,691	9,075	(7,384)	36,300
	<b>TOTAL REVENUE</b>	<b>15,697</b>	<b>17,332</b>	<b>(1,636)</b>	<b>40,419</b>	<b>50,604</b>	<b>(10,186)</b>	<b>196,479</b>
<b>WAGES/BENEFITS</b>								
C500	Salaries - FTP	10,299	10,903	604	33,991	34,291	300	133,363
C510	Salaries - Part Time	6,281	6,013	(269)	22,922	19,481	(3,441)	73,595
C520	Salaries - Overtime	7	0	(7)	113	0	(113)	0
C530	Salaries - Teachers	4,700	8,138	3,438	21,867	26,582	4,715	104,159
C540	Taxes - Payroll	2,465	2,939	474	7,973	9,425	1,452	33,084
C550	Retirement Expense	281	0	(281)	563	0	(563)	0
C553	Insurance - Personnel	1,093	1,190	96	3,280	3,569	289	14,989
C574	Recruit/Train/Services	0	30	30	0	91	91	365
C588	Workers Comp Insurance	0	207	207	0	620	620	2,479
	<b>TOTAL WAGES/BENEFITS</b>	<b>25,126</b>	<b>29,420</b>	<b>4,292</b>	<b>90,709</b>	<b>94,059</b>	<b>3,350</b>	<b>362,034</b>
<b>OPERATING EXPENSES</b>								
C675.2	Salaries-Charge Out	(2,066)	(2,036)	30	(5,998)	(5,911)	87	(23,971)
C673	Maintenance Hours	2,589	6,182	3,593	12,255	20,145	7,889	87,742
C676	Golf Hours	237	0	(237)	3,751	1,773	(1,978)	1,963
C677	R & G Hours	0	1,562	1,562	0	2,848	2,848	5,403
C678	Custodial Hours	8,858	9,681	823	24,370	29,043	4,673	116,173
	<b>CHARGE-OUT SUBTOTALS</b>	<b>9,618</b>	<b>15,389</b>	<b>5,771</b>	<b>34,378</b>	<b>47,898</b>	<b>13,519</b>	<b>187,310</b>
C621.1	Mileage Reimbursement	0	8	8	0	24	24	103
C627	Pool Care & Supplies	581	1,791	1,210	929	5,373	4,444	23,685
C639	Software & IT	293	340	47	944	1,020	76	4,080
C640	Electric	8,603	8,445	(158)	26,266	25,958	(308)	98,884
C643	Gas	1,369	1,657	288	5,324	5,711	387	24,305
C662	Office Supplies & Postage	216	636	420	1,208	1,908	700	7,632
C662.1	CC & ActiveNet	1,499	2,529	1,030	2,414	3,704	1,290	13,489
C671	Outside Contractors	1,141	1,305	164	3,999	3,915	(84)	20,355
C683	Repairs - Equipment	888	513	(375)	1,106	1,539	433	6,156
C684	Supplies	765	1,125	360	1,755	4,125	2,370	21,000
C684.1	Custodial Supplies	1,553	2,000	447	4,986	6,000	1,014	24,000
C684.2	Coffee Supplies	173	230	57	792	690	(102)	2,760
C686.1	Special Event Supplies	628	516	(112)	2,587	3,293	706	7,933
C686.2	Special Event Contractors	550	790	240	1,989	2,371	382	9,484
C687	Trips Expense	645	3,025	2,380	3,953	9,075	5,122	36,300
C688	Non Capital Equipment	168	350	182	543	1,050	507	4,200
C689	Phone & Internet	490	377	(113)	1,287	1,131	(156)	4,524
C690	ROU Equip Leases	226	0	(226)	679	0	(679)	0
C698	Water & Sewer	1,293	1,198	(94)	3,322	3,200	(122)	22,998
	<b>TOTAL OPERATING EXPENSES</b>	<b>30,699</b>	<b>42,224</b>	<b>11,526</b>	<b>98,461</b>	<b>127,985</b>	<b>29,523</b>	<b>519,198</b>
	<b>NET REVENUE &amp; EXPENSE</b>	<b>(40,128)</b>	<b>(54,312)</b>	<b>14,182</b>	<b>(148,751)</b>	<b>(171,440)</b>	<b>22,687</b>	<b>(684,753)</b>

**Heather Gardens Metropolitan District  
Golf P&L  
3/31/2023**

4/5/2023  
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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
<b>REVENUE</b>							
D507 Golf Fees Daily	13,299	12,937	362	13,836	15,013	(1,177)	346,760
D507.1 Golf Simulator	425	165	260	1,890	919	972	1,393
D509.2 Golf Disc - 40 Play	1,170	621	549	1,233	1,009	224	19,735
D511 Golf Cart Rental Income	2,704	2,537	167	2,864	2,928	(64)	83,432
D511.1 Golf Merchandise	1,722	1,352	370	2,225	3,429	(1,204)	30,711
D511.2 Golf Lesson	775	594	181	1,600	743	858	8,893
D511.3 Golf Bag Storage	0	0	0	120	0	120	7,970
D511.4 Golf Pull Cart	296	301	(5)	296	341	(45)	5,730
<b>TOTAL REVENUE</b>	<b>20,391</b>	<b>18,507</b>	<b>1,884</b>	<b>24,064</b>	<b>24,382</b>	<b>(316)</b>	<b>504,624</b>
<b>WAGES/BENEFITS</b>							
G500 Salaries - FTP	28,579	27,968	(611)	83,612	88,698	5,086	340,950
G510 Salaries - Part Time	1,759	3,352	1,593	6,376	7,638	1,262	84,639
G520 Salaries - Overtime	45	176	131	140	956	816	5,522
G540 Taxes - Payroll	2,848	2,964	115	8,701	9,529	828	37,635
G550 Retirement Expense	1,112	976	(136)	3,334	3,016	(318)	13,364
G553 Insurance - Personnel	2,162	1,817	(345)	6,525	5,450	(1,075)	22,891
G574 Recruit / Train / Service	207	2,368	2,161	427	3,373	2,946	5,498
G588 Workers Comp Insurance	0	383	383	0	1,150	1,150	4,601
<b>TOTAL WAGES/BENEFITS</b>	<b>36,712</b>	<b>40,004</b>	<b>3,291</b>	<b>109,115</b>	<b>119,810</b>	<b>10,695</b>	<b>515,100</b>
<b>OPERATING EXPENSES</b>							
G675.2 Salaries-Charged Out	(237)	0	237	(3,751)	(1,773)	1,978	(1,963)
G450 COGS - Merchandise	1,426	777	(650)	1,519	1,969	450	17,634
G621 Fuel Expense	425	327	(98)	1,144	1,076	(69)	11,862
G621.1 Mileage Reimbursement	63	42	(21)	102	84	(18)	325
G624 Contingency-Water	41	40	(1)	149	120	(29)	10,400
G639 Software & IT	617	258	(359)	1,034	774	(260)	3,096
G640 Electric	581	539	(42)	1,883	1,741	(143)	8,546
G640.1 Electric - Pump	(1,509)	0	1,509	(754)	0	754	51,114
G643 Gas	188	153	(35)	690	528	(163)	1,549
G645 Uniforms	0	62	62	0	186	186	2,044
G662 Office Supplies & Postage	60	0	(60)	60	100	40	200
G662.1 Credit Card Expense	233	250	17	1,513	2,049	536	22,156
G665 Rent - Equipment	0	0	0	0	0	0	2,500
G671 Outside Contractors	28	290	262	1,937	1,520	(417)	26,095
G676.1 Golf Shop Supplies	140	176	36	318	572	254	2,112
G680 Radio Communications	294	400	106	294	400	106	400
G683 Repairs - Equipment	6,445	1,450	(4,995)	7,837	4,350	(3,487)	21,400
G684 Supplies	4,142	4,800	658	8,941	14,097	5,156	52,440
G688 Non Capital Equipment	0	0	0	0	0	0	5,000
G689 Telephone	306	300	(6)	911	900	(11)	3,600
G697 Marketing	355	416	61	965	1,248	283	5,000
<b>TOTAL OPERATING EXPENSES</b>	<b>13,598</b>	<b>10,280</b>	<b>(3,319)</b>	<b>24,792</b>	<b>29,941</b>	<b>5,146</b>	<b>245,510</b>
<b>NET REVENUE &amp; EXPENSE</b>	<b>(29,919)</b>	<b>(31,777)</b>	<b>1,856</b>	<b>(109,843)</b>	<b>(125,369)</b>	<b>15,525</b>	<b>(255,986)</b>

**MARCH 2023**

**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+	\$ 10.00	15	\$ 150	16	\$ 160	\$ 9.00	12	\$ 108	13	\$ 117
Resident	\$ 9.95		\$ -			\$ 9.95	0	\$ -	61	\$ 607
Resident Everyday	\$ 11.00	244	\$ 2,684	266	\$ 2,926	\$ 10.00	258	\$ 2,580	258	\$ 2,580
Guest of Resident- weekday	\$ 14.00	72	\$ 1,008	77	\$ 1,078	\$ 13.00	67	\$ 871	77	\$ 1,001
Guest of Resident- weekend	\$ 18.50	22	\$ 407	22	\$ 407	\$ 17.00	22	\$ 374	27	\$ 453
Non-Resident Sr. - No Timeframe	\$ 17.00		\$ -			\$ 17.00	0	\$ -	(4)	\$ (68)
Non-Resident Sr. - Weekday	\$ 15.00	112	\$ 1,680	119	\$ 1,785	\$ 14.86	111	\$ 1,649	132	\$ 1,964
Non-Resident Sr. - Weekend	\$ 19.00	74	\$ 1,406	74	\$ 1,406	\$ 19.00	49	\$ 931	66	\$ 1,194
Non-Resident - Weekday	\$ 18.02	82	\$ 1,478	85	\$ 1,532	\$ 18.00	58	\$ 1,044	68	\$ 1,226
Non-Resident - Weekend	\$ 23.00	77	\$ 1,771	77	\$ 1,771	\$ 23.00	44	\$ 1,012	45	\$ 1,035
Junior- weekday	\$ 10.00	28	\$ 280	28	\$ 280	\$ 9.00	35	\$ 315	35	\$ 315
Junior- weekend	\$ 13.00	2	\$ 26	2	\$ 26	\$ 12.00	6	\$ 72	7	\$ 84
Twilight	\$ 12.00		\$ -			\$ 12.00		\$ -		
2 for 20 Special	\$ -		\$ -			\$ -		\$ -		
2 for 26 Special	\$ 13.00	177	\$ 2,301	179	\$ 2,327	\$ 12.00	177	\$ 2,124	221	\$ 2,652
2 for 1	\$ 18.00		\$ -			\$ 18.00		\$ -		
2 for 1 (free player)	\$ -		\$ -			\$ -		\$ -		
League - Weekend	\$ 18.00		\$ -			\$ 18.00	8	\$ 144	8	\$ 144
League - Weekday	\$ 14.00		\$ -			\$ 14.00		\$ -		
40 Play Punches	\$ 9.00	133	\$ 1,197	140	\$ 1,260	\$ 8.90	120	\$ 1,067	135	\$ 1,202
Complimentary Round-Employee	\$ -		\$ -			\$ -		\$ -		
Complimentary Round	\$ -		\$ -			\$ -		\$ -		
Adjustment to Income	\$ -		\$ 81		\$ 111	\$ -		\$ 34		\$ 35
<b>Golf Daily Fee</b>		1,038	\$ 14,469	1,085	\$ 15,069	\$ -	967	\$ 12,325	1,149	\$ 14,541

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		\$ -			\$ 8.10	0	\$ -	3	\$ 24
Rider Carts	\$ 8.58	315	\$ 2,704	334	\$ 2,864	\$ 8.57	269	\$ 2,306	311	\$ 2,662
Pull Cart	\$ 6.00	40	\$ 240	40	\$ 240	\$ 6.00	34	\$ 204	40	\$ 240
Golf Simulator	\$ 21.79	20	\$ 425	83	\$ 1,890	\$ 20.00	8	\$ 150	42	\$ 835
Golf Merchandise D511.1			\$ 1,722		\$ 2,225			\$ 1,230		\$ 3,118
Golf Lessons	\$ 110.71	7	\$ 775	15	\$ 1,600		4	\$ 540	5	\$ 675
Golf Bag Storage	\$ 120.00		\$ -	1	\$ 120	\$ 120.00		\$ -		
Golf Club Rentals	\$ 14.00	4	\$ 56	4	\$ 56	\$ 14.00	5	\$ 70	5	\$ 70

<b>Total Revenue</b>		\$ 20,391		\$ 24,064		\$ 16,825		\$ 22,165
<b>Golf Course Expenses</b>		\$ 50,310		\$ 133,907		\$ 45,758		\$ 125,216
<b>Profit/(Loss)</b>		\$ (29,919)		\$ (109,843)		\$ (28,933)		\$ (103,051)

<b># of Days Golf Course Closed</b>	5	62	14	65
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**Heather Gardens Metropolitan District  
Restaurant P&L  
3/31/2023**

4/5/2023  
2:06 PM

		<b>CURR MONTH ACTUAL</b>	<b>CURR MONTH BUDGET</b>	<b>CURR MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>	<b>ANNUAL BUDGET</b>		
<b>SUMMARY</b>										
	Sales	50,551	54,280	(3,729)	129,289	141,229	(11,941)	675,363		
	Cost of Goods Sold	19,107	17,458	(1,649)	44,554	45,124	570	216,506		
	<b>Gross Profit</b>	<b>31,444</b>	<b>36,822</b>	<b>(5,378)</b>	<b>84,735</b>	<b>96,105</b>	<b>(11,370)</b>	<b>458,857</b>		
	Wages & Benefits	31,279	34,836	3,559	94,849	104,090	9,241	421,174		
	Operating Expense	10,230	10,518	289	28,544	32,951	4,407	141,783		
	<b>Net Income/(Loss)</b>	<b>(10,065)</b>	<b>(8,532)</b>	<b>(1,533)</b>	<b>(38,658)</b>	<b>(40,936)</b>	<b>2,278</b>	<b>(104,100)</b>		
<b>SALES</b>										
D506	Restaurant Food	41,395	44,921	(3,526)	106,410	114,783	(8,373)	559,959		
D506.1	Restaurant Beer	3,382	3,656	(274)	7,908	9,701	(1,793)	39,050		
D506.2	Restaurant Wine	2,809	3,123	(314)	8,201	9,370	(1,169)	38,235		
D506.3	Restaurant Liquor	2,965	2,580	385	6,770	7,375	(606)	38,119		
	<b>TOTAL SALES</b>	<b>50,551</b>	<b>54,280</b>	<b>(3,729)</b>	<b>129,289</b>	<b>141,229</b>	<b>(11,941)</b>	<b>675,363</b>		
<b>COST OF GOODS SOLD</b>										
H450	COGS - Food	17,035	15,498	(1,537)	39,117	39,601	484	193,187	41.2%	36.8%
H455	COGS - Beer	825	910	85	1,957	2,415	458	9,723	24.4%	24.7%
H455.1	COGS - Wine	775	753	(22)	2,303	2,259	(44)	9,213	27.6%	28.1%
H455.2	COGS - Liquor	472	297	(175)	1,177	849	(328)	4,383	15.9%	17.4%
	<b>TOTAL COST OF GOODS</b>	<b>19,107</b>	<b>17,458</b>	<b>(1,649)</b>	<b>44,554</b>	<b>45,124</b>	<b>570</b>	<b>216,506</b>	<b>37.8%</b>	<b>34.5%</b>
	<b>GROSS PROFIT</b>	<b>31,444</b>	<b>36,822</b>	<b>(5,378)</b>	<b>84,735</b>	<b>96,105</b>	<b>(11,370)</b>	<b>458,857</b>		
		62%	68%		66%	68%				
<b>WAGES/BENEFITS</b>										
H500	Salaries - Full Time	19,016	19,285	269	58,057	60,592	2,535	234,197		
H510	Salaries - Part Time	6,012	7,728	1,716	19,142	20,108	966	96,156		
H520	Salaries - Overtime	386	0	(386)	964	0	(964)	0		
H540	Taxes - Payroll	3,407	3,671	265	9,776	10,967	1,191	39,152		
H550	Retirement Expense	87	342	255	269	993	724	4,026		
H553	Insurance Emp Health	2,136	3,044	909	6,406	9,133	2,727	38,357		
H574	Recruiting/Training	235	451	216	235	1,353	1,118	5,511		
H588	Workers Com Insurance	0	315	315	0	944	944	3,775		
	<b>TOTAL WAGES/BENEFITS</b>	<b>31,279</b>	<b>34,836</b>	<b>3,559</b>	<b>94,849</b>	<b>104,090</b>	<b>9,241</b>	<b>421,174</b>		
<b>OPERATING EXPENSES</b>										
H673	Maintenance Hours	100	432	332	614	996	382	4,937		
H674	Custodial Hours	907	716	(191)	2,530	2,148	(382)	8,593		
	<b>CHARGE-OUTS SUBTOTAL</b>	<b>1,007</b>	<b>1,148</b>	<b>141</b>	<b>3,144</b>	<b>3,144</b>	<b>0</b>	<b>13,530</b>		

**Heather Gardens Metropolitan District  
Restaurant P&L  
3/31/2023**

4/5/2023  
2:06 PM

	<b>CURR MONTH ACTUAL</b>	<b>CURR MONTH BUDGET</b>	<b>CURR MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>	<b>ANNUAL BUDGET</b>
H639 Software & IT	608	500	(108)	1,781	1,500	(281)	6,000
H640 Electric	2,151	2,111	(40)	6,567	6,490	(77)	24,721
H643 Gas	342	414	72	1,331	1,428	97	6,076
H644 Water	105	95	(9)	285	274	(11)	2,229
H645 Phone & TV	356	350	(6)	1,041	1,050	9	4,200
H646 Trash Removal	400	430	30	1,201	1,290	89	5,160
H651 Uniforms	0	0	0	0	200	200	1,200
H652 Discounts & Comps	1,147	500	(647)	2,589	1,500	(1,089)	6,000
H655 Linen Service	354	350	(4)	574	1,050	476	4,200
H662 Office Supplies	107	450	343	118	600	482	2,100
H671 Outside Contractors	975	500	(475)	1,695	1,500	(195)	6,000
H681 Credit Card Fees	1,129	895	(234)	3,133	4,150	1,017	23,717
H683 Repairs - Equipment	0	150	150	0	450	450	1,800
H684 China/Glass/Flatware	0	125	125	82	375	293	1,500
H684.1 Kitchen Supplies	1,036	1,000	(36)	2,675	3,000	325	12,000
H685 Cleaning Supplies	379	500	121	1,119	1,500	381	6,000
H688 Non Capital Equipment	0	500	500	0	1,500	1,500	6,000
H689 Marketing	150	500	350	795	1,500	705	6,000
H690 Licenses	(16)	0	16	414	450	36	3,350
<b>TOTAL OPERATING EXPENSES</b>	<b>10,230</b>	<b>10,518</b>	<b>289</b>	<b>28,544</b>	<b>32,951</b>	<b>4,407</b>	<b>141,783</b>
<b>NET REVENUE &amp; EXPENSE</b>	<b>(10,065)</b>	<b>(8,532)</b>	<b>(1,530)</b>	<b>(38,658)</b>	<b>(40,936)</b>	<b>2,278</b>	<b>(104,100)</b>

Monthly Data from  
SPOTON POS

<b>Mar-23</b>						
<b>Sales per hour</b>						
	<b>Hour</b>	<b>Net Sales per hour</b>		<b># Checks</b>	<b># Guests</b>	<b>GCA</b>
	10:00 AM	\$2,906.65		<b>1407</b>	<b>2961</b>	<b>\$16.80</b>
	11:00 AM	\$4,913.55				
	12:00 PM	\$7,850.17				
	1:00 PM	\$4,432.81				
	2:00 PM	\$4,555.74				
	3:00 PM	\$3,581.48				
	4:00 PM	\$6,425.30				
	5:00 PM	\$11,634.00				
	6:00 PM	\$2,140.25				
	7:00 PM	\$652.25				
	8:00 PM	\$209.00				
	9:00 PM	\$431.00				
	10:00 PM	\$23.00				
	<b>Grand Totals</b>	<b>\$49,755.20</b>				
<b>Top selling items</b>						
	<a href="#">Sunday Brunch</a>	430				
	<a href="#">50th Anniv Dinner</a>	226				
	<a href="#">Fish"n Chips</a>	133				
	<a href="#">Lunch Special \$11.50</a>	154				
	<a href="#">H. Gardens Cheeseburger</a>	139				
	<a href="#">Dinner Special</a>	117				
	<a href="#">Open Food</a>	35				
	<a href="#">Coconut Shrimp</a>	91				
	<a href="#">Chicken Croissant Sand.</a>	79				
	<a href="#">reuben</a>	68				
	<a href="#">Baja Style Fish Tacos</a>	73				
	<a href="#">cops lunch</a>	70				
	<a href="#">Chicken Basket</a>	75				
	<a href="#">Turkey Club</a>	58				
	<a href="#">Chef Cobb Salad</a>	41				
	<a href="#">BBQ Pulled Pork Sand.</a>	45				
	<a href="#">Asian Chicken Salad</a>	41				
	<a href="#">Bowl of Soup</a>	101				
	<a href="#">Wrap Chicken</a>	37				
	<a href="#">Shrimp Louis</a>	32				
	<a href="#">Cup of Soup</a>	97				
	<a href="#">Steak Philly</a>	29				

Monthly Data from  
SPOTON POS

<b>Mar-23</b>					
	<a href="#">Greek Chicken Salad</a>	32			
	<a href="#">Cubano</a>	30			
	<a href="#">Black and Bleu Burger</a>	27			
	<a href="#">House Salad</a>	45			
	<a href="#">Breaded Chicken Sand.</a>	25			
	<a href="#">Chili Rellanos</a>	36			
	<a href="#">Brat &amp; Chips with Kraut</a>	34			
	<a href="#">BBQ Bacon Cheeseburger</a>	23			
	<a href="#">Impossible Veg. Burger</a>	19			
	<a href="#">Chicken Caesar Salad</a>	18			
	<a href="#">Mozzarella Sticks</a>	25			
	<a href="#">French Fries</a>	209			
	<a href="#">Sweet Potato Fries</a>	94			
	<a href="#">Warm Lattice Cherry Pie</a>	25			
	<a href="#">Crispy Chicken Salad</a>	10			
	<a href="#">Jalapeno poppers</a>	11			
	<a href="#">Gluten Free Basket</a>	8			
	<a href="#">BLT</a>	6			
	<a href="#">KIDS Brunch</a>	9			
	<a href="#">Mac and chez bites</a>	6			
	<a href="#">Fries</a>	16			
	<a href="#">Coleslaw</a>	35			
	<a href="#">Rueben</a>	3			
	<a href="#">Homemade Chips</a>	376			
	<a href="#">Brownie Ala Mode</a>	4			
	<a href="#">Ice Cream Sundae</a>	4			
	<a href="#">Kids- Mac and Cheese</a>	3			
	<a href="#">Grilled Cheese</a>	2			
	<a href="#">Scoop Of Ice Cream</a>	13			
	<a href="#">Cottage Cheese</a>	8			
	<a href="#">Kids- Grill ChezN'FF</a>	2			
	<a href="#">Kids- Chick StripN"FF</a>	1			
	<a href="#">Tortilla Chips</a>	1			
	<a href="#">Dinner Roll</a>	4			
	<a href="#">Green Beans</a>	1			
	<a href="#">Tortilla Chips</a>	1			
	<a href="#">Boston Cream Pie</a>	1			
	<a href="#">Fruit</a>	2			
	<a href="#">Caesar Salad</a>	1			
	<a href="#">Pepper cheese bites</a>	1			
	<a href="#">Kids- 2 Sliders w/ FF</a>	1			
	<a href="#">Kids- Hot DogN'FF</a>	1			

Monthly Data from  
SPOTON POS

<b>Mar-23</b>						
	<a href="#">Green Beans</a>		2			
	<a href="#">Brownie Ala Mode</a>		1			
	<a href="#">Dinner Roll</a>		4			
	<a href="#">Fruit</a>		1			



Monthly Data from  
SPOTON POS

<b>Jan thru Mar 23</b>					
<b>Sales per hour</b>					
	<b>Hour</b>	<b>Net Sales per hour</b>	<b># Checks</b>	<b># Guests</b>	<b>GCA</b>
	<b>Hour</b>	<b>Net Sales</b>	<b>3824</b>	<b>7814</b>	<b>\$16.24</b>
	8:00 AM	\$0.00			
	9:00 AM	\$834.00			
	10:00 AM	\$6,485.30			
	11:00 AM	\$14,123.60			
	12:00 PM	\$23,555.88			
	1:00 PM	\$14,376.06			
	2:00 PM	\$10,793.94			
	3:00 PM	\$7,697.78			
	4:00 PM	\$16,416.65			
	5:00 PM	\$25,811.65			
	6:00 PM	\$4,241.50			
	7:00 PM	\$1,465.50			
	8:00 PM	\$410.25			
	9:00 PM	\$700.50			
	10:00 PM	\$38.00			
	<b>Grand Totals</b>	<b>\$126,950.61</b>			
	<a href="#">Sunday Brunch</a>	1,335.00			
	<a href="#">Fish'n Chips</a>	348			
	<a href="#">Lunch Special \$11.50</a>	426			
	<a href="#">H. Gardens Cheeseburger</a>	372			
	<a href="#">Dinner Special</a>	311			
	<a href="#">50th Anniv Dinner</a>	226			
	<a href="#">Open Food</a>	107			
	<a href="#">Coconut Shrimp</a>	268			
	<a href="#">Chicken Croissant Sand.</a>	201			
	<a href="#">Chicken Basket</a>	227			
	<a href="#">reuben</a>	160			
	<a href="#">Turkey Club</a>	148			
	<a href="#">Baja Style Fish Tacos</a>	146			
	<a href="#">Steak Philly</a>	125			
	<a href="#">Chef Cobb Salad</a>	116			
	<a href="#">Bowl of Soup</a>	304			
	<a href="#">Asian Chicken Salad</a>	102			

Monthly Data from  
SPOTON POS

<b>Jan thru Mar 23</b>					
	<a href="#">cops lunch</a>	152			
	<a href="#">BBQ Pulled Pork Sand.</a>	102			
	<a href="#">House Salad</a>	145			
	<a href="#">Greek Chicken Salad</a>	90			
	<a href="#">Cup of Soup</a>	273			
	<a href="#">Shrimp Louis</a>	80			
	<a href="#">Wrap Chicken</a>	79			
	<a href="#">Cubano</a>	81			
	<a href="#">Black and Bleu Burger</a>	75			
	<a href="#">BBQ Bacon Cheeseburger</a>	70			
	<a href="#">Breaded Chicken Sand.</a>	68			
	<a href="#">Chili Rellanos</a>	95			
	<a href="#">Impossible Veg. Burger</a>	61			
	<a href="#">Chicken Caesar Salad</a>	53			
	<a href="#">Brat &amp; Chips with Kraut</a>	76			
	<a href="#">French Fries</a>	618			
	<a href="#">Crispy Chicken Salad</a>	32			
	<a href="#">Warm Lattice Cherry Pie</a>	74			
	<a href="#">Mozzarella Sticks</a>	51			
	<a href="#">VD DAY</a>	29			
	<a href="#">Sweet Potato Fries</a>	255			
	<a href="#">Jalapeno poppers</a>	34			
	<a href="#">Mac and chez bites</a>	29			
	<a href="#">BLT</a>	19			
	<a href="#">Dinner special Steak</a>	15			
	<a href="#">Rueben</a>	13			
	<a href="#">Gluten Free Basket</a>	15			
	<a href="#">Brownie Ala Mode</a>	31			
	<a href="#">Rosemary Chicken</a>	10			
	<a href="#">Fries</a>	40			
	<a href="#">Ice Cream Sundae</a>	23			
	<a href="#">Kids- Mac and Cheese</a>	16			
	<a href="#">KIDS Brunch</a>	13			
	<a href="#">Coleslaw</a>	75			
	<a href="#">Scoop Of Ice Cream</a>	55			
	<a href="#">Homemade Chips</a>	988			
	<a href="#">Steak of the Day</a>	3			
	<a href="#">Kids- Hot DogN'FF</a>	5			
	<a href="#">Cottage Cheese</a>	19			
	<a href="#">Kids- Chick StripN'FF</a>	4			
	<a href="#">Kids- Grill ChezN'FF</a>	4			
	<a href="#">Grilled Cheese</a>	3			

Monthly Data from  
SPOTON POS

<b>Jan thru Mar 23</b>					
	<a href="#">Dinner Roll</a>	21			
	<a href="#">BLT with Chips</a>	2			
	<a href="#">Fruit</a>	5			
	<a href="#">Tortilla Chips</a>	2			
	<a href="#">Kids- 2 Sliders w/ FF</a>	1			
	<a href="#">Boston Cream Pie</a>	1			
	<a href="#">Caesar Salad</a>	1			
	<a href="#">Green Beans</a>	1			
	<a href="#">1/2 Turk &amp; Swiss</a>	18			
	<a href="#">Crispy Chicken Salad</a>	6			
	<a href="#">Cottage Cheese</a>	38			
	<a href="#">Chicken Salad Croissant</a>	5			
	<a href="#">Dinner Salad Bar</a>	4			
	<a href="#">Golf ladies Wed Special</a>	4			
	<a href="#">Rueben</a>	3			
	<a href="#">Green Beans</a>	15			
	<a href="#">Pepper cheese bites</a>	5			
	<a href="#">1/2 Ham and cheese</a>	7			
	<a href="#">Chicken Quesadilla</a>	4			
	<a href="#">Fruit</a>	8			
	<a href="#">Kids- Mac and Cheese</a>	3			
	<a href="#">BLT with Chips</a>	2			
	<a href="#">Dinner Roll</a>	18			
	<a href="#">Mashed Potatoes</a>	6			
	<a href="#">Kids- Grill ChezN'FF</a>	2			
	<a href="#">Kids- Hot DogN'FF</a>	2			
	<a href="#">Box Lunch #1</a>	1			
	<a href="#">Salad Bar with Entree</a>	2			
	<a href="#">Side Bacon</a>	3			
	<a href="#">Kids- 2 Sliders w/ FF</a>	1			
	<a href="#">Onion Rings</a>	2			
	<a href="#">Cookies</a>	3			
	<a href="#">Add Guacamole</a>	1			

**Budget and Finance Committee**

**Audit Sub-Committee**

**Monday, March 27, 2023**

To: Terry Hostetler, HGA Treasurer

Bill Archambault, HGMD Treasurer

From: Bev Havens, Chair – Audit Sub-Committee

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

The Audit Sub-Committee met on Monday, March 27, 2023 at 9:00 AM to review February 2023 paid invoices. The review was based on the nine steps outlined in the Joint Procedure JPM B-3.

Total checks written and validated: 109. Total checks disbursements: \$411,287.03.

Total ACH transfers validated: 25. Total ACH disbursements: \$99,442.40.

Each page of the check register for February 2023 was initialed by the Chair, Bev Havens. All checks were accounted for. 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: None

Last month Karyn Simon and I audited all 3 Petty Cash drawers, and they all balanced to the penny.

Our next meeting will be Monday, April 24, 202 at 9:00 AM to audit March 2023 payments.

Bev Havens, Chair

CC: Jon Rea, CEO

Jerry Counts, CFO

Evelyn Ybarra

## Heather Gardens Budget & Finance

**Committee Date:** April 17, 2023

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**Motion:** Move to recommend revisions and update to the Joint Budget and Finance Procedure Memorandum JPM B-1

**Project Cost:** N/A

I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the revisions and update to Joint Budget and Finance Procedure Memorandum JPM B-1, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).

Motion made by:	
Seconded by:	

<b>Outcome of Vote:</b>	
For:	
Against:	
Absent/Abstaining:	
Notes:	

**Rationale/Notes:** JPM B-1 Joint Budget & Finance Procedure Memorandum, updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD), is being done, given that the subject policy requires changes; and is, therefore, to be reviewed every three years moving forward.

# HEATHER GARDENS BUDGET and FINANCE

## Joint Procedure Memorandum JPM B-1

This Heather Gardens Budget and Finance (B&F) Joint Procedure Memorandum B-1 is updated effective April 18, 2023.

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## I. BACKGROUND

### A. Management Agreement

Heather Gardens Association (Association) and the Heather Gardens Metropolitan District (District) signed an interagency agreement, known as the Management Agreement, whereby the Association serves as the agent for the District in carrying out District programs, such as managing the District finances and operating the golf program, restaurant, clubhouse, and other activities following District Board of Directors policies. The Management Agreement provides for shared advisory committees. As such, the Association and the District agree to have the Budget and Finance (B&F) Committee serve as a shared committee as defined in this Procedure Memorandum to provide advice to each Board, as appropriate, on budgeting and financial functions. The Management Agreement puts forth the Authority of both the Association and District relative to the ongoing operations including the Joint Budget and Finance Committee. It also includes an explanation of the reason for the establishment of the Management Agreement.

### B. Common Words

This Procedure memorandum contains a list of common words and terms used in accounting and finance. The definition of these words and terms are located in Article XI of this document.

### C. Management

Management is the Chief Executive Officer (CEO) or whomever the CEO designates for a given responsibility.

### D. Scope

A single Budget & Finance Committee exists to serve in an advisory role to both the Association and the District with the following key functions:

1. Review and revise the Management recommended operating and capital reserve budgets, for submission to the Association and District Boards;
2. Recommend the Association's homeowners association dues which include a Recreation Fee for the District to finance the respective budgets;
3. Review monthly operating analysis prepared by Management. Consider operational changes that might be advisable and make recommendations as appropriate to the boards;



4. Exercise various responsibilities related to the investment of Association funds which are discussed further in Article VI Investment Procedures and Article VII Banking Procedures. Meet regularly with investment advisors and review Management prepared cash flow expectations. Recommend investment strategies to the Boards that comply with the Association and District policies and which are expected to deliver the desired results;
5. Analyze and recommend the Association and District business insurance programs. Taking care to consider the significance of the HG's insurance program noting the significant risks being insured against and costs to the Association, District and our residents;
6. Prepare, update and recommend the Association and District capital projects financing plans;
7. Review and make recommendations regarding all unbudgeted capital projects over \$5,000 and budgeted capital projects over \$20,000 as well as operating expenditures over \$20,000 with respect to budget expenditures and other possible funding options;
8. Review the internal audits reports of checks paid, ACH payments, petty cash, inventory, and internal controls;
9. In collaboration with Association management, oversee the conduct of the annual external Audits of Association and District financial records for each fiscal year and recommend acceptance or rejection of the audit reports to the Association and District Boards of Directors; and
10. Conduct other duties as assigned by the Association Board and the District Board.

## **II. BUDGET and FINANCE COMMITTEE STRUCTURE and PURPOSE**

### **A. Membership**

The Budget and Finance (B&F) Committee membership is intended to consist of the Association Treasurer, the District Treasurer, and four to seven other resident members/resident electors. The Association Chief Executive Officer, Chief Financial Officer, and other staff assist and advise the B&F Committee membership.

### **B. Treasurers' Roles**

The Association Treasurer and District Treasurer serve as co-chairs. When Association issues are discussed, the Association Treasurer chairs the committee, and the District Treasurer does not vote. The Association Treasurer carries Association recommendations directly to the Association Board of Directors. When District issues are discussed, the District Treasurer chairs the committee, and the Association Treasurer does not vote. The District Treasurer carries District recommendations

directly to the District Board of Directors. Both Treasurers, as members of the committee, are encouraged to provide input on issues before the committee. The Association Board has delegated to the Association Treasurer the responsibility of executing approved investment transactions. In the absence of the Association Treasurer, it is expected that the Association Board President or Vice President or other member of the Board or the Budget and Finance Committee as approved by the Board will complete the duties of the Association Treasurer, See Section VI.

### **C. Subcommittees**

Three permanent subcommittees have been created to aid in the B&F Committee's responsibilities. The Capital Program Subcommittee carries out the capital financing program functions as defined below and detailed in B&F Joint Procedure Memorandum B-2. The Internal Audit Subcommittee carries out the internal audit functions as defined below and detailed in B&F Joint Procedure Memorandum B-3. The Insurance Subcommittee carries out the business insurance functions as defined below and detailed in B&F Joint Procedure Memorandum B-4.

### **D. Ad Hoc Committees**

The B&F Committee may create Ad Hoc Committees, as needed and with the approval of the Board(s), to perform its duties and advise the Association and the District Boards of Directors. When an Ad Hoc Committee is created, it will be given a task, membership, and short-term duration to complete its task and report back to the B&F Committee. The Board(s) can disband the Ad Hoc Committee at any time.

## **III. BUDGET PREPARATION PROCEDURES**

### **A. Budget Initiation**

Budget preparation begins with input from the Association and District Standing Committees, Department Managers, and Chief Executive Officer. Such committees and managers should take care to include the desires of our residents and unit owners relative to programs and operations. They should also reflect Management's plans for increased operational efficiencies. The impacts of inflation should be carefully analyzed. Management is responsible for the preparation of the budget.

### **B. Budget Schedule**

The first action will be the preparation by Management of a Budget Schedule, such as the one shown in Attachment 5. Such schedule shall comply with Colorado requirements for homeowners associations that apply to the Association and Colorado

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laws that apply to the District. Further, such schedule shall meet the requirements of the Bylaws of both the Association and District.

### **C. Management's Budgets**

1. Based on input from the Association and District Standing Committees and department managers, Management prepares the Association and District budgets drafts for Operations and Capital Projects and contributions to capital reserves. The budgets will contain three separate years. The first year will contain the full details for the proposed year and prior years.
2. Materiality is paramount in the budget process. This means that the items of greatest materiality and those items which change the most from previous levels should receive the most attention.
3. Unless the B&F Committee agrees otherwise, Management's Budget(s) for both the Association and District will start with a concise Executive Summary containing information of most significance in the current budget. This summary will then be followed by sections covering the various activities. Management's Association Budget will have the following sections for:
  - a. Budget Preparation Assumptions
  - b. General Revenue
  - c. General Expenses
  - d. Custodial Department
  - e. Contracts Department
  - f. Maintenance Department
  - g. Administrative Department
  - h. Paint Department
  - i. Roads & Grounds Department
  - j. Security Department
  - k. Capital Program Projects
  - l. Capital Program Deposits
  - m. Owners Dues including Gas and Electricity
  - n. Owners Dues excluding Gas and Electricity
  - o. Summary (if the executive summary suffices, this summary may be omitted)
4. Management's District Budget will start with an Executive Summary and have sections for:
  - a. Budget Preparation Assumptions
  - b. Enterprise Revenue (including the Recreation Fee)
  - c. Enterprise Expenses
  - d. Restricted Funds
    1. Conservation Trust Fund
    2. Debt Service Fund

3. Foundation Fund
  - e. Enterprise Programs
    1. Golf Course
    2. Restaurant
    3. Clubhouse
  - f. Summary (if Executive summary suffices, this summary may be omitted)
5. Management's Association and District Budgets will be presented by Cost Center accounting codes. Each Cost Center will have an Expense Summary as well as separate summary for Wages/Benefits and Operating Expenses. Also, see prior budget submissions for further guidance as to expenditure codes needing additional detail.
6. Staffing levels and personnel costs are to be carefully analyzed for all areas. In doing such analysis, care should be taken to maintain the confidential nature of individuals' compensation and other personal information of all employees. As a part of the budget package, Management shall provide additional information regarding employment numbers. Additional information, as needed, is to be provided for all years shown including the following:
  - a. Number of FTE for full time staffing positions
  - b. Number of hours for part-time staffing positions
  - c. Number of overtime hours
  - d. Number of hours for teachers
7. Management's budgets will contain written justification for changes in staffing and descriptions of the key changes from the previous budgets. This should cover not only increases in staffing but also possible reductions in staffing resulting from technology and changes in internal procedures which permit such reductions. Proposed staffing changes should be accompanied by a revised organization chart.
8. Management's budget will include the status of current year capital project completion with details on potential carryover projects and why they are not expected to be completed in the current year.

#### **D. B&F Committee Recommended Budgets**

##### **1. B&F Committee**

The B&F Committee reviews in detail the draft of Management's budgets and addresses all questions raised. For this review the B&F Committee invites the members of the Association and District Boards and the Association membership and District voters to these work sessions. Be sure that all communications make it clear to our members that their input is desired, and that the budget will be

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changed if appropriate. The review dates are identified in the Association/District approved annual Budget Schedule.

2. To the greatest extent possible, agendas should be prepared and disseminated for each budget review meeting. This will enable members to determine which portion of the meetings they would most like to attend.

### 3. Submission

Management will prepare the committee recommended Association and District budgets incorporating all changes recommended by the B&F Committee. The Committee budgets will be distributed according to the approved annual Budget Schedule.

## E. Boards Review

1. The Association Board review date is identified in the approved annual Budget Schedule unless the Association President directs otherwise. The Association Board will review the B&F Committee budgets for the Association and the District and will make a recommendation to the District Board concerning its budget. This meeting serves as a public review meeting for the Association Board to receive comments from the Association Membership before Association budget approval.
2. The District review date is identified in the approved annual Budget Schedule unless the District President directs otherwise. This meeting will serve as a public hearing for the Board to receive comments.
3. Association and District Boards are scheduled to approve their respective budgets at their special meetings as reflected in the Budget Schedule.

## F. Publication of Budgets and Dues Schedules

1. Prepare Association and District budget summaries and mail them to the Association membership and the District voters prior to the Association budget membership meeting based on the approved annual budget schedule.
2. Prepare the approved budget and mail Association Dues schedules and payment coupons to Owners in December. Letters with Association Dues information will be mailed to Owners who have authorized the Association to automatically withdraw their monthly Dues.
3. Upload copies of the Association and District Budget to the Association website.
4. Provide notices on PILERA and through the ARO as well as means deemed appropriate based on the approved annual Budget Schedule. Such notices shall announce the publication of the Association and District budgets and describing

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how to obtain access to the budgets online or obtain a copy.

## IV. BUDGET ADMINISTRATIVE PROCEDURES

### A. Overall Prudence.

Inclusion of an expense in the approved budget does not mean the expense must be made.

**B. Monitoring.** The B&F Committee monitors a broad range of budget-related information at its monthly meetings. The Committee and Management may suggest more abbreviated reviews for areas of lesser materiality or of little variance from the budget.

a. For these meetings, Management shall provide the following reports unless the B&F Committee agrees otherwise:

- 1) Association Balance Sheet
- 2) Association Revenue Expense Statement
- 3) Association Monthly Operating Analysis
- 4) Association Budget Exception Report
- 5) Association Capital Program Report
- 6) Association Investment Listing
- 7) Association department expenses
- 8) District Balance Sheet
- 9) District Profit and Loss Statement
- 10) District Capital Assigned Fund Report
- 11) District Profit and Loss – Restricted Fund
- 12) District Profit and Loss – Enterprise Fund
- 13) District Budget Exceptions Report
- 14) District Investment Listing
- 15) District Golf Profit and Loss Report
- 16) District Restaurant Profit and Loss Report
- 17) District Clubhouse Profit and Loss Report
- 18) District Golf Usage Report
- 19) District Conservation Trust Report
- 20) District Foundation Fund Report
- 21) Any special reports requested by the B&F

b. For the April, July, October and January meetings, Management shall provide a Quarterly Staffing and Work Completion Status Report.

- c. The reports will be distributed to the Association and District Presidents, Board members, and all B&F members, for their review six days, if possible, prior to the B&F meeting
- d. Management reviews with the B&F Committee the contents of these reports and explains significant variances. Management answers committee member's questions.
- e. The Association Treasurer presents pertinent budget information to the Association Board.
- f. The District Treasurer presents pertinent budget information to the District Board.
- g. PM B-3 describes monitoring procedures carried out by the B&F Committee's Audit Subcommittee.

### C. Operations Expense Approval

- a. Non budgeted operating expenditures under \$20,000 are administered by the Chief Executive Officer based upon the staff spending authority schedule approved by the Association Board.
- b. Certain recurring operating expenses will be paid automatically through the bank (ACH Payment). An ACH authorization form is required prior to the initial setup with the bank (see Attachment 1). Listed below are some examples of ACH payments:
  - 1) **Payroll:** Payroll is processed every two (2) weeks to pay the employees, taxes, garnishments, fees, and 401K.
  - 2) **Tax Payments:** Quarterly estimated corporate income taxes are provided by tax accountants. These taxes are paid to the IRS and Colorado Department of Revenue.
  - 3) **Employee mileage and other employee reimbursements:** A monthly mileage reimbursement is paid to employees. Employee who has purchased supplies or paid for work-related travel expenses will be reimbursed upon submission of required support.
  - 4) **Lease:** Leases include (but are not limited to) copier/printer, postage equipment, and fitness equipment.
  - 5) **Utilities:** Examples include trash, internet, telephone, electricity, natural gas, and water.

- 6) Reimbursements:** Any person entitled to a reimbursement and who has Direct Debit may be paid by an ACH.
- c. All non-budgeted operating expenditures over \$20,000 must be initiated using the Request for Expenditure (RE) Attachment 3. All such expenditures will be subject to the RFP, bid and approval procedures, as outlined in Section V below.
  - d. Recurring Expenses. Management is authorized to approve certain recurring expenses that exceed the Chief Executive Officer's \$20,000 spending authority, such as, but not limited to, gas, electricity, water and sewer charges, the refilling of gasoline storage tanks and payroll and income taxes.
  - e. New or renegotiated contracts shall be reviewed by the B&F Committee and Boards within timeframes available for the specific item being considered. Management shall provide advanced notice of the required timeframes as much in advance as possible to allow for meaningful reviews by the Committees and Boards. Example of these items include contracts for Professional Employee Organization (PEO), trash service, gas pricing and insurance. Given the nature and complexity of some of these contracts it may be necessary for either special meetings or work sessions to be called.

## V. CAPITAL EXPENDITURES

### A. Responsibilities

#### 1. Management

- a. Plan and implement actions necessary to originate a project, obtain fund expenditure authorization, and follow the project to successful completion.
- b. Develops contract specifications and requirements, including General Conditions, Scope of Work, and Technical Specifications.
- c. Develops Request for Proposals (RFP).
- d. Solicit contractors for bids on proposals.
- e. Prepare Request for Expenditure (RE) form providing the project justification for projects requiring an RE as outlined below. The project justification should include, but not be limited to:

(1) Title: Something not too long, in most cases one full line or less



(2) Description of the project or issue that needs action

- a. Background and what has already been tried
- b. Related Issues — both positive and negative — to cover the merits and faults
- c. Conclusions

(3) Justification

- a. Why action needed:
  - i. Budget project amount is not sufficient.
  - ii. New information on health and safety concerns, compliance with laws and regulations, and essential replacement.
  - iii. Desirable service or improvement in efficiency with reasonable payback.
  - iv. Clear improvement in standards of living or community amenity.
- b. Supporting documentation
- c. Cost Estimate with appropriate detail
- d. Funding options

(4) Proposal

- a. Statement of the requested action
- b. Define who will do what (department, consultant, etc.)
- c. Cost summary and source of funds requested [such as budgeted project, unanticipated item, insurance, other (to be defined)]
- d. Schedule with the completion date
- e. If this takes Association or District Board action, add a proposal summary in motion form for review and action by related committees and the Board.

f. REs for projects are to be submitted for approval if any of the following apply:

- a. The project is not budgeted.
- b. The project is projected to be over budget.
- c. The scope of the project has materially changed since the budgeting process, or there have been material changes to the project.
- d. The Board(s) has/have requested that an RE\_for a specific project be submitted for review.
- e. Management has chosen to submit a project for review and approval even though it may not be required.

All other projects will be submitted to the appropriate committees and board(s) on an advisory basis using a Reserve Expenditure Advisory Form (Attachment 4).

- g. Enter all capital property into appropriate replacement and depreciation schedules. Inventory is to be valued at acquisition cost.
- h. Report to the respective Board and the Budget & Finance Committee at their monthly meetings on the progress of scheduled capital projects.

2. Standing Committees (except B&F)

Review the projects submitted by Management including the purpose and scope, the bids submitted, the justification and any ancillary materials included with the RE. Such review should assess if the project, bids and vendors have been adequately vetted by Management. Funding is not a factor to be considered at the Standing Committee level. Concurrence or non-concurrence with a proposed project should be acknowledged by the committee chair on the RE and forwarded to the B&F Committee.

3. Budget & Finance Committee

- a. Review RCEs received from Standing Committee chairs since the last meeting. Review the requests with respect to funding to include budgeted amounts and if needed other possible funding sources (eg. reserves or reallocation of funds).
- b. Forward to the appropriate Board all REs received since the last monthly meeting, indicating the Committee's concurrence or non-concurrence.

4. Board(s) are to review the recommendations of the standing committees as well as the B&F Committee and the compatibility of the project with other Association and District objectives. After review the Board(s) shall take appropriate action.

**B. Contracting Procedures**

1. When applicable, Management will develop and distribute written Request for Proposal (RFP) to contractors/vendors for a single project that is budgeted to cost more than \$20,000. The RFP may cover more than one year.
- 2 All RFPs will include general conditions, specifications, scope of work, technical specifications and bid requirements. Development of RFPs may make use of outside resources such as experienced vendors and consultants.
3. Bid Requirements:
  - a. For projects less than \$20,000, when possible, two bids are required, and can be received via mail or email.

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- b. For projects of \$20,000 or more, when possible, a minimum of three bids are required, and can be received via mail or email.
  - c. In the event that the minimum bid numbers are not met, Management will provide an explanation for the cause of the lower number.
  - d. The Board(s) may waive the minimum bid requirement for certain projects either prior to the bidding process or after the process has taken place.
  - e. When possible all bids shall be comparable with the same type and capability of equipment, same quantities, similar accessories, similar configurations, similar specifications etc.
  - f. If bids do not meet general comparability standards Management shall provide an explanation of the reason for the differences.
  - g. It is generally accepted that in reviewing bids, many times much more than just "costs" should be considered. Some of the other factors that may come into consideration when reviewing bids and vendors are, but not limited to:
    - 1) Outside references and reviews
    - 2) HG experience with the vendor (positive and negative)
    - 3) Professional certification
    - 4) Management's general assessment of the vendor
4. Special requirements for the procurement of goods, projects, or services for the District:
- When goods, projects or services for HGMD are reasonable expected to cost \$60,000 or more the following requirements should be met:
- a. Advertise in a local newspaper with wide distribution an invitation to prospective bidders that the District will be obtaining bids on for goods, projects or services described as (include a brief description). Interested bidders should contact (name, address, phone number) for additional information by (date).
  - b. When actual bids for the goods or services are sought an advertisement must be placed in a local newspaper showing a description of the goods, projects or services, the date and time bids are due, to whom the bids should be sent, the date and time of public opening of the bids.
  - c. Construction projects requirements are numerous, and the District attorney should be contracted for specifics.
5. All REs under-\$20,000 for items included in the approved budget shall be routed to the Chief Executive Officer for approval.
6. All other REs, except those made for emergencies (see section below), and those not required to be submitted for approval will be submitted for review and approval in the following sequence:

- a. Department Managers
- b. Contract Manager, if necessary
- c. Chief Financial Officer
- d. Chief Executive Officer
- e. Standing Committee Chair
- f. B&F Committee Chair
- g. Association President or District President, whichever is applicable

7. If emergencies occur:

- a. Management takes the initial action required to determine the nature and extent of the problem and the means of correcting it.
- b. In accordance with the normal emergency purchasing procedures, Management obtains a Purchase Order (PO) from the security officer on duty, completes it and:
  - (1) Uses the PO to acquire item or items necessary to effect emergency repair or replacement of facility or equipment.
  - (2) If the amount of purchase is \$7,500 or more, obtain verbal approval of either the Chief Executive Officer, or if not available, the Chief Financial Officer, or the appropriate Board President.
  - (3) Clearly defines the nature of the emergency, as well as actions taken to correct the problem, either on a PO or as an attachment.
- c. On the next workday, Management takes action necessary to obtain approvals appropriate to the emergency.

8. Change orders may be approved by Management if:

- a. Amount of change order is within Management's approval authority and
- b. Total of project cost, including the change order, does not exceed the previously approved budget amount and
- c. Identification of the change order amount, justification, and description of the scope are included in the next report to the B&F Committee, and the status of the project is reported to the Board.
- d. Change orders which do not fit the above three criteria must be approved by the appropriate reviewing authorities using an RCE.

### **C. Capital Projects Carry Forward to the Next Year**

Generally, capital projects are expected to be completed during the fiscal year in which funds were appropriated for the project(s).

When a project is not anticipated to be completed by the end of the fiscal year, Management will immediately, but no later than the January meeting of the Budget & Finance Committee, identify in writing, the project including the dollar amount needed to complete the project, and provide a written explanation of the circumstances that caused the project to be incomplete.

The B&F Committee will recommend appropriate action on such Capital projects.

## VI. INVESTMENT PROCEDURES

The process for making investments on behalf of the Association involves several participants and steps. The following provides a brief summary of the process and is followed by more detailed descriptions of the responsibilities of those involved in the process.

The investment procedure for the Association is summarized as follows:

- Assess the Association's expected future cash flows to determine what funds are expected to be needed at what points in time.
- Working with a qualified investment advisor or advisors, develop an investment strategy that complies with the Association's adopted investment policy.
- Determine appropriate investment vehicles that are consistent with the investment strategy.
- Follow appropriate safekeeping, record-keeping, and reporting procedures.

The Association investment policy places basic responsibility for developing the investment strategy, selecting appropriate investment vehicles, and monitoring the success of the program with the Budget & Finance Committee ("Committee"). The Committee will develop and make recommendations to the Association Board of Directors ("Board") for final approval. The following summarizes the responsibilities of the Committee and other key participants in the process.

### A. Budget and Finance Committee:

1. Define investment advisor candidate evaluation criteria.
2. Prepare Request for Proposal, including the scope of services requested and send a list of prospective candidates.

3. Review and evaluate proposals and select candidates for interviews.
4. Conduct interviews with candidates; review with them the adopted investment policy as well as qualifications and desired compensation of the candidates
5. Recommend investment advisory candidate(s) to the Board.
6. In consultation with the Association's legal counsel, review and recommend a contract with the selected financial advisor(s) for execution by the Board.
7. Working with a financial advisor and with a comprehensive cash flow projection for each fund source, develop and recommend the investment strategy to the Board.
8. Working with the financial advisor, recommend specific investment vehicles consistent with the approved investment strategy.
9. Monitor chosen investment vehicles and modify the investment strategy and or vehicles in accordance with performance and changes in economic climate.

**B. Investment Advisor:**

1. Research and develop suggestions, conforming with policy, for a draft investment strategy for review and discussion with the Committee.
2. Based on cash flow projections provided by Association management, recommend specific investment vehicles that will help accomplish the objectives of diversity and laddering set forth in the policy.
3. Monitor investment performance and provide regular reports to the Committee.

**C. Association Management:**

1. Prepare an annual cash flow projection for the Association for each fund source using current balances and expected inflows/outflows and present to the financial advisor and Committee.
2. Arrange movement of funds to the appropriate location/account for timely closings of investment transactions.

3. Reconcile investment records received from the custodian to accounting records and record income as realized, including amortization and/or accretion entries for any discounts or premiums.
4. Consult with the auditor to determine the most appropriate means of completing the compliance review of the Association's investing activities with its policy.

**D. Association Treasurer:**

1. Present reports, recommendations, and other matters related to investing to the Board.
2. With the assistance of the advisor and management, execute Association Board-approved purchases and/or sales of investments for the Association. Keep accurate records of all completed transactions, Report such information to Management in settling the transactions.

**E. Association Board of Directors:**

1. Based on the recommendation of the Budget & Finance Committee, approve the selection of a financial advisor and contract.
2. Review and approve the Association's investment strategy as recommended by the Committee, and the investments suggested to meet the strategic objectives.

## **VII. BANKING PROCEDURES**

The volume of transactions conducted by the Association and the District in most months requires bank balances that may exceed the protection offered by the FDIC. Therefore, the following procedures apply.

- A. The Association and the District funds will be deposited only in banks that are large enough and strong enough to have satisfactory ratings from all three major rating services. Standard & Poor, Moody, and Fitch. However, Certificates of Deposits in amounts equal to or less than the FDIC insurance maximum may be placed in any bank that offers FDIC insurance or in U. S. Government notes, bills or bonds.
- B. All District accounts must follow the requirements of the Public Deposit Protections Act (PDPA).

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- C. Decisions as to changes in the Association's and the District's banking arrangements and selection of banks are the responsibility of the Boards of Directors, based upon recommendations of the B&F Committee.
- D. The B&F Committee will make banking recommendations to the Boards of Directors based upon information that contains, but is not limited to, the following criteria:
1. Strength of the bank as shown by its rating as set forth by the various bank rating services.
  2. Service charges for such items as:
    - a. ACH Fees
    - b. Internet availability of monthly bank statements and related items
    - c. Deposits and electronic checks
    - d. General Account Maintenance
    - e. Online Banking
    - f. Investment Services
  3. Account earnings allowance rate.
- E. Management shall report any problems in dealings with the banks to the B&F Committee and the Boards.
- F. The Board Treasurers and Internal Audit Subcommittee Chair with Management will review the banking reconciliation statements.
- G. Refer to the Association Policy Manual (Finance – 1 Banking Policies) for information on banking authority assigned to Management and Board members. At least annually a resolution shall be presented to the Board(s) for approval naming all authorized signers on all bank accounts.

## **VIII. ANNUAL EXTERNAL AUDIT and TAX RETURN PREPARATION**

### **A. Management**



1. Work with the contracted Audit Firm to establish the process and schedule for each annual audit and for the preparation of the annual tax returns;
2. Provide appropriate workspace for the Audit firm's staff to do their on-site work on the audit;
3. In a timely manner, provide copies of all requested documents and respond to all questions;
4. Review the initial draft of the audit reports in concert with the Audit Partner and Senior Manager to assure that all issues have been properly addressed and that changes requested by the Audit firm make sense from the viewpoint of the Chief financial Officer, Chief Executive Officer, and the appropriate Treasurer;
5. Make all adjusting entries and other final entries to the year-end financials as requested by the Auditor; and
6. Facilitate the posting of the completed Audit reports on the Heather Gardens website and make paper copies of the Audit report(s) for interested parties as requested.
7. In a timely manner, file the accepted audit reports with the relevant State organizations and the completed tax returns with the taxing authorities.

## **B. Budget and Finance Committee**

In collaboration with Association management, oversee the conduct of the annual external Audits of Association and District financial statements for each fiscal year and recommend acceptance of the audit reports to the Association and District Boards of Directors, including the following:

1. Monitor the status of the conduct of the Association and District Audits;
2. Receive and review the draft audit reports and provide feedback to the auditors;
3. Receive and review the parts of the Report on Governance, Internal Controls, Material Weaknesses Audit Management Letter that relate to financial policies and procedures and make appropriate recommendations for change to management and the Board (Note: Parts of the Management Letter that may result in a personnel action will not be presented to the Budget & Finance Committee, but will instead be presented by the Auditor in Executive Session to the appropriate Board of Directors.); and
4. Make a recommendation to each Board as to acceptance of the annual audit reports.
5. An important responsibility of the B&F Committee is to evaluate the external auditor's performance. This is done in order to the Boards, the appointment, re-appointment and, if required, the replacement or removal of the auditor. The B&F should solicit the input of management in performing this evaluation. The assessment should cover the professional competencies in conducting the audit and completing the tax returns, value added recommendations made by the auditor, and client service issues. This process should be formalized by the B&F Committee and conducted annually.

**C. Association and District Boards of Directors**

1. Receive copies of the two completed audit reports by the selected Audit firm;
2. Based on recommendations from the Budget & Finance Committee, accepts the final audit reports;
3. Receive copies of the Management Letter and act as appropriate on recommendations made by the Budget & Finance Committee and the Auditor; and
4. Assure that the accepted audit reports are filed with the relevant State organizations and posted on the Heather Gardens website for review by interested parties. A paper copy of one or both audit reports will be made available to interested parties upon request.
5. To provide the external auditor the opportunity to communicate privately and candidly with the Boards and members of the B&F Committee and similarly, to provide the Boards and B&F Committee with the opportunity for candid questioning of and private discussions with the external auditor. A portion of the exit interview will be held in an Executive session including both Boards and the B&F Committee with the Audit firm. The CEO and CFO should not be a part of this session.

**D. Consideration for switching Auditors**

Circumstances may arise that indicate a need for switching Auditing Firms. Switching auditors is not a simple and routine matter without consequences and should only be considered if a careful review of the facts indicate a need to do so. Rotating auditors just because other institutions do it or because the auditors give you professional advice you did not like does not necessarily raise to the level of constituting a need to engage different auditors.

Consequences of changing audit firms. The following article sets forth what to expect if a change is made.

What are the Consequences of Audit Firm Rotation?

With audit firm rotation, disruption with a capital “D” occurs and affects everything, often to the detriment of the nonprofit. A study of auditor tenure conducted by professors at the University of Richmond and Texas A&M international University concluded:

The results do not support the arguments of those who propose mandatory auditor rotation and suggest that contrary to the concerns of the SEC, there is an inverse relationship between auditor tenure and auditor reporting failures.

The AICPA opposes mandatory audit firm rotation, citing the often costly and unintended consequences that may result. Instead the AICPA recommends the

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strengthening of audit committees and encourages them to be more proactive in their interactions with and supervision of the auditors.

#### How Do You Determine What's Best for Your Organization?

- Ensure independence and objectivity: Ask yourself whether your current firm adheres to and performs in accordance with auditing standards. In addition, all firms are subject to a peer review process every three years to ensure the process of independence and objectivity are followed. Ask your firm for its most recent report.
- Look for participation: Is your auditing firm anxious to meet with your audit committee to discuss procedures, help them understand objectivity and discuss any matters that have come to the auditor's attention? Passionate auditors are valuable to the success of your organization.
- Consider technology and communication preferences: Be sure to consider the technology tools and methods of communication your team is most comfortable with. Some nonprofits will continue to operate cautiously and conduct business digitally. Make sure your audit firm can perform audits remotely using innovative technology.

#### The arguments for rotation include:

- Audit objectivity: While there is not a standard for mandatory audit firm rotation, some believe it is necessary for audit independence.
- A "fresh look": Depending on organizational and environmental conditions, your audit may profit from a new perspective.
  - The antidote for this argument is to ask your audit firm to rotate the engagement team-partner and/or staff. This allows you to retain the expertise, industry knowledge, and service you're receiving from the incumbent firm while adding the "fresh look" component you might be seeking.

#### The arguments against rotation include:

- Increased costs: More costs may be incurred by the organization and its staff in the procurement process and initiation of a new firm. There may also be an increase in audit costs due to additional time spent in the first years of an audit relationship. Of note: The Government Accountability Office surveyed hundreds of companies and auditors about audit firm rotation and reached the general conclusion that rotation increases costs and has very little, if any, on the quality of audits.
- Decreased service levels: Some organizations notice the level of service they receive from their audit team declines as the relationships come to a close. This should not be the case, but it does happen occasionally and thus should be considered.

- Loss of existing organizational knowledge and relationships: Your audit firm likely has a good handle on your industry and your organization. Starting from scratch when it comes to building relationships and bringing a new firm up to speed can feel daunting.

#### Consider Level and Quality of Service

If you are not receiving the level and quality of service you expect, discuss the issues with your auditors. If they are no longer able to meet your standards, a change may be in order. But it's important to remember that change does not come without cost.

#### Here are six signs you may need a new audit firm:

- Your current firm is not keeping up with new regulations and standards.
- You are not being treated like a partner.
- You are worried your firm may be missing something important.
- Your audit firm is not quick to respond to your questions or concerns.
- Your auditors seem to lack experience.
- Your firm hits you with surprise bills.

## IX. IMPOUND FUND

### A. Background

1. Authority for the Impound Fund maintained by Heather Gardens Association (Association) was established in the original Declaration of Condominium and was retained in Article 6.7a of the current Amended and Restated Declaration of Condominium described in part as follows: "...collect from each owner at the time each owner purchases or acquires a unit a sum equal to six times the current estimated monthly common element expenses for the unit. Said sum may be used by the Association as working capital, or to apply against a delinquent account of an owner, and shall be refunded to the owner upon the sale or transfer of the unit less any amounts then due by said owner to the Association."
2. The funds received are deposited in and disbursed from the Association's Operating bank account. In the aggregate, the impound funds serve as an important element of working capital for the Association's operations.
3. Funds in the Impound Fund will be invested in accordance with the terms of the Investment Policy. See VI Investment Procedures.

## **X. BUDGET and FINANCE SUBCOMMITTEES**

### **A. Capital Programs and Funding**

Conducted by the Capital Program Subcommittee with details in JPM B-2 which include:

1. Monitoring the status of the Association and District capital programs and project status.
2. Guiding the preparation and annual updates of the Association and District Capital Project Financing Plans.
3. Recommending annual capital deposits into the Association and District capital program funds.

### **B. Internal Audit Program**

Conducted by Audit Subcommittee with details in JPM B-3 which includes:

1. Overseeing the inventory of Association and District consumable and fixed assets.
2. Reviewing the previous month's paid invoices.
3. Randomly auditing petty cash and procedures in all departments.

### **C. Business Insurance Program**

Conducted by the Insurance Subcommittee with details in JPM B-4 which includes:

1. Reviewing exposures to loss and all existing business insurance coverage.
2. Recommending whether to seek the services of a new broker as needed.
3. Recommending Association and District business insurance packages.

## **XI. BUDGETING and ACCOUNTING TERMS**

Positions on the Association and District Board of Directors and associated committees are filled by volunteers. It is noted that Board members are elected from among those who volunteer. Committee members are appointed volunteers. Most of these volunteers have at least two characteristics in common:

- a. Individually and/or collectively they are technically qualified for the positions they hold because of their extensive experience in industry, business, and/or government at federal, state, or local levels.
- b. They have some familiarity with and recognize the importance of budgeting and accounting systems. Their knowledge level and experience may be with systems of several different types, and they may use terms and procedures, which, in some cases, vary significantly in application.

The purpose of this Section XI is to provide a glossary of terms and definitions as a means of enhancing understanding of the matters deliberated by the B&F Committee and minimizing misunderstanding in Heather Gardens' management activities.

When individuals participate in committee meetings and deliberations, they should strive to conform their comments to the definitions in this Section XI.

**A. Accrual Basis of Accounting.** Accrual accounting is a financial accounting method that allows an enterprise to record revenue before receiving payment for goods or services sold and record expenses as they are incurred regardless of when money exchanges hands.

1. Record revenue as it is earned, not as it is received.
2. Recognize and record purchases and expenses when the title or benefit and obligation of ownership changes hands from seller to buyer.
3. The percentage of completion method is a revenue recognition accounting concept that evaluates how to realize revenue periodically over a long-term project or contract. Revenue, expenses and gross profit are recognized for each period based on the percentage of work completed or costs incurred.
4. During the year, major expenses are accrued monthly. At year-end, all expenses for the year are accrued.

**B. Depreciation and Accumulated Depreciation.** Accumulated depreciation is the total amount of depreciation of a company's assets, while depreciation expense is the amount that has been depreciated for a single accounting period. Depreciation is an accounting entry that represents the reduction of an asset's cost over its useful life. In other words, depreciation spreads out the cost of an asset over the years, allocating how much of the asset that has been used up in a year, until the asset is obsolete or no longer in use. Without depreciation, a company would incur the entire cost of an asset in the year of purchase, which would negatively impact profitability. Put another way accumulated depreciation is the total amount of an assets' cost that has been allocated as depreciation expense since the asset was put into use.

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- C. Audit.** The process of examining an organization's financial records to determine if they are accurate and in accordance with any applicable rules (including accepted accounting standards), regulations, and laws. External auditors (CPA firms) come from outside the organization to examine accounting and financial records and provide an independent opinion of these records.
- D. Balance Sheet.** A financial statement that shows the financial position by summarizing the assets, liabilities, and equity at a specific date is prepared monthly by Management for the Association and the District. The annual reports are prepared annually by Management and published in the audited financial statements.
- E. Capital Property.** Capital Property is that which has a useful life of more than one year and a cost in excess of \$5,000.
- F. Capital Project.** Capital Project is a contracted project, usually a construction or major repair of a capital property item.
- G. Capital Projects Financing Plan.** Thirty-year plan (updated annually) of major expenditures for facilities and equipment. The Plan should list all capital components for its entity, estimated life, and cost of replacement. The Capital Projects Financing Plan will be based on these estimated needs and adjusted annually to provide sufficient funds for current needs and to accumulate funds for future estimated needs while maintaining a stable annual assessment rate.
- H. Capital Program Expenditures.** A cost incurred to acquire a long-lived asset. (See Capital Property and Capital Project above)
1. A reconditioning or major overhaul that will extend the useful life of an item beyond the original estimate is considered a capital reserve expenditure.
  2. Obsolescence can be a factor limiting the useful life of the item.
- I. Capital Reserve Fund / Assigned Fund.** Association and District use this fund to account for financial resources to be used for the acquisition of facilities and equipment, construction, and/or significant maintenance of major capital facilities.
- J. Carry Forward Appropriation / Expenditure.** Moneys not spent in the prior accounting period and carried forward to the next accounting period. This is usually in reference to capital program expenditures.
- K. Impound Fund.** All Heather Gardens owners must contribute an amount equal to 6 months of the Current Common Expense Assessment when a unit is purchased. Association, as stated in the Declaration, may use these funds for working capital. Upon the owner selling a unit to another buyer, the Association will refund the original amount of impound back to the owner, assuming that there is no balance

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due on the owner's account. This is important for two reasons. First, it provides a cushion to the Association against the possibility that the owner fails to meet its obligations. Second, in the aggregate the impound funds serve as an important element of capitalizing the Association's operations and capital projects purchases.

- L. **Conservation Trust Fund.** District uses this fund to account for financial resources to be used for park and/or recreational improvements as a result of moneys obtained from the Colorado State Lottery.
- M. **Cost Principal.** Association's and District's policy of accounting for assets at their acquisition cost.
- N. **Debt Service Fund.** District uses this fund to account for the accumulation of resources for and the payment of long-term debts, principal, interest, and related costs as authorized by the District electors.
- O. **Enterprise Fund.** The operating fund of HMGD. It is used to account for all financial resources except those required to be accounted for in another fund. See Debt Service Fund, Assigned Fund Balance, Conservation Trust Fund, and Foundation Fund definitions.
- P. **Heather Gardens Foundation Fund.** District uses this fund to account for donations received by the District and how the donations are used.
- Q. **Inventory.** Supplies and goods on hand and available for use and sale by Association.
- S. **Monthly Operating Analysis (MOA).** A variance analysis of actual revenue and expense compared to the budget for the Association and District.
- T. **Operations Budget.** A plan or forecast for a future period expressed in quantitative terms. Intends to establish objectives, determine needed dues form members and aid in achieving these objectives with the resources available. Applies only to the day-to-day operations of the organization.
- U. **Pooled Cash and Interest.** Association and District each follow the practice of pooling cash and investments to maximize interest earnings. Association funds, as well as all capital program funds, are recorded separately. All District cash, except when required by a trust or other agreements, is deposited to and disbursed from a single bank account.

Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. By District Board action, all interest earned from the Debt Service Fund reduces the mill levy. See VI Investment Procedures for additional information.



V. **Full-Time Equivalent (FTE).** One position filled continuously for one year. FTE does not mean full time employee.

**XII. PREVIOUS JPMs**

- A. PM B-1 Budget Preparation, Administration and Banking, dated September 9, 2014.
- B. PM B-2 Capital Expenditures dated April 11, 2017
- C. PM B-4 Budgeting and Accounting Terms unused in Heather Gardens dated September 9, 2014.

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Jill Bacon, Association President

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David Funk, District President

ATTACHMENT 1

<p><b>HEATHER GARDENS ASSOCIATION ACH PAYMENT AUTHORIZATION FORM</b></p>
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DATE: \_\_\_\_\_

VENDOR: \_\_\_\_\_

AMOUNT: \_\_\_\_\_ ACCOUNT CODE: \_\_\_\_\_  
*(Amount can be an estimate. If estimate, enter the highest amount.)*

PAYMENT START DATE: \_\_\_\_\_ PAYMENT END DATE: \_\_\_\_\_  
*(If no end date, enter Perpetual.)*

PAYMENT FREQUENCY: WEEKLY BI-WEEKLY MONTHLY QUARTERLY ANNUALLY

OTHER: \_\_\_\_\_

DESCRIPTION:

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

\_\_\_\_\_  
Date

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
Date

\_\_\_\_\_  
CHECK SIGNING BOARD MEMBER

\_\_\_\_\_  
Date

ATTACHMENT 2

**HEATHER GARDENS ASSOCIATION and DISTRICT**

PROJECT: \_\_\_\_\_  
 DEPT: \_\_\_\_\_ DATE: \_\_\_\_\_

<b>BUDGET</b>	<b>Budget Amount:</b>	<b>\$</b>	<b>Contract Amount:</b>	<b>\$</b>
Year:	Expended YTD:	\$ 0.00	Change Order Res.:	\$
Tab:	Unexpended Balance:	\$ 0.00	Total Project Cost:	\$
Page:			Add. Funds Requested:	

**DESCRIPTION:**

**JUSTIFICATION:** (Attach backup material as required)

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

**RECOMMENDATION:**

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

ATTACHMENT 3

**HEATHER GARDENS ASSOCIATION & DISTRICT  
CAPITAL RESERVE EXPENDITURE ADVISORY**

PROJECT: \_\_\_\_\_

DEPT: \_\_\_\_\_ DATE: \_\_\_\_\_

BUDGET Year: _____ Tab: _____ Pg: _____	Budget Amount: \$ _____ Expended YTD: \$ _____ Unexp. Balance: \$ _____	Contract Amount: \$ _____ Change Order Res.: \$ _____ Total Project Cost: \$ _____ Add. Funds Request: \$ _____
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**BUDGET & FINANCE REVIEW:**

- Project has been evaluated by recommending Committee.
- Project/Expenditure is planned & part of the Approved Capital Reserve Budget?
- Three (3) Bids were evaluated & part of the due diligence of project.
  - If No, Is this Explained & Reasoning Provided within bid comparison section?
- Project Meets or is Below the Approved Expenditure Budget?
- Will additional monies be required to complete the project?
  - If Yes, will the project still meet or be below budget.
- Has the Expenditure taken place?
  - If no, when will the expense occur?
- Have all Required Signatures for Approval been obtained at the time of review?

**JUSTIFICATION:** (Attach backup material as required)

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

- 1.
- 2.
- 3.

**ADDITIONAL INFORMATION:** (Attach backup material as required)

1. Department Head	2. CFO	3. CEO	4. Department Comm. Chair	5. Budget & Fin. Committee	6. HGA President	7. HGMD President
<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification	<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	<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.

**ATTACHMENT 4**

**In addition to the provisions of this PM the following governing documents must be considered in all budget and finance matters.**

1. Colorado Common Interest Ownership Act (CCIOA)
2. Amended and Restated Condominium Declaration for Heather Gardens
3. Bylaws of the Heather Gardens Association
4. Bylaws of the Heather Gardens Metropolitan District
5. Colorado Special District Act

## ATTACHMENT 5 (SAMPLE)

### HGA AND HGMD BUDGET DEVELOPMENT SCHEDULE FOR 2023 BUDGET YEAR

**DATES:**

Monday, June 20, 2022	B&F Committee Recommends 2023 Budget Development Schedule
Tuesday, June 21, 2022	2023 Budget Development Schedule approved by HGA Board
Thursday, June 23, 2022	2023 Budget Development Schedule approved by HGMD Board
Monday, July 18, 2022	Copy provided to Heather 'n Yon and ARs for posting and sent via PILERA, etc.
Thursday, August 18, 2022	Budget Schedule article provided to Heather 'n Yon for September issue
<hr/>	
Friday, September 9, 2022	Manager's Budget Draft and summary delivered to B&F Committee Members and the Board of Directors of both HGA and HGMD. The budget draft and summary are made available on the website.
Monday, September 26, 2022 through Thursday, September 29, 2022	B&F Committee conducts budget workshops beginning at 9 AM. Budget workshops continue starting at 9 AM on extra days if needed. Directors of HGA and HGMD are strongly urged to attend. B&F Committee recommends 2023 budgets to both Boards. During the budget workshops (September 26 through September 29), the Joint Budget and Finance Committee encourages and will take questions from owners/residents after each section of the budget is reviewed.
Thursday, October 13, 2022	10 AM. At a <b>Special</b> HGMD Board Meeting, the District Board accepts the 2023 proposed budget and conducts a Public Hearing on the proposed 2023 budget. After hearing comments, the Board may modify the budget and adopts its 2023 budget. Owners/residents are encouraged to ask questions regarding the budget at the October 13th Special HGMD Board meeting. Colorado statutes provide that for governmental agencies, the Board of Directors (the Legislative body) sets the final budget.
Thursday, October 13, 2022	1 PM. At a <b>Special</b> HGA Board meeting, the Association Board hears comments and may make changes to the HGA 2023 Budget, approves the 2023 budget, and sets membership veto vote (between 15 and 50 days after notice). Owners/residents are encouraged to ask questions regarding the budget at the October 13th Special HGA Board meeting.
Wednesday, October 19, 2022	Association and District Budget summaries are available on the website and email to the membership. Ballots are mailed to the membership for mail-in voting. Full copies of the Association and District budgets available in the Administrative Office.
Tuesday, November 1, 2022	<b>Auditorium</b>
Wednesday, November 2, 2022	6:30 PM. Evening Membership meeting to present and discuss the budget
Thursday, November 3, 2022	10 AM. Daytime Membership meeting to present and discuss the budget 1 PM. Afternoon time Membership meeting to present and discuss the budget
Friday, November 18, 2022	<b>Veto Ballots</b> are due by close of business (Friday before Thanksgiving) A special committee of volunteers will be assembled to count the ballots. Majority of the membership is required to veto the Board approved budget.
Wednesday, November 23, 2022	Communicate Veto vote results to the community (Day before Thanksgiving)
Thursday, December 15, 2022	District <b>MUST</b> have 2023 property tax mill levy to Arapahoe County by this date.

**Heather Gardens Association Budget and Finance Committee**  
**Date: April 17, 2023**

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**Motion: Recommend to accept and approve the 2022 Heather Gardens Association and Heather Gardens Metropolitan District Audit**

**Project Cost: N/A**

I move that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors and Heather Gardens Metropolitan District Board of Directors accept and approve the 2022 Audit, pending completion of the open items on the lead page of the December 31, 2022, financial statements.

Motion made by:	
Seconded by:	

<b>Outcome of Vote:</b>	
For:	
Against:	
Absent/Abstaining:	
Notes:	

**Rationale/Notes:** After review of the 2022 Audit and discussion with the Audit staff, the Joint Budget and Finance Committee recommends the Heather Gardens Association Board of Directors and Heather Gardens Metropolitan District Board of Directors accept and approve the 2022 Heather Gardens Association and Heather Gardens Metropolitan District Audit, which in the opinion of the Audit staff presents fairly in all material respects, the results of its operations and its cash flow for the year then ended, in accordance with Accounting Principles generally accepted in the United States of America.

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**HEATHER GARDENS ASSOCIATION**

*FINANCIAL STATEMENTS*

*DECEMBER 31, 2022*

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**Open Items:**

- Subsequent event update
- Representation 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, 2022, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022, 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.

### ***Restatement***

As discussed in Note 4 to the financial statements, the fund balance as of December 31, 2021 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### ***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 21 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, prior to the restatement as described in Note 4, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**DATE**

# HEATHER GARDENS ASSOCIATION

## BALANCE SHEET

December 31, 2022

(With Comparative Totals As Of December 31, 2021)

Assets

	2022			2021	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
Cash and cash equivalents	\$ 5,153,129	\$ 5,966,033	\$ —	\$ 11,119,162	\$ 10,929,671
Investments	233,889	4,115,436	—	4,349,325	3,099,247
Accounts and assessments receivable - net of allowance for doubtful accounts of \$65,000 and \$50,000 in 2022 and 2021, respectively	126,431	—	—	126,431	284,149
Other receivables	2,497	47,147	—	49,644	611,228
Prepaid expenses and other	1,430,859	—	—	1,430,859	1,357,906
Inventory	223,487	—	—	223,487	204,030
Interfund receivable (payable)	32,423	(32,423)	—	—	—
Due from the District	136,705	—	—	136,705	114,306
Property and equipment - net of accumulated depreciation of \$1,339,725 and \$1,252,236 in 2022 and 2021, respectively	271,509	—	—	271,509	359,521
Right of use asset - operating lease	19,811	—	—	19,811	—
<b>Total Assets</b>	<b>\$ 7,630,740</b>	<b>\$ 10,096,193</b>	<b>\$ —</b>	<b>\$ 17,726,933</b>	<b>\$ 16,960,058</b>

Liabilities And Fund Balance

Accounts payable	\$ 373,486	\$ —	\$ —	\$ 373,486	\$ 1,066,848
Accrued payroll liabilities	390,570	—	—	390,570	375,499
Other liabilities	42,560	5,000	—	47,560	60,673
Operating lease liability	20,637	—	—	20,637	—
Impound deposits	5,184,401	—	—	5,184,401	4,889,621
Contract liabilities (unearned revenue)	54,801	—	—	54,801	84,021
Contract liabilities (assessments received in advance)	528,812	5,043,745	—	5,572,557	4,297,290
<b>Total Liabilities</b>	<b>6,595,267</b>	<b>5,048,745</b>	<b>—</b>	<b>11,644,012</b>	<b>10,773,952</b>
<b>Fund Balance</b>	<b>1,035,473</b>	<b>5,047,448</b>	<b>—</b>	<b>6,082,921</b>	<b>6,186,106</b>
<b>Total Liabilities And Fund Balance</b>	<b>\$ 7,630,740</b>	<b>\$ 10,096,193</b>	<b>\$ —</b>	<b>\$ 17,726,933</b>	<b>\$ 16,960,058</b>

See notes to the financial statements.

# HEATHER GARDENS ASSOCIATION

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

For The Year Ended December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

	2022			2021	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
<b>Revenues And Gains</b>					
Members' assessments	\$ 10,483,197	\$ 2,078,985	\$ —	\$ 12,562,182	\$ 12,242,798
Other income	187,988	—	—	187,988	203,520
Investment income	8,233	109,693	—	117,926	80,830
Insurance proceeds	—	—	6,634	6,634	589,393
Gain on forgiveness of PPP loan	—	—	—	—	1,058,700
Gain on sale of units held for sale	—	—	—	—	74,900
<b>Total Revenues</b>	<b>10,679,363</b>	<b>2,188,678</b>	<b>6,634</b>	<b>12,874,675</b>	<b>14,250,141</b>
<b>Expenses</b>					
Insurance	1,709,369	—	—	1,709,369	1,583,312
Gas and electricity	1,119,236	—	—	1,119,236	1,090,719
Water and sewer	1,207,734	—	—	1,207,734	1,179,328
Custodial services	448,175	—	—	448,175	456,547
Contract department	226,606	—	—	226,606	220,605
Repairs and maintenance - personnel	1,616,323	—	—	1,616,323	1,608,970
Repairs and maintenance - other	681,067	2,055,503	—	2,736,570	2,425,400
Roads and grounds - personnel	877,918	—	—	877,918	858,721
Roads and grounds - other	258,722	—	—	258,722	223,868
Security - personnel	511,822	—	—	511,822	502,305
Security - other	36,697	—	—	36,697	32,602
Administrative - personnel	968,520	—	—	968,520	1,094,313
Administrative - other	222,436	—	—	222,436	305,072
Painting - personnel	266,843	—	—	266,843	252,061
Painting - other	53,007	—	—	53,007	53,250
Payment in lieu of taxes	19,562	—	—	19,562	59,819
Income taxes	30,174	17,000	—	47,174	69,062
Depreciation and amortization	116,535	51,316	—	167,851	161,662
Insurance claims - repairs	219,001	—	68,595	287,596	703,080
Other expenses	185,483	—	—	185,483	159,859
Investment and advisory fees	713	9,503	—	10,216	9,494
<b>Total Expenses</b>	<b>10,775,943</b>	<b>2,133,322</b>	<b>68,595</b>	<b>12,977,860</b>	<b>13,050,049</b>
<b>Excess (Deficiency) Of Revenues Over Expenses</b>	<b>(96,580)</b>	<b>55,356</b>	<b>(61,961)</b>	<b>(103,185)</b>	<b>1,200,092</b>
<b>Fund Balance - Beginning Of Year</b>	<b>1,108,571</b>	<b>5,077,535</b>	<b>—</b>	<b>6,186,106</b>	<b>4,986,014</b>
<b>Transfers</b>					
From operating - fixed asset capitalization	23,482	(23,482)	—	—	—
Interfund transfer between capital and insurance fund	—	(61,961)	61,961	—	—
<b>Fund Balance - End Of Year</b>	<b>\$ 1,035,473</b>	<b>\$ 5,047,448</b>	<b>\$ —</b>	<b>\$ 6,082,921</b>	<b>\$ 6,186,106</b>

See notes to the financial statements.

# HEATHER GARDENS ASSOCIATION

## STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

Page 1 Of 2

	2022			2021	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
<b>Cash Flows From Operating Activities</b>					
Cash received from homeowners	\$ 11,082,417	\$ 3,402,856	\$ —	\$ 14,485,273	\$ 12,887,444
Cash paid to suppliers	(6,134,473)	(2,069,503)	—	(8,203,976)	(7,632,530)
Cash paid to employees	(4,674,530)	—	—	(4,674,530)	(4,782,947)
Investment income	6,029	84,088	—	90,117	80,553
Income taxes paid	(46,287)	—	—	(46,287)	(25,534)
<b>Net Cash Provided By Operating Activities</b>	<b>183,156</b>	<b>1,417,441</b>	<b>—</b>	<b>1,600,597</b>	<b>476,986</b>
<b>Cash Flows From Investing Activities</b>					
Purchase of property and equipment	(23,482)	—	—	(23,482)	(184,600)
Proceeds from sale of assets	13,387	—	—	13,387	500
Proceeds from insurance claim	—	—	596,027	596,027	—
Cash paid on insurance claim repairs	—	—	(657,988)	(657,988)	—
Sales of certificates of deposit	235,000	452,000	—	687,000	—
Purchases of investments	(233,261)	(1,760,174)	—	(1,993,435)	—
Proceeds from sale of two units held for sale	—	—	—	—	979,000
Investment and advisory fees paid	(713)	(9,503)	—	(10,216)	(9,494)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(9,069)</b>	<b>(1,317,677)</b>	<b>(61,961)</b>	<b>(1,388,707)</b>	<b>785,406</b>
<b>Cash Flows From Financing Activities</b>					
Interfund transfers - fixed assets	23,482	(23,482)	—	—	—
Interfund transfers - capital contributions	—	—	61,961	61,961	—
Interfund borrowing	106,272	(168,233)	—	(61,961)	—
Proceeds (financing) provided to the District	(22,399)	—	—	(22,399)	200,368
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>107,355</b>	<b>(191,715)</b>	<b>61,961</b>	<b>(22,399)</b>	<b>200,368</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>281,442</b>	<b>(91,951)</b>	<b>—</b>	<b>189,491</b>	<b>1,462,760</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>4,871,687</b>	<b>6,057,984</b>	<b>—</b>	<b>10,929,671</b>	<b>9,466,911</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 5,153,129</b>	<b>\$ 5,966,033</b>	<b>\$ —</b>	<b>\$ 11,119,162</b>	<b>\$ 10,929,671</b>

See notes to financial statements.

# HEATHER GARDENS ASSOCIATION

## STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

Page 2 Of 2

	2022			2021	
	Operating Fund	Capital Reserve	Insurance Fund	Total	(Memorandum Only)
<b>Reconciliation Of Excess (Deficiency) Of Revenues Over Expenses To Net Cash Provided By Operating Activities</b>					
Excess revenues over expenses	\$ (96,580)	\$ 55,356	\$ (61,961)	\$ (103,185)	\$ 1,200,092
<b>Adjustments To Reconcile Excess (Deficiency) Of Revenues Over Expenses To Net Cash Provided By (Used In) Operating Activities</b>					
Depreciation and amortization expense	116,535	51,316	—	167,851	161,662
Gain on disposal of assets	(13,387)	—	—	(13,387)	(17,500)
Gain on PPP loan forgiveness	—	—	—	—	(1,058,700)
Gain on sale of CP4	—	—	—	—	(74,900)
Investment and advisory fees	713	9,503	—	10,216	9,494
Interfund transfers - capital contributions	—	—	61,961	61,961	—
Changes in assets and liabilities:					
Accounts and assessments receivable	142,718	—	589,393	732,111	(102,561)
Allowance for doubtful accounts	15,000	—	—	15,000	17,000
Other receivables	(2,204)	(25,605)	—	(27,809)	(277)
Prepaid expenses and other	(145,955)	—	73,032	(72,953)	(33,230)
Other assets - units held for resale	—	—	—	—	(48,250)
Inventory	(19,457)	—	—	(19,457)	5,642
Operating leases	826	—	—	826	—
Accounts payable	(30,937)	—	(662,425)	(693,362)	(91,075)
Accrued payroll liabilities	15,071	—	—	15,071	(10,030)
Other liabilities	(16,113)	3,000	—	(13,113)	25,432
Impound deposits	294,780	—	—	294,780	242,733
Contract liabilities (unearned revenue)	—	—	—	—	(18,032)
Contract liabilities (assessments received in advance)	(77,824)	1,323,871	—	1,246,047	269,486
<b>Total Adjustments</b>	279,736	1,362,085	61,961	1,703,782	(723,106)
<b>Net Cash Provided By Operating Activities</b>	\$ 183,156	\$ 1,417,441	\$ —	\$ 1,600,597	\$ 476,986

See notes to financial statements.



# HEATHER GARDENS ASSOCIATION

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2022

### 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, 2022, 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 7), 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 capital acquisitions and repair and maintenance of the common elements which must be replaced on a periodic basis (the Capital Reserve Fund) (Note 9) 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, 2021, 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. Any Capital Reserve assessments collected in excess of capital acquisitions and major repairs and replacements are held as assessments received in advance. The reconciliation of assessments per the approved budget to recognized revenue for the Operating Fund and Capital Reserve Fund in 2022 are as follows:

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>
Member assessments per the 2022 budget	\$ 10,469,832	\$ 3,402,856
2020 excess assessments applied to 2022	219,850	—
Assessment excess - 2024	(206,485)	—
Change in capital reserve assessments received in advance	—	(1,323,871)
<b>Member Assessment Revenue</b>	<b>\$ 10,483,197</b>	<b>\$ 2,078,985</b>

An excess in assessments from 2020 of \$219,850 was applied to 2022. An excess in assessments from 2021 of \$32,186 will be applied to the year 2023. An excess in assessments from 2022 of \$206,485 will be applied to the year 2024. In accordance with the Declaration, deficient assessments at year end are collectable by the Association in a succeeding year. No such deficient assessments were recognized in 2022.

## HEATHER GARDENS ASSOCIATION

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### Notes To Financial Statements (*Continued*)

#### **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.

#### **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.

## HEATHER GARDENS ASSOCIATION

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### Notes To Financial Statements (*Continued*)

#### Leases

On January 1, 2022, the Association utilized the modified retrospective approach to adopt the provisions of Accounting Standards Codification (ASC) Topic 842, *Leases* (ASC 842), which includes a number of optional practical expedients that entities may elect to apply. The Association has elected certain practical expedients, including the use of hindsight in determining the lease term at transition and in assessing impairment of an entity's right-of-use (ROU) assets and the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The initial adoption of ASC 842 did not result in a cumulative adjustment to fund balance. Results for 2022 are presented under ASC 842, while the 2021 financial statements have not been adjusted and continue to be presented under ASC 840, the accounting standard in effect at that time.

The Association maintains equipment leases. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The ROU assets represent the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Association's leases generally have terms of three to five years. The Association does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. When determining if a renewal option is reasonably certain of being exercised, the factors considered, include but are not limited to, the cost of moving to another location, the cost of disruption of operations, the purpose or location of the leased asset and the terms associated with extending the lease. The Association has not included any termination penalties in its lease payments, nor shortened any lease terms related to options to terminate a lease.

As most leases do not provide an implicit discount rate, the Association has made an election available to private companies that allows the use of the risk-free rate at the lease commencement date to determine the present value of the lease payments.

The Association's operating leases typically contain fixed rent escalations over the lease term, and the Association recognizes expense for these leases on a straight-line basis over the lease term. The Association recognizes the related lease expense on a straight-line basis and records the difference between the recognized lease expense and amounts payable under the lease as part of the ROU asset.

## HEATHER GARDENS ASSOCIATION

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### Notes To Financial Statements (*Continued*)

The Association does not separate non-lease components of a contract from the lease components to which they relate for all classes of lease assets.

#### **Revenue Recognition**

The Association accounts for revenue recognition in accordance with ASC 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.

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 pro-rata basis over the annual period. 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. The performance obligation relating to member assessments on the Capital Reserve Fund is satisfied when the funds are expended for their designated purpose.

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 \$94,730 in 2022.

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 \$71,711 in 2022.

## 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 assessments received in advance, and will be recognized as the performance obligation is satisfied.

The contract liabilities as of December 31, 2022 consisted of the following:

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>
Prepaid assessments	\$ 290,141	\$ —
Operating assessments received in advance	238,671	—
Capital reserve assessments received in advance	—	5,043,745
Other unearned revenue	54,801	—
	<u>\$ 583,613</u>	<u>\$ 5,043,745</u>

#### Income Taxes

The Association qualifies as a tax-exempt homeowners association under Internal Revenue Code Section 528 for the year ended December 31, 2022. 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.

## **HEATHER GARDENS ASSOCIATION**

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### Notes To Financial Statements *(Continued)*

#### **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.

#### **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.

#### **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. Restatement**

The Association has restated its financial statements to apply ASC 606 to its member assessments in the Capital Reserve Fund, which impacts the timing of the recognition of assessment revenues. The impact of this restatement for the year ended December 31, 2021 was as follows: 1) a decrease in member assessments in the Capital Reserve Fund of \$592,484, resulting in a decrease in excess of revenues over expenses for the same amount, 2) a decrease in fund balance - beginning of year of \$3,127,390, and 3) an increase in contract liabilities (assessments received in advance) of \$3,719,874 and decrease in fund balance - end of year of \$3,719,874 at December 31, 2021.

#### **5. Cash And Cash Equivalents**

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.

## HEATHER GARDENS ASSOCIATION

### Notes To Financial Statements (Continued)

#### Cash Deposits

At December 31, 2022, 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	11,566,091	11,118,762
	\$ 11,566,091	\$ 11,119,162

#### 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 \$10,037,969 as of December 31, 2022. Subsequent to year end, the funds deposited in the financial institutions have been further diversified to the point that only \$99,914 exceeds the insured limit as of March 31, 2023.

#### 6. Investments

The Association's investments consist of certificates of deposits, United States treasuries, and annuities and are classified as held-to-maturity. Some of the Association's securities were purchased at a premium or discount to par value. The Association's policy is to amortize the premiums or discounts of 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 2022 amounted to \$56,357. The par value, amortized cost basis, gross unrealized holding gains and fair value as of December 31, 2022 are as follows:

	December 31, 2022			
	Par Value	Amortized Cost	Gross Unrealized Holding Gain	Fair Value
Certificates of deposit	\$ 2,320,000	\$ 2,357,649	\$ (62,254)	\$ 2,295,395
Annuities	1,000,000	1,000,000	18,622	1,018,622
U.S. Treasury bills	1,005,000	991,676	(12,898)	978,778
	\$ 4,325,000	\$ 4,349,325	\$ (56,530)	\$ 4,292,795



## HEATHER GARDENS ASSOCIATION

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### Notes To Financial Statements (*Continued*)

The certificates of deposit have maturities ranging from July 2022 through April 2024. The United States treasuries have maturities ranging from July 2024 through September 2024.

Investment income earned during the year ended December 31, 2022 was \$117,926.

#### **7. 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.

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 expenses of the clubhouse, golf course and restaurant to the District monthly.

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, 2022, there was a balance of \$136,705 receivable from the District.

## HEATHER GARDENS ASSOCIATION

### Notes To Financial Statements (Continued)

#### 8. 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, 2022, the Association has \$5,184,401 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, 2022:

Cash and cash equivalents	\$ 5,153,129
Investments	233,889
Due from the District	136,705
Accounts and assessments receivable, net	<u>126,431</u>
<b>Total</b>	<b><u>\$ 5,682,577</u></b>

#### 9. 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, 2022, the Association accumulated and utilized the following funds:

<b>Balance - Beginning Of Year</b>	\$ 8,799,409
Receipts:	
Annual assessments collected	3,402,856
Interest income	109,693
Disbursements:	
Major repairs and replacements	(2,055,503)
Transfer to the Operating Fund for fixed asset capitalization	(23,482)
Interfund transfer between capital and insurance fund	(61,961)
Income taxes	(14,000)
Premium amortization	(51,316)
Investment and advisory fees	<u>(9,503)</u>
<b>Balance - End Of Year</b>	<b><u>\$ 10,096,193</u></b>

## HEATHER GARDENS ASSOCIATION

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### Notes To Financial Statements (*Continued*)

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 2052 in its 2022 budget. As of December 31, 2022, estimated current replacement costs amounted to \$177,987,946.

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.

## HEATHER GARDENS ASSOCIATION

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Notes To Financial Statements (*Continued*)

### 10. 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 \$20,500, if 49 and younger, or \$27,000, if 50 or older, for 2022. 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 \$125,992 for the year ended December 31, 2022.

### 11. Leases

The Association has operating leases relating to office equipment that expire at various dates through 2026. This lease includes options to extend or terminate the lease that can be exercised at the Association's discretion.

The Company had operating lease costs of \$14,068 for the year ended December 31, 2022 recorded within the administrative - other, repairs and maintenance - other, other expenses in the statement of revenues, expenses and changes in fund balance. This includes short-term leases and variable lease costs, which are immaterial.

Other information related to leases as of December 31 are as follows:

**Other Information:**

Weighted-average remaining term - operating leases, in years	1.53
Weighted-average discount rate - operating leases	2.50%

## HEATHER GARDENS ASSOCIATION

### Notes To Financial Statements (Continued)

The reconciliation of the undiscounted cash flows for each of the next five years and total remaining years of the lease liabilities recorded on the balance sheet is as follows:

Year	Operating Leases
2023	\$ 14,069
2024	6,220
2025	720
2026	60
2027	—
Thereafter	—
Total minimum lease payments	21,069
Less: Amount of lease payments representing accretion	432
Present value of future minimum lease payments	20,637
Less: Current portion	14,069
Long-term lease liabilities	\$ 6,568

## 12. 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 was to be held in other assets until final determination by the insurance company. In 2022, the Association incurred \$68,595 of additional costs and only received \$6,634 of additional proceeds, leaving a final deficit of \$61,961.

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 2022, deficient insurance proceeds of \$61,961 were contributed to the Operating Fund in accordance with Internal Revenue Code Section 118.

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**Required Supplementary Information**

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# HEATHER GARDENS ASSOCIATION

## SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS - UNAUDITED

December 31, 2022

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, 2022
<b>Structure</b>			
Road repair/replace	6 to 30	\$ 4,271,907	*
Road sealcoat	1 to 6	3,655,614	*
Pond renovation	13 to 30	351,823	*
Recirculation lines	38 to 40	24,840	*
Roof replacement	1 to 30	34,638,506	*
Gutter replacement	26 to 30	2,309,622	*
Atrium reglaze	12 to 15	391,348	*
Building fascia	1 to 20	1,322,618	*
Siding replacement	21 to 28	6,086,301	*
Carpet replacement	1 to 30	10,258,457	*
Exterior painting	1 to 8	17,636,168	*
CP pillar fencing	1 to 30	620,268	*
Parking slab renovation	1 to 20	981,909	*
Chair rail installation	1 to 30	2,316,848	*
Main duct insulation replacement	1 to 40	168,263	*
Elevator cab renovation	1 to 30	1,376,746	*
Elevator jacks	1 to 40	1,415,231	*
Boiler replacement bldg. 250	2 to 30	600,654	*
Boiler replacement 4 story	8 to 15	1,531,693	*
Boiler replacement 6 story	9 to 15	857,112	*
Building air handlers	11 to 25	145,252	*
Evap cooler replacement	2 to 10	1,068,590	*
Concrete repairs/handrails	1 to 30	12,288,778	*
Large bldg elect. rm. panel	1 to 20	73,379	*
Water heaters	1 to 30	4,274,357	*
So TH water main repair	20 to 30	36,137	*
Retaining walls	25 to 35	133,204	*
3 special retaining walls	10 to 15	251,000	*
Engineering & specialized contractors quotes/inquiries	1 to 10	2,671,474	*
FPE panel common area	25 to 35	211,749	*
Inspection - electric/lug/connection	25 to 35	121,758	*
Meter panels/closet upgrade to code - 4 story	25 to 35	1,161,962	*
Meter panels/closet upgrade to code - 6 story	25 to 35	2,331,320	*
Plumbing infrastructure inspection	1 to 10	150,000	*
Fire main replacement	30 to 50	1,571,004	*
Fire alarm upgrades	25 to 30	505,273	*
Center stairwell upgrade/replacment	30 to 50	65,175	*
Water wise	30 to 50	140,967	*
R&G air compressor	15 to 20	132,594	*
R&G Snow Raider (plow)	5 to 10	59,208	*
Atrium xeriscape	20 to 30	313,525	*
Parking structure maintenance	30 to 50	17,841,284	*
Access control (35 buildings)	30 to 50	1,762,960	*
Boiler renovation (2 each year)	20 to 30	6,411,536	*
Capital reserve study	3 to 5	364,288	*
Retaining walls (large)	25 to 35	2,625,528	*
Parking slab coating	10 to 20	3,205,770	*
Contingency projects	1 to 30	16,028,843	*
<b>Structure - Subtotal</b>		<b>166,762,843</b>	<b>*</b>
<b>Equipment</b>			
R&G equipment	1 to 30	6,756,449	*
Maintenance equipment	1 to 17	1,530,359	*
Paint equipment	2 to 15	299,346	*
Office equipment	2 to 11	1,964,798	*
Security equipment	3 to 7	605,191	*
Custodial equipment	6 to 15	68,960	*
<b>Equipment - Subtotal</b>		<b>11,225,103</b>	<b>*</b>
<b>Total Capital Reserves</b>		<b>\$ 177,987,946</b>	<b>\$ 5,047,448</b>

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**HEATHER GARDENS  
METROPOLITAN DISTRICT  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**Open Items:**

- Subsequent Events Update
- 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, 2022, 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, 2022, 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 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 opinions. 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 is the responsibility of management and, 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 that collectively comprise the District's basic financial statements. The budget and actual schedule and note to the schedule on pages 27 and 28, 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. The 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

DATE

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**HEATHER GARDENS METROPOLITAN DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2022**

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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, 2022. Please read it in conjunction with the District's financial statements, which begin on page 9.

**Description of the District and its Relationship with the Heather Gardens Association**

**Community** Heather Gardens is an age-restricted community of active, independent adults. It is located on 200 acres of land in the southeast Denver metro area less than a mile from I-225, RTD's Nine-Mile light rail station, and Cherry Creek State Park and reservoir. It consists of 2,426 condominium units, townhouses and patio homes and properties. Two separate organizations have been formed to administer the community properties and business activities. They are Heather Gardens Association (Association) and the District

**The Association.** The Association was incorporated in January 1973 as a corporation to act as manager of the condominium units. The Association levies assessment fees to unit 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.

**The 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, clubhouse, and restaurant.

**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)

## HEATHER GARDENS METROPOLITAN DISTRICT

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### Management's Discussion And Analysis (*Continued*)

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, 2022. 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.

### Financial Highlights

- The District's net position increased by \$149,565 or 3.0% 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 \$169,491 or 6.7% from revenues in 2021. The District's operating expenses increased \$157,962 or 6.0% from expenses in 2021.
- Non-operating revenues decreased by \$20,048 or 3.6% as a result of an increase in property taxes collected, and higher bond interest income. This increase was partially offset by a reduction in the fair market value of long-term investments of \$16,791. There was a slight decrease in Conservation Trust Fund entitlement.
- Non-operating Expenses had a slight increase of \$765.
- 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 \$280,000 or 3.5%

# HEATHER GARDENS METROPOLITAN DISTRICT

## Management's Discussion And Analysis (Continued)

### Financial Summary and Analysis

#### Capital Assets

	2022	2021	2020
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	10,460	32,195	18,515
Property, furniture and equipment	16,411,207	16,223,625	16,078,770
Less accumulated depreciation	(7,944,139)	(7,401,522)	(6,847,098)
<b>Total Capital Assets - Net</b>	<b>\$ 10,335,718</b>	<b>\$ 10,712,488</b>	<b>\$ 11,108,377</b>

For additional information, see note 4.

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

	2022	2021	2020
Current assets	\$ 2,700,989	\$ 2,389,189	\$ 2,209,103
Noncurrent assets	277,637	356,595	395,242
Capital assets, net of accumulated depreciation	10,335,718	10,712,488	11,108,377
<b>Total Assets</b>	<b>13,314,344</b>	<b>13,458,272</b>	<b>13,712,722</b>
<b>Deferred Outflows of Resources</b>	<b>582,096</b>	<b>614,585</b>	<b>647,074</b>
Current liabilities	606,724	612,145	728,123
Long-term liabilities	7,715,681	8,039,207	8,352,734
<b>Total Liabilities</b>	<b>8,322,405</b>	<b>8,651,352</b>	<b>9,080,857</b>
<b>Deferred Inflows of Resources</b>	<b>503,744</b>	<b>500,779</b>	<b>493,757</b>
Invested in capital assets, net of related debt	2,912,133	3,007,866	3,132,717
Restricted	293,532	352,058	412,900
Unrestricted	1,864,626	1,560,802	1,239,565
<b>Total Net Position</b>	<b>\$ 5,070,291</b>	<b>\$ 4,920,726</b>	<b>\$ 4,785,182</b>
Operating revenues	\$ 2,707,884	\$ 2,538,393	\$ 2,114,718
Nonoperating revenues	553,540	550,283	617,448
<b>Total Revenues</b>	<b>3,261,424</b>	<b>3,088,676</b>	<b>2,732,166</b>
Operating expenses	2,774,540	2,616,578	2,492,944
Nonoperating expenses	337,319	336,554	381,157
<b>Total Expenses</b>	<b>3,111,859</b>	<b>2,953,132</b>	<b>2,874,101</b>
<b>Changes In Net Position</b>	<b>149,565</b>	<b>135,544</b>	<b>(141,935)</b>
<b>Ending Net Position</b>	<b>\$ 5,070,291</b>	<b>\$ 4,920,726</b>	<b>\$ 4,785,182</b>



# HEATHER GARDENS METROPOLITAN DISTRICT

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## Management's Discussion And Analysis (*Continued*)

The District's non-operating revenue increased \$3,257 due to increased property taxes, higher bond interest income, but partially offset by a reduction in fair market value of long-term investments. 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 increases were offset by a small decrease in the Conservation Trust Fund (lottery) entitlement.

### Long-Term Debt Outstanding

	<u>2022</u>	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 7,405,000	\$ 7,685,000	\$ 7,955,000

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 2022, the District paid down the principal by \$280,000 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

Following the partial closures in 2021 from the COVID-19 pandemic, the District budgeted for all business sectors to be fully operational in 2022.

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's facilities were fully open in 2022 following the partial closures in 2021 from the COVID-19 pandemic. As a result, operating revenues increase by 6.7% as compared to 2021. Management expects revenue to increase in 2023 as it implements price increases across all business sectors.

### 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, 2022

(With Comparative Totals As Of December 31, 2021)

### Assets And Deferred Outflows Of Resources

	2022	2021
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,336,460	\$ 1,010,096
Investments	729,390	750,000
Property tax receivable	503,744	500,779
Accounts receivable, net of allowance for doubtful accounts of \$1,000 in both 2022 and 2021	7,376	24,789
Prepaid expenses	59,117	50,935
Inventory	43,040	41,182
Due from the Foundation	2,635	
Other current assets	19,227	11,408
<b>Total Current Assets</b>	<b>2,700,989</b>	<b>2,389,189</b>
<b>Noncurrent Assets</b>		
Cash restricted	277,637	356,595
Nondepreciable capital assets	1,735,460	1,757,195
Intangible assets	133,190	133,190
Depreciable capital assets, net of accumulated depreciation of \$7,944,139 and \$7,401,522 in 2022 and 2021, respectively	8,467,068	8,822,103
<b>Total Noncurrent Assets</b>	<b>10,613,355</b>	<b>11,069,083</b>
<b>Total Assets</b>	<b>13,314,344</b>	<b>13,458,272</b>
<b>Deferred Outflows Of Resources</b>		
Deferred loss on 2010 bond refunding	582,096	614,585
<b>Liabilities, Deferred Inflows Of Resources And Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	7,404	61,972
Interest payable	24,683	25,617
Deposits	13,189	13,653
Due to the Association	136,705	114,306
Due to the Foundation	—	1,100
Unearned revenue	111,779	92,533
Unspent insurance claim	22,964	22,964
Current portion of bonds payable	290,000	280,000
<b>Total Current Liabilities</b>	<b>606,724</b>	<b>612,145</b>
<b>Long-Term Liabilities</b>		
Bonds payable	7,715,681	8,039,207
<b>Total Liabilities</b>	<b>8,322,405</b>	<b>8,651,352</b>
<b>Deferred Inflows Of Resources</b>		
Unearned property tax revenue	503,744	500,779
<b>Net Position</b>		
Net investment in capital assets	2,912,133	3,007,866
Restricted	293,532	352,058
Unrestricted	1,864,626	1,560,802
<b>Total Net Position</b>	<b>\$ 5,070,291</b>	<b>\$ 4,920,726</b>

## HEATHER GARDENS METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For The Year Ended December 31, 2022 (With Comparative Totals For The Year Ended December 31, 2021)

	2022	2021
<b>Operating Revenue</b>		
Recreation use fees	\$ 1,497,128	\$ 1,516,879
Golf course fees	451,488	445,303
Restaurant income	556,279	430,184
Clubhouse fees	169,366	116,158
Recreational vehicle lot rentals	30,577	26,165
Other operating revenue	3,046	3,704
<b>Total Operating Revenue</b>	<b>2,707,884</b>	<b>2,538,893</b>
<b>Operating Expenses</b>		
Clubhouse, golf course, recreational vehicle lot	1,418,697	1,318,651
Depreciation	551,681	574,695
Restaurant expenses	684,158	558,949
Professional services and insurance	112,991	133,299
Other operating expenses	7,013	30,984
<b>Total Operating Expenses</b>	<b>2,774,540</b>	<b>2,616,578</b>
<b>Operating Loss</b>	<b>(66,656)</b>	<b>(78,185)</b>
<b>Nonoperating Revenue</b>		
Property taxes	500,753	493,757
Specific ownership taxes	32,060	33,937
Conservation Trust Fund entitlement	20,182	20,726
Gain on disposition of assets	1,534	—
Investment earnings (loss)	(989)	1,863
<b>Total Nonoperating Revenue</b>	<b>553,540</b>	<b>550,283</b>
<b>Nonoperating Expenses</b>		
Interest	306,466	317,300
Amortization of deferred loss on bond refunding and discount	32,489	32,489
Other nonoperating expenses	31,890	20,292
Amortization of bond premium, net	(33,526)	(33,527)
<b>Total Nonoperating Expenses</b>	<b>337,319</b>	<b>336,554</b>
<b>Change In Net Position</b>	<b>149,565</b>	<b>135,544</b>
<b>Net Position - Beginning Of Year</b>	<b>4,920,726</b>	<b>4,785,182</b>
<b>Net Position - End Of Year</b>	<b>\$ 5,070,291</b>	<b>\$ 4,920,726</b>

# HEATHER GARDENS METROPOLITAN DISTRICT

## STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

Page 1 Of 2

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Payments received from customers	\$ 2,740,344	\$ 2,573,818
Payments to suppliers for goods and services	(2,265,068)	(2,242,801)
<b>Net Cash Provided By Operating Activities</b>	<b>475,276</b>	<b>331,017</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Specific ownership taxes	32,060	33,937
Other nonoperating expenses	(31,890)	(20,292)
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>170</b>	<b>13,645</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Property taxes levied for debt service, net	500,753	493,757
Principal paid on long-term debt	(280,000)	(270,000)
Interest paid on long-term debt	(307,400)	(324,385)
Conservation Trust Fund entitlement	20,182	20,726
Acquisition of property and equipment	(174,911)	(178,806)
Cash received from sale of property	1,534	—
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(239,842)</b>	<b>(258,708)</b>
<b>Cash Flows From Investing Activities</b>		
Maturities of certificates of deposit	750,000	—
Purchase of investments	(746,181)	—
Investment earnings	7,983	1,863
<b>Net Cash Provided By Investing Activities</b>	<b>11,802</b>	<b>1,863</b>
<b>Net Increase In Cash And Cash Equivalents</b>	<b>247,406</b>	<b>87,817</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>1,366,691</b>	<b>1,278,874</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,614,097</b>	<b>\$ 1,366,691</b>
Cash and cash equivalents	\$ 1,336,460	\$ 1,010,096
Cash restricted	277,637	356,595
<b>Total Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,614,097</b>	<b>\$ 1,366,691</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Unrealized loss on investments	\$ (16,791)	\$ —

# HEATHER GARDENS METROPOLITAN DISTRICT

## STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

Page 2 Of 2

	2022	2021
<b>Reconciliation Of Loss From Operations To Net Cash</b>		
<b>Provided By Operating Activities</b>		
Operating loss	\$ (66,656)	\$ (78,185)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	551,681	574,695
Changes in assets:		
Receivables	14,778	7,263
Prepaid expenses	(8,182)	(50,935)
Inventory	(1,858)	(2,928)
Changes in liabilities:		
Accounts payable	(55,668)	54,413
Due to the Association	22,399	(200,368)
Deposits	(464)	117
Unearned revenue	19,246	26,945
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 475,276</b>	<b>\$ 331,017</b>

# HEATHER GARDENS METROPOLITAN DISTRICT

## STATEMENT OF FIDUCIARY NET POSITION

December 31, 2022

(With Comparative Totals For The Year Ended December 31, 2021)

	Heather Gardens Foundation Custodial Fund	
	2022	2021
<b>Assets</b>		
Cash and cash equivalents restricted	\$ 40,018	\$ 38,293
Investments restricted	148,872	150,000
Due from the District	—	1,100
<b>Total Assets</b>	<b>188,890</b>	<b>189,393</b>
<b>Liabilities</b>		
Due to the District	2,635	—
<b>Net Position</b>		
Restricted	186,255	189,393
<b>Total Net Position</b>	<b>\$ 186,255</b>	<b>\$ 189,393</b>

**HEATHER GARDENS METROPOLITAN DISTRICT**

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For The Year Ended December 31, 2022**  
**(With Comparative Totals For The Year Ended December 31, 2021)**

	<b>Heather Gardens Foundation Custodial Fund</b>	
	<b>2022</b>	<b>2021</b>
<b>Additions</b>		
Donations	\$ 3,308	\$ 2,956
Investment income on certificates of deposit	1,415	233
<b>Total Additions</b>	<b>4,723</b>	<b>3,189</b>
<b>Deductions</b>		
Other expenses	7,861	1,574
<b>Change In Net Position</b>	<b>(3,138)</b>	<b>1,615</b>
<b>Net Position - Beginning Of Year</b>	<b>189,393</b>	<b>187,778</b>
<b>Net Position - End Of Year</b>	<b>\$ 186,255</b>	<b>\$ 189,393</b>

# HEATHER GARDENS METROPOLITAN DISTRICT

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

### 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

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### 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

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### 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 Investments**

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

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### 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 2021 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

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### 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 Investments**

#### **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, 2022, the District's cash deposits at financial institutions had a book balance of \$2,532,377 and a corresponding bank balance of \$2,524,600. Of the bank balance, \$1,254,463 was covered by federal depository insurance with multiple banks. The remainder of the bank balance, \$1,270,137, 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, 2022, the District's cash deposits and investments had the following book and bank balances:

	<u>Book</u>	<u>Bank</u>
Deposits with financial institutions - unrestricted	\$ 1,335,710	\$ 1,330,295
Deposits with financial institutions - restricted	317,655	317,258
Investments	878,262	877,047
Cash on hand	750	—
	<u>\$ 2,532,377</u>	<u>\$ 2,524,600</u>

At December 31, 2022, 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	\$ 1,336,460	\$ —	\$ 1,336,460
Cash and cash equivalents restricted	277,637	40,018	317,655
	<u>\$ 1,614,097</u>	<u>\$ 40,018</u>	<u>\$ 1,654,115</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

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### 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 Investments**

In accordance with Colorado Revised Statutes, the District maintains a separate bank account for the Custodial Fund. At December 31, 2022, the balance of this fund was \$40,018. The Custodial Fund also held \$148,872 in investments as of December 31, 2022.

The District restricted cash to meet the bond reserve requirements for servicing the bonds in the amount of \$127,417 at December 31, 2022.

In accordance with Colorado Revised Statutes, the District maintains a separate bank account for the Conservation Trust Fund entitlement. At December 31, 2022, the balance of these funds were \$149,823.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant unobservable inputs; and Level 3 inputs are significant unobservable inputs.

The District had a recurring fair value measurement for U.S. Government and U.S. Treasury securities of \$878,262 as of December 31, 2022. The securities are measured using Level 2 inputs. They are measured by a third-party custodian utilizing actual transactions of similar securities, with the same rating and structure, as of that point in time. These measurements are based on various market and industry inputs, including institutional bond quotes, market prices and independent market data analysis.

# HEATHER GARDENS METROPOLITAN DISTRICT

## Notes To Basic Financial Statements (Continued)

Investments by fair value level as of December 31, 2022 are as follows:

Investments By Fair Value Level	December 31, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. agency notes	\$ 246,122	\$ —	\$ 246,122	\$ —
U.S. treasury notes	632,140	—	632,140	—
<b>Total Investments By Fair Value Level</b>	<b>\$ 878,262</b>	<b>\$ —</b>	<b>\$ 878,262</b>	<b>\$ —</b>

At December 31, 2022, the District had the following investments and maturities:

Investment Type	Fair Value	S&P Rating	Maturity
U.S. agency notes	\$ 246,122	AA+	2024
U.S. treasury notes	632,140	AAA	2023-2024
<b>Total Investments</b>	<b>\$ 878,262</b>		

### 4. Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2022 is as follows:

	Balance - January 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance - December 31, 2022
<b>Business-Type Activities:</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,725,000	\$ —	\$ —	\$ 1,725,000
Construction in progress	32,195	10,460	(32,195)	10,460
Intangible asset (City of Aurora water rights)	133,190	—	—	133,190
<b>Total Nondepreciable Capital Assets</b>	<b>1,890,385</b>	<b>10,460</b>	<b>(32,195)</b>	<b>1,868,650</b>
<b>Depreciable Capital Assets</b>				
Property and equipment	13,371,518	171,352	—	13,542,870
Furniture and equipment	1,286,777	14,997	(9,064)	1,292,710
Restaurant equipment	218,793	10,297	—	229,090
Restaurant and pro shop renovation	1,346,537	—	—	1,346,537
<b>Total Depreciable Capital Assets</b>	<b>16,223,625</b>	<b>196,646</b>	<b>(9,064)</b>	<b>16,411,207</b>
<b>Total Capital Assets</b>	<b>18,114,010</b>	<b>207,106</b>	<b>(41,259)</b>	<b>18,279,857</b>
<b>Accumulated Depreciation</b>	<b>(7,401,522)</b>	<b>(551,681)</b>	<b>9,064</b>	<b>(7,944,139)</b>
<b>Net Depreciable Capital Assets</b>	<b>8,822,103</b>	<b>(355,035)</b>	<b>—</b>	<b>8,467,068</b>
<b>Total Capital Assets, Net Of Depreciation</b>	<b>\$ 10,712,488</b>	<b>\$ (344,575)</b>	<b>\$ (32,195)</b>	<b>\$ 10,335,718</b>

## HEATHER GARDENS METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

#### 5. Long-Term Obligations

The following is an analysis of changes in long-term obligations for the year ended December 31, 2022:

	Balance - January 1, 2022	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Series 2017 General Obligation Refunding Bonds	\$ 7,685,000	\$ —	\$ (280,000)	\$ 7,405,000	\$ 290,000
Premium on Series 2017 General Obligation Refunding Bonds	634,207	—	(33,526)	600,681	33,526
<b>Total Long-Term Obligations</b>	<b>\$ 8,319,207</b>	<b>\$ —</b>	<b>\$ (313,526)</b>	<b>\$ 8,005,681</b>	<b>\$ 323,526</b>

#### 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
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	340,000	247,000	587,000
2028 - 2032	1,900,000	1,021,000	2,921,000
2033 - 2037	2,315,000	608,800	2,923,800
2038 - 2042	1,620,000	131,200	1,751,200
	<b>\$ 7,405,000</b>	<b>\$ 3,121,400</b>	<b>\$ 10,526,400</b>

#### 6. Net Position

##### District Net Position

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



## HEATHER GARDENS METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (Continued)

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, 2022, the District had net position invested in capital assets, which is calculated as follows:

Capital assets - net of accumulated depreciation	\$ 10,335,718
Capital-related borrowings	(8,005,681)
Deferred loss on 2010 bond refunding	<u>582,096</u>
	<u>\$ 2,912,133</u>

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, 2022:

<b>Restricted</b>	
TABOR emergency reserves	\$ 15,984
Conservation Trust Fund	149,735
Debt service	<u>127,813</u>
<b>Total</b>	<u>\$ 293,532</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.

## HEATHER GARDENS METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (Continued)

The Foundation had the following restricted net position as of December 31, 2022:

<b>Restricted</b> Foundation	<u>\$ 186,255</u>
<b>Total</b>	<u><u>\$ 186,255</u></u>

## 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, 2022. 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 expenses of the clubhouse, golf course and restaurant to the District monthly.

## HEATHER GARDENS METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

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.

At December 31, 2022, there was \$136,705 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.

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### Supplementary Information

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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.

DRAFT FOR  
DISCUSSION PURPOSES  
ONLY

# 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, 2022

	Original And Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>			
Recreation use fees	\$ 1,496,736	\$ 1,497,128	\$ 392
Golf course fees	426,008	451,488	25,480
Restaurant income	603,015	556,279	(46,736)
Clubhouse fees	173,270	169,366	(3,904)
Recreational vehicle lot rentals	29,520	30,577	1,057
Other operating revenues	—	3,046	3,046
Property taxes	500,785	500,753	(32)
Specific ownership taxes	33,500	32,060	(1,440)
Conservation Trust Fund entitlement	19,000	20,182	1,182
Investment loss	1,732	(989)	(2,721)
<b>Total Revenues</b>	<b>3,283,566</b>	<b>3,259,890</b>	<b>(23,676)</b>
<b>Expenditures</b>			
Operating:			
Clubhouse, golf course, recreational vehicle lot	1,487,149	1,418,697	68,452
Restaurant expenses	703,831	684,158	19,673
Professional services	79,025	62,056	16,969
Insurance	56,690	50,935	5,755
Other operating expenses	4,784	7,013	(2,229)
Debt service:			
Principal	280,000	280,000	—
Interest	306,470	306,466	4
Other nonoperating expenses	—	23,369	(23,369)
County Treasurer's collection fees	7,915	7,521	394
Bank payee fee	1,400	1,000	400
Capital outlay	397,293	174,911	222,382
<b>Total Expenditures</b>	<b>\$ 3,324,557</b>	<b>3,016,126</b>	<b>\$ 308,431</b>
<b>Excess Of Revenues Over Expenditures</b>		<b>243,764</b>	
Adjustments to GAAP basis:			
Depreciation		(551,681)	
Bond principal payments		280,000	
Amortization of bond premium, net		33,526	
Amortization of deferred loss on bond refunding and discount		(32,489)	
Capital outlay		174,911	
Gain on sale of asset		1,534	
<b>Changes In Net Position Per Statement Of Revenues, Expenses And Changes In Net Position - GAAP Basis</b>		<b>\$ 149,565</b>	

# HEATHER GARDENS METROPOLITAN DISTRICT

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## 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.

**Heather Gardens Association Budget and Finance Committee**  
**Date: April 17, 2023**

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**Motion: Recommend 2023 Roof Replacement Project Buildings 215, 218, 220 and 241**

**Project Cost: \$1,895,962**

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the contract with Terpstra Roofing to remove and replace the roofs for Buildings 215, 218, 220, and 241. The contract calls for the removal of the existing saturated foam roofs and the installation of 90 mil Versico EPDM roofs. The contract price is \$1,723,602, with a change order of \$172,362 for a total cost of \$1,895,962. This is a budgeted line item of \$1,707,750. Total project cost is not to exceed \$1,895,962 without prior HGA Board approval.

Motion made by:	
Seconded by:	

<b>Outcome of Vote:</b>	
For:	
Against:	
Absent/Abstaining:	
Notes:	

**Rationale/Notes:** The original budgeted amount of \$1,707,750 was expected to cover the costs of replacing the roofs on three buildings. Terpstra's initial bid for three roofs was \$1,303,970. As explained in more detail on the attached RCE, Terpstra provided an additional bid to cover a fourth roof at a cost of \$419,632 for a total of \$1,723,602, which is just above the budget amount of \$1,707,750. Management feels that due to the imminent need to replace the foam roofs, it would be wise to take advantage of some better-than-expected pricing to have four roofs replaced in 2023. All four of these roofs have had active leaks in the past year.

# HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

F825

PROJECT: 2023 Roof Replacement Project; Buildings 215, 218, 220 and 241 – Terpstra Offer, adding B220

DEPT: Contracts

DATE: 4/6/23

<b>BUDGET</b>	<b>Budget Amount:</b> \$1,707,750	<b>Contract Amount:</b> \$1,723,602
Year: 2023	Expended YTD: \$ 0.00	Change Order Res.: \$172,360.20
Tab:	Unexpended Balance: \$ 0.00	<b>Total Project Cost:</b> \$1,895,962.20
Page:		Add. Funds Requested:

**DESCRIPTION:** This project includes removal and replacement of the existing foam and built-up roofs at Buildings 215, 218, 220 and 241. The new roof is a Versico 90mil, fully adhered EPDM roof with a 30-year warranty and 2" hail warranty. The roof will include an 1/8" per foot taper to provide proper roof drainage. Each building receiving a new roof will also receive new scuppers, downspouts, and metal roof cap to give the project a finished look.

**JUSTIFICATION:** (Attach backup material as required)  
 Heather Gardens has partnered with Rocky Mountain Reps. to provide an in-depth analysis of each building roofs existing condition. By using infrared scans and performing in-person inspections Rocky Mountain Reps. provided an evaluation for each of (36) multi-story building roofs throughout the Heather Gardens Community. (Please see attached RMR Evaluation Summary) Building 215 is currently 25% saturated and currently has an active leak. Building 218 is 85% saturated and had a leak in February 2023 that was repaired temporarily until replacement. Building 220's roof is 60% saturated, showing "water bedding" and needs replacing. Building 220's roof was drained to prevent leaking into the building temporarily. Building 241 is 20% saturated and currently has an active leak. There are several roofs throughout the community with a high percentage of saturation, needing replacement. Building roofs with an active leak take priority over roofs with higher saturation.

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

Terpstra Roofing: Add Building 220 to 2023 Re-Roof project for \$419,632.  
 Total Cost to replace; B215, 218, 220, and 241: \$1,723,602.

**RECOMMENDATION:** The recommendation is to approve a contract with Terpstra Roofing to remove and replace the existing saturated foam and built-up roof with a 90mil Versico EPDM Roof at Buildings 215, 218, 220 and 241. Terpstra Roofing successfully re-roofed Buildings 221 and 222 in 2022 with no change orders. If the HGA Board approves to add Building 220 to the 2023 Re-Roof project the project will be over budget by \$15,852 minus change orders (if any). Terpstra has presented additional offerings the other bidding contractors have not. (Please see attached) Additional Terpstra offerings include but not limited to; Re-paint Roof Hatches Safety Red, Walk-off pads at no additional cost to be installed at locations selected by the HG Contracts Manager and Maintenance Facilities Engineer. Terpstra provides a weekly report, including photos of progress, keeping HGA staff informed with weekly progress. Terpstra offers repairs and leak control at roofs where needed, will paint behind new downspouts, and add increased slope at all scuppers to provide enhanced drainage. Terpstra is also offering a 95mph wind warranty in lieu of the specified 55mph. Lastly, Terpstra is offering a no change order guarantee within reason. (Damaged concrete deck will not be included). The cost to add Building 220 to the 2023 Roofing Project is \$419,632. The total cost to replace the roofs at B215, 218, 220, and 241 is \$1,723,602. We have included a 10% change order reserve in the amount of \$172,360.20 in the event an unforeseen condition arises and needs attention to complete the project. This project will not exceed \$1,895,962.20 without prior HGA 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.



2023 Roofing Project - Buildings 215, 218, and 241					
	Terpstra Roofing	Modern Roofing	B&M Roofing of Colorado	Tecta America	Turner Morris
	303-921-1800 <a href="mailto:erik@terpstraroofi ng.com">erik@terpstraroofi ng.com</a>	720-404-4466 <a href="mailto:nic@modernroofco. com">nic@modernroofco. com</a>	303-6412237 <a href="mailto:jweber@bmroofi ng.com">jweber@bmroofi ng.com</a>	303-573-5953 <a href="mailto:jaycook@tectaaamer ica.com">jaycook@tectaaamer ica.com</a>	720-315-9451 <a href="mailto:craigb@turnerm orris.com">craigb@turnerm orris.com</a>
Per Plans and Specifications	yes	yes	yes	yes	yes
Sales Tax	yes	yes	yes	yes	yes
<b>Roof Demolition</b>					
Remove existing spray foam and BUR roof down to concrete deck.	yes	yes	yes	yes	yes
<b>Roof Insulation</b>					
Code Acceptable Full Tapper at 1/8" per ft.	yes	yes	yes	yes	yes
2 layers pf 2.6 Versicore Polyiso or Versico EPS Insulation	yes	yes	yes	yes	yes
1/3" Securshield HD or 1/2" Dens Deck Prime	yes	yes	yes	yes	yes
CAV-GRIP 3V Low-VOC Aerosol Contact Adhesive/ Primer	yes	yes	yes	yes	yes
<b>Fully Adheared EPDM Membrane Roofing</b>					
(30) year total system warranty.	yes	yes	yes	yes	yes
Extended Warranty for 100mph Winds - Metal Cap	yes	yes	yes	yes	yes
Versico 90mil EPDM	yes	yes	yes	yes	yes

90mil Black	yes	yes	yes	yes	yes	yes
Replace Air Handler and Elevator Machine Rm Roof - 90 mil Versico EPDM	yes	yes	yes	yes	yes	yes
Replace small back roof 90mil EPDM	yes	yes	yes	yes	yes	yes
Insulation - R30 - City of Aurora may allow for new roof system with less than R30, considering concrete deck at 6" thick	yes	yes	yes	yes	yes	yes
Underlayment Board 1/2" - Securshield HD or 1/2" Dens Deck Prime	yes	yes	yes	yes	yes	yes
All Flashing - At raised curbs to meet building code.	yes	yes	yes	yes	yes	yes
Cover board over insulation - Dens Deck on Securshield	yes	yes	yes	yes	yes	yes
Clean up - Trash Shoot/ Dumpster and Daily Clean up, preventing foam from disBURsing through the community	yes	yes	yes	yes	yes	yes
Inspections - City of Aurora and Manufactures	yes	yes	yes	yes	yes	yes
Walk-off Pads (90) for all (3) Buildings	yes	yes	yes	yes	yes	yes

Flashing and Sheet Metal						
Sheet metal flashing - Raising the existing RTU unit and supplying new metal cap.	yes	yes	yes	yes	yes	yes
Flashing and Counter Flashing - Metal Era ES-1 Fascia	yes	yes	yes	yes	yes	yes
Gutters	yes	yes	yes	yes	yes	yes
Downspouts	yes	yes	yes	yes	yes	yes
Scuppers/ Rain Collection Boxes - New Double Wrapped.	yes	yes	yes	yes	yes	yes
Metal Roof Vent Hoods	yes	yes	yes	yes	yes	yes
Raise parapet walls to meet code. Finish with 90mil EPDM over parapet per Versico Warranty Requirements	yes	yes	yes	yes	yes	yes
HVAC Room Door - Shorten Door and add storm curb to allow full operation after adding insulation height.	yes	yes	yes	yes	yes	yes
<b>Base Bid</b>	<b>\$1,485,210</b>	<b>\$1,851,256</b>	<b>\$2,047,965</b>	<b>\$2,250,059</b>	<b>\$2,182,200</b>	
<b>Alternate Options Descriptions (Recommended Options Highlighted in Grey)</b>						

#1. If the City of Aurora allows new roof system with less than R30 min insulation the overall cost is reduced by:	(\$181,240.00)	(\$296,531.00)	TBD	(\$246,614.00)	TBD
#2. Cost Reduction Option: 60mil 20 year Warranty 1" Hail Warranty	(\$84,515)	(\$156,062)	(\$37,851)	(\$246,614)	TBD
#3. Cost Increase to change from black to white EPDM	\$74,000	\$40,160	\$74,685	\$48,961	\$53,466
#4. Unit Price for Wood Nailer Replacement as Needed - <b>Unknown Not Included in Total Below</b>	Included	\$8/LF	\$8.20/LF	\$7.75/LF	\$4.55/LF
#5. Walk-off Pads - 30"x30" 30/Building. 90 Total. 225LF Needed	Included at HG's desired locations	\$48/LF = \$10,800	\$28.50/LF = \$6,412.50	\$111.72LF = \$25,137	\$15.99/LF = \$3,597.75
<b>Total with Options</b>	<b>\$1,303,970</b>	<b>\$1,565,525</b>	<b>\$2,054,377.50</b>	<b>\$2,028,582</b>	<b>\$2,185,797.75</b>

March 8, 2023

**BIDS DUE BY April 4th, 2023 by Close of Business - EMAILED TO DON.OGORMAN@HEATHERGARDENSMAIL.COM**

I, Erik Terpstra have carefully examined the specifications entitled "Heather Gardens Bldg. 215/218/241 Re-Roofing Project" dated March 8th, 2023 and have examined the on-site conditions and hereby submit the following bid for the work listed and specified.

**Scope of work, to include but not limited to:**

- Remove existing SPF foam roof and BUR down to concrete deck or substrate
- Install new Versico Fully Adhered 90 mil Non-Reinforced EPDM roof system to include; code acceptable taper for proper drainage, two layers of 2.6" VersiCore polyiso OR Versico EPS insulation, 1/2" Securshield HD+ OR 1/2" Dens Deck Prime .
- Remove and install new Metal Era ES-1 fascia OR coping, new collector heads and down spouts.
- All curbs and penetration to be raised and flashed per local building code. Roofing contractor responsible for this scope of work to include raising RTU(s) & furnish and install new RTU cap(s). At the evaporative cooler unit ROOFER responsible to raise the unit, adhere EPDM to horizontal/top of curb, install NEW Stainless Steel cap, reset the unit and properly reconnect.
- Replace metal roof vents with like kind.
- Engineer/Reinforce Existing Safety Tie-offs to comply with safety standards and guidelines.
- Replace Air Handler roof and elevator roof with adhered 90 mil Versico EPDM.
- Double wrap scuppers with uncured membrane per Heather Gardens building standard.
- Remove and Replace the small roof on the back of the building adjacent to the front entry way.
- Fully Tapered system sloping toward the scuppers.
- Raise parapet walls to meet code as required. Finish with 60 or 90 mil EPDM over parapet wall, per Versico warranty requirements.
- Shorten HVAC Room Door and add storm curb to allow full operation after adding insulation height.
- 30 year Total System, 2" hail warranty.

**PRICING  
 BUILDING 215**

Item No.		Unit Price
1	<b>BUILDING 215 - BASE BID PRICE</b>	\$ 504,485
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ -\$59,172
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ -26,917
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ +25,000
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ INCLUDED
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ INCLUDED

Item No.	BUILDING 218	Unit Price
1	<b>BUILDING 218 - BASE BID PRICE</b>	\$ <b>481,364</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>-64,265</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>-28,479</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>+23,000</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>INCLUDED</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>INCLUDED</b>
<b>BUILDING 241</b>		
1	<b>BUILDING 241 - BASE BID PRICE</b>	\$ <b>499,361</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>-57,803</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>-29,119</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>+26,000</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>INCLUDED</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>INCLUDED</b>
<b>ALL BUILDINGS 215/218/241</b>		
1	<b>BUILDINGS 215/218/241 (COMBINED) - BASE BID PRICE</b>	\$ <b>1,485,210</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>-181,240</b> <b>1,303,970 total</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>-84,515</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>+74,000</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>INCLUDED</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>INCLUDED</b>
The contractor will begin work within <b>21</b> days from notice to proceed.		
The contractor agrees to complete the project by <b>DECEMBER</b> , 2023. (Weather permitting)		
<b>TERPSTRA ROOFING</b>		(Company Name)
		(Authorized Signature)
<b>ERIK TERPSTRA</b>		(Print Name)
<b>OWNER</b>		(Title)
(Date) <b>4/4/23</b>		Price to add Building 220: \$419,632 (no R30) Total price to do 215,218,241 & 220: \$1,723,602 (no R30)



Terpstra Roofing  
303.921.1800  
erik@terpstraroofing.com  
5671 Emporia Street  
Denver, CO 80238

4/4/2023

### Terpstra Roofing Additional Offerings

Terpstra Roofing is proud to serve the Heather Gardens Association Community.  
Our bid is all-inclusive and includes the following complimentary services:

- On all roofs that Terpstra Roofing completes, all roof hatches will be painted in a fresh coat of safety red (or HG's choice) to stand out with a new roof.
- Walkpads are included and will be installed wherever Heather Gardens prefers, even if they are not locations included in specifications.
- A detailed photo report with comments will be submitted every week to show the prior week's progress. This report can be sent to anyone who submits their email.
- Terpstra Roofing will walk each roof they have completed and will prepare a detailed photo report to show the status and condition of the roof. Small repairs of less than \$2,500 will be completed. This will ensure the roof is in great condition and will last the full term of the warranty.
- Before roofing work begins on Buildings 215, 218 & 241 and any other roofs Terpstra Roofing is awarded, Terpstra Roofing will maintain the roofs and locate leaks until roofing work begins.
- Terpstra Roofing will paint behind downspouts to ensure no leaks occur from removing and installing new downspouts. This also helps the buildings look fresh and new.
- Superior warranty that exceeds specified warranty (Terpstra Roofing will secure a 95mph wind speed warranty instead of the 55mph wind speed in the specifications).



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erik@terpstraroofing.com  
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Denver, CO 80238

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- Applying the proven method we have utilized in the past, we will install increased slope at scuppers to increase drainage performance. This gets water off the roof, faster.
- While actively under contract as Heather Garden's roofing contractor, Terpstra Roofing will provide complimentary roof leak repairs of up to \$2,500 per repair. Repairs exceeding \$2,500 will be performed at cost.
- Year to date, Terpstra Roofing has completed \$2,650 of repairs.
- All pipe penetrations will be raised to HG's preferred height at no cost.
- Terpstra Roofing will regularly clean up the grounds to ensure they're not littered with trash and/or debris.
- Terpstra Roofing will regularly monitor the external doors to ensure the building is closed and secure.
- Just as we have been in the past, Terpstra Roofing is committed to ensuring Heather Gardens is satisfied with their roofs. Past examples of this commitment include but are not limited to the following complimentary services:
  - Fabricated and installed metal channel to hide cable on 221
  - Fabricated and installed stainless steel caps for swamp coolers
  - Fabricated and installed fascia extenders for roof above patios on 221 & 222
  - Raised all penetrations on 221.
  - Increased wind warranty (95mph)
  - Terpstra Roofing has included many of the items now in the specifications into their bid, before they were in the specs
- Terpstra Roofing has now completed three roofs at Heather Gardens. This means we have the experience and expertise for a complete and full bid.
- No change orders, guaranteed.





Terpstra Roofing  
303.921.1800  
erik@terpstraroofting.com  
5671 Emporia Street  
Denver, CO 80238

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4/4/2023

**TO HEATHER GARDENS:**

Terpstra Roofing has thoroughly reviewed the specifications provided and is proposing a 30-year roof system for Buildings 215,218 & 241 for the price of \$1,485,210 for R30 and \$1,303,970 for no R30 insulation. Terpstra Roofing guarantees no change orders outside of unforeseen circumstances for these prices and scopes.

If Heather Gardens chooses, Terpstra Roofing is also proposing to add Building 220 for \$419,632. Terpstra Roofing proposes completing Buildings 215, 218, 241 & 220 for \$1,723,602 (no R30 price). Terpstra Roofing again guarantees no change orders outside of unforeseen circumstances for these prices and scopes.

Terpstra Roofing will work as quickly and safely as possible to do our best to complete all four roofs by the end of the year if Heather Gardens chooses this option.

Thank you,

**Erik Terpstra**

**Terpstra Roofing, LLC**

erik@terpstraroofting.com

303.921.1800



Terpstra Roofing  
303.921.1800  
erik@terpstraroofting.com  
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Denver, CO 80238

## Terpstra Roofing Building 241 HVAC Code Requirements

According to Colorado Code for HVAC units, Terpstra Roofing will hire Tryg, a licensed HVAC company for ensuring the removal and re-installation of the large HVAC unit on 241 is done correctly. The scope is included in our bid and includes:

- A crane will be onsite for raising and lowering of the unit.
- Safe disconnect of the electrical, evaporative section and gas lines.
- Removal of the existing Reznor MUA unit, and placement within an area of the building.
- Terpstra Roofing will build a taller box for the HVAC unit to sit on that will raise it above the new height of the newly installed insulation.
- Terpstra Roofing will then cover the new box with new 90-mil EPDM on all four sides, per specifications.
- Terpstra Roofing will fabricate and install a new stainless-steel cap for under the HVAC unit, per specifications.
- Reinstall the existing Reznor MUA unit.
- Removal of the Evaporative Section of the MUA Unit.
- Reinstall of the Evaporative Section of the MUA Unit.
- Raise the two existing electrical outlets up ~8" from their current height to accommodate for the new insulation and taper system.
- Retrofit the gas lines to raise up to ~8" to accommodate for the new insulation and taper system.
- Safe start and check for proper operating procedures.
- Paint gas lines in safety yellow, per code.

March 8, 2023

**BIDS DUE BY April 4th, 2023 by Close of Business - EMAILED TO DON.OGORMAN@HEATHERGARDENSMAIL.COM**

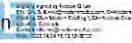
I, Nicolas Gillan have carefully examined the specifications entitled "Heather Gardens Bldg. 215/218/241 Re-Roofing Project" dated March 8th, 2023 and have examined the on-site conditions and hereby submit the following bid for the work listed and specified.

**Scope of work, to include but not limited to:**

- Remove existing SPF foam roof and BUR down to concrete deck or substrate
- Install new Versico Fully Adhered 90 mil Non-Reinforced EPDM roof system to include; code acceptable taper for proper drainage, two layers of 2.6" VersiCore polyiso OR Versico EPS insulation, 1/2" Securshield HD+ OR 1/2" Dens Deck Prime .
- Remove and install new Metal Era ES-1 fascia OR coping, new collector heads and down spouts.
- All curbs and penetration to be raised and flashed per local building code. Roofing contractor responsible for this scope of work to include raising RTU(s) & furnish and install new RTU cap(s). At the evaporative cooler unit ROOFER responsible to raise the unit, adhere EPDM to horizontal/top of curb, install NEW Stainless Steel cap, reset the unit and properly reconnect.
- Replace metal roof vents with like kind.
- Engineer/Reinforce Existing Safety Tie-offs to comply with safety standards and guidelines.
- Replace Air Handler roof and elevator roof with adhered 90 mil Versico EPDM.
- Double wrap scuppers with uncured membrane per Heather Gardens building standard.
- Remove and Replace the small roof on the back of the building adjacent to the front entry way.
- Fully Tapered system sloping toward the scuppers.
- Raise parapet walls to meet code as required. Finish with 60 or 90 mil EPDM over parapet wall, per Versico warranty requirements.
- Shorten HVAC Room Door and add storm curb to allow full operation after adding insulation height.
- 30 year Total System, 2" hail warranty.

**PRICING  
 BUILDING 215**

Item No.		Unit Price
1	<b>BUILDING 215 - BASE BID PRICE</b>	\$ 605,335.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ 106,674.00
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 55,333.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 13,340.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 48.00
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.00

Item No.	BUILDING 218	Unit Price
1	<b>BUILDING 218 - BASE BID PRICE</b>	\$ 601,335.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ 107,674.00
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 55,333.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 12,340.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 48.00
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.00
<b>BUILDING 241</b>		
1	<b>BUILDING 241 - BASE BID PRICE</b>	\$ 691,551.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ 110,687.00
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 48,396.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 14,812.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 48.00
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.00
<b>ALL BUILDINGS 215/218/241</b>		
1	<b>BUILDINGS 215/218/241 (COMBINED) - BASE BID PRICE</b>	\$ 1,851,256.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ 296,531.00
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 156,062.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 40,160.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 48.00
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.00
The contractor will begin work within <u>Forty Five (45)</u> days from notice to proceed.		
The contractor agrees to complete the project by <u>100% complete by December 31, 2023</u> , 2023. (Weather permitting)		
Modern Roof Co _____		(Company Name)
Nicolas Gillan  _____		(Authorized Signature)
Nicolas Gillan _____		(Print Name)
Owner _____		(Title)
April 4, 2023 _____		(Date)

March 8, 2023

**BIDS DUE BY April 4th, 2023 by Close of Business - EMAILED TO DON.OGORMAN@HEATHERGARDENSMAIL.COM**

I, **Jay Cook of Tecta Colorado** have carefully examined the specifications entitled "Heather Gardens Bldg. 215/218/241 Re-Roofing Project" dated March 8th, 2023 and have examined the on-site conditions and hereby submit the following bid for the work listed and specified.

**Scope of work, to include but not limited to:**

- Remove existing SPF foam roof and BUR down to concrete deck or substrate
- Install new Versico Fully Adhered 90 mil Non-Reinforced EPDM roof system to include; code acceptable taper for proper drainage, two layers of 2.6" VersiCore polyiso OR Versico EPS insulation, 1/2" Securshield HD+ OR 1/2" Dens Deck Prime .
- Remove and install new Metal Era ES-1 fascia OR coping, new collector heads and down spouts.
- All curbs and penetration to be raised and flashed per local building code. Roofing contractor responsible for this scope of work to include raising RTU(s) & furnish and install new RTU cap(s). At the evaporative cooler unit ROOFER responsible to raise the unit, adhere EPDM to horizontal/top of curb, install NEW Stainless Steel cap, reset the unit and properly reconnect.
- Replace metal roof vents with like kind.
- Engineer/Reinforce Existing Safety Tie-offs to comply with safety standards and guidelines.
- Replace Air Handler roof and elevator roof with adhered 90 mil Versico EPDM.
- Double wrap scuppers with uncured membrane per Heather Gardens building standard.
- Remove and Replace the small roof on the back of the building adjacent to the front entry way.
- Fully Tapered system sloping toward the scuppers.
- Raise parapet walls to meet code as required. Finish with 60 or 90 mil EPDM over parapet wall, per Versico warranty requirements.
- Shorten HVAC Room Door and add storm curb to allow full operation after adding insulation height.
- 30 year Total System, 2" hail warranty.

**Exclusions:**

- **All repairs/modifications that may be required to the low voltage cable TV system on building #241 are excluded.**

**Note: Contractor recommends that owner allocate \$15,000 per building for landscaping repair that may be required.**

**PRICING  
 BUILDING 215**

Item No.		Unit Price
1	<b>BUILDING 215 - BASE BID PRICE</b>	<b>\$ 734,477.00</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	<b>\$ (82,867.00)</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	<b>\$ (23,206.00)</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	<b>\$ 16,201.00</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	<b>\$ 111.72</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	<b>\$ 7.75</b>

Item No.	BUILDING 218	Unit Price
1	<b>BUILDING 218 - BASE BID PRICE</b>	\$ <b>709,536.00</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>(79,231.00)</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>(22,768.00)</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>16,035.00</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>111.72</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>7.75</b>
<b>BUILDING 241</b>		
1	<b>BUILDING 241 - BASE BID PRICE</b>	\$ <b>806,046.00</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>(84,516.00)</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>(23,206.00)</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>16,725.00</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>111.72</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>7.75</b>
<b>ALL BUILDINGS 215/218/241</b>		
1	<b>BUILDINGS 215/218/241 (COMBINED) - BASE BID PRICE</b>	\$ <b>2,250,059.00</b>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <b>246,614.00</b>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <b>69,180.00</b>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <b>48,961.00</b>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <b>111.72</b>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <b>7.75</b>
The contractor will begin work within <u>    <b>Thirty</b>    </u> days from notice to proceed.		
The contractor agrees to complete the project by <u>    <b>November 30, 2023</b>    </u> , 2023.		
(Weather permitting)		
<b>Tecta America Colorado LLC</b>		(Company Name)
		(Authorized Signature)
<b>James (Jay) S. Cook</b>		(Print Name)
<b>Senior Estimating Manager</b>		(Title)
(Date)		

March 8, 2023

**BIDS DUE BY April 4th, 2023 by Close of Business - EMAILED TO DON.OGORMAN@HEATHERGARDENSMAIL.COM**

I, John Weber have carefully examined the specifications entitled "Heather Gardens Bldg. 215/218/241 Re-Roofing Project" dated March 8th, 2023 and have examined the on-site conditions and hereby submit the following bid for the work listed and specified.

**Scope of work, to include but not limited to:**

- Remove existing SPF foam roof and BUR down to concrete deck or substrate
- Install new Versico Fully Adhered 90 mil Non-Reinforced EPDM roof system to include; code acceptable taper for proper drainage, two layers of 2.6" VersiCore polyiso OR Versico EPS insulation, 1/2" Securshield HD+ OR 1/2" Dens Deck Prime .
- Remove and install new Metal Era ES-1 fascia OR coping, new collector heads and down spouts.
- All curbs and penetration to be raised and flashed per local building code. Roofing contractor responsible for this scope of work to include raising RTU(s) & furnish and install new RTU cap(s). At the evaporative cooler unit ROOFER responsible to raise the unit, adhere EPDM to horizontal/top of curb, install NEW Stainless Steel cap, reset the unit and properly reconnect.
- Replace metal roof vents with like kind.
- Engineer/Reinforce Existing Safety Tie-offs to comply with safety standards and guidelines.
- Replace Air Handler roof and elevator roof with adhered 90 mil Versico EPDM.
- Double wrap scuppers with uncured membrane per Heather Gardens building standard.
- Remove and Replace the small roof on the back of the building adjacent to the front entry way.
- Fully Tapered system sloping toward the scuppers.
- Raise parapet walls to meet code as required. Finish with 60 or 90 mil EPDM over parapet wall, per Versico warranty requirements.
- Shorten HVAC Room Door and add storm curb to allow full operation after adding insulation height.
- 30 year Total System, 2" hail warranty.

**PRICING  
 BUILDING 215**

Item No.			Unit Price
1	<b>BUILDING 215 - BASE BID PRICE</b>	\$	656,569.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$	NA
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$	12,617.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$	24,895.00
<b>PROJECT UNIT PRICING</b>			
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$	28.50/LF
5	Provide (per LF) unit price for wood nailer replacement as needed	\$	8.20/LF

Item No.	BUILDING 218	Unit Price
1	<b>BUILDING 218 - BASE BID PRICE</b>	\$ 630,300.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ NA
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 12,617.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 24,895.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 28.50/LF
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.20/LF
<b>BUILDING 241</b>		
1	<b>BUILDING 241 - BASE BID PRICE</b>	\$ 761,096.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ NA
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 12,617.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 24,895.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 28.50/LF
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.20/LF
<b>ALL BUILDINGS 215/218/241</b>		
1	<b>BUILDINGS 215/218/241 (COMBINED) - BASE BID PRICE</b>	\$ 2,047,965.00
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ NA
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ 37,851.00
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ 74,685.00
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ 28.50/LF
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ 8.20/LF
The contractor will begin work within <u>August 21, 2023</u> days from notice to proceed.		
The contractor agrees to complete the project by <u>November 30</u> , 2023. (Weather permitting)		
B & M Roofing of Colorado, Inc.		(Company Name)
		(Authorized Signature)
John Weber		(Print Name)
Project Manager		(Title)
(Date)		



March 8, 2023

**BIDS DUE BY April 4th, 2023 by Close of Business - EMAILED TO DON.OGORMAN@HEATHERGARDENSMAIL.COM**

I Craig Buzzard have carefully examined the specifications entitled "Heather Gardens Bldg. 215/218/241 Re-Roofing Project" dated March 8th, 2023 and have examined the on-site conditions and hereby submit the following bid for the work listed and specified.

**Scope of work, to include but not limited to:**

- Remove existing SPF foam roof and BUR down to concrete deck or substrate
- Install new Versico Fully Adhered 90 mil Non-Reinforced EPDM roof system to include; code acceptable taper for proper drainage, two layers of 2.6" VersiCore polyiso OR Versico EPS insulation, 1/2" Securshield HD+ OR 1/2" Dens Deck Prime .
- Remove and install new Metal Era ES-1 fascia OR coping, new collector heads and down spouts.
- All curbs and penetration to be raised and flashed per local building code. Roofing contractor responsible for this scope of work to include raising RTU(s) & furnish and install new RTU cap(s). At the evaporative cooler unit ROOFER responsible to raise the unit, adhere EPDM to horizontal/top of curb, install NEW Stainless Steel cap, reset the unit and properly reconnect.
- Replace metal roof vents with like kind.
- Engineer/Reinforce Existing Safety Tie-offs to comply with safety standards and guidelines.
- Replace Air Handler roof and elevator roof with adhered 90 mil Versico EPDM.
- Double wrap scuppers with uncured membrane per Heather Gardens building standard.
- Remove and Replace the small roof on the back of the building adjacent to the front entry way.
- Fully Tapered system sloping toward the scuppers. ✓
- Raise parapet walls to meet code as required. Finish with 60 or 90 mil EPDM over parapet wall, per Versico warranty requirements.
- Shorten HVAC Room Door and add storm curb to allow full operation after adding insulation height.
- 30 year Total System, 2" hail warranty.

**PRICING  
 BUILDING 215**

Item No.		Unit Price
1	<b>BUILDING 215 - BASE BID PRICE</b>	\$ <u>\$ 711,700</u>
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ <u>TBD</u>
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ <u>- \$ 52,689</u>
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ <u>+ \$ 18,079</u>
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ <u>\$ 15.99</u>
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ <u>\$ 4.55</u>

Item No.	BUILDING 218	Unit Price
1	<b>BUILDING 218 - BASE BID PRICE</b>	\$ \$ 702,500
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ TBD
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ - \$51,062
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ + \$17,592
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ \$15.99
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ \$4.55
<b>BUILDING 241</b>		
1	<b>BUILDING 241 - BASE BID PRICE</b>	\$ \$ 778,000
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ TBD
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ - \$51,902
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ + \$17,795
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ \$15.99
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ \$4.55
<b>ALL BUILDINGS 215/218/241</b>		
1	<b>BUILDINGS 215/218/241 (COMBINED) - BASE BID PRICE</b>	\$ \$ 2,182,200
2	<b>COST DEDUCTION</b> - if the City and County of Aurora allows the new roof system with less than R30 minimum insulation the overall cost is reduced by this amount, to include labor, material and equip costs	\$ TBD
3	<b>COST DEDUCTION OPTION</b> - please list the total cost deduction to reduce the system to 60 mil EPDM, 20 year, 1" Hail Total System Warranty	\$ - \$155,653
4	<b>COST ADD OPTION</b> - please list the total cost increase to change from black to white 90 mil EPDM	\$ + 53,466
<b>PROJECT UNIT PRICING</b>		
4	Provide (per LF) unit price for additional walkpads at owners discretion	\$ \$15.99
5	Provide (per LF) unit price for wood nailer replacement as needed	\$ \$4.55
The contractor will begin work within <u>60 days</u> days from notice to proceed.		
The contractor agrees to complete the project by <u>Determined by which building(s) awarded</u> , 2023. (Weather permitting)		
<u>Turner Morris Inc.</u> (Company Name)		
<u>[Signature]</u> (Authorized Signature)		
<u>Craig Buzzard</u> (Print Name)		
<u>Assistant Project Manager</u> (Title)		
(Date) <u>4/4/2023</u>		



# ROCKY MOUNTAIN REPS INC.

Building	Initial Status	Est. Wet % of Roof	Notes
218	Re-Roof	85%	1/4 in 12 slope, concrete deck, hail impacts per report, extremely wet throughout, extreme concern for added weight
219	Re-Roof	75%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos, extremely wet, concern for weight
220	Re-Roof	60%	1/4 in 12 slope, concrete deck, hail impacts per report, wet throughout, concern for weight
221	Re-Roof	50%	1/4 in 12 slope, concrete deck, hail impacts per report, wet throughout, concern for weight
224	Re-Roof	60%	1/4 in 12 slope, concrete deck, hail impacts per report, wet throughout, concern for weight
215	Poor	25%	1/4 in 12 slope, concrete deck, suspected hail impacts
222	Poor	20%	1/4 in 12 slope, concrete deck, suspected hail impacts, moisture appears in roof system
223	Poor	20%	1/4 in 12 slope, concrete deck, suspected hail impacts, moisture appears in roof system
231	Poor	15%	1/4 in 12 slope, concrete deck, hail impacts per report, approx 15% wet per report
236	Poor	20%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos
241	Poor	20%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos
208	Okay	3%	1.5 in 12 slope, wood deck, hail impacts through granular coating
212	Okay	4%	1.5 in 12 slope, wood deck, hail impacts through granular coating
213	Okay	4%	1/4 in 12 slope, concrete deck, suspected hail impacts
214	Okay	2%	1/4 in 12 slope, concrete deck, suspected hail impacts
217	Okay	2%	1/4 in 12 slope, concrete deck, suspected hail impacts, report fairly poor and pretty inconclusive
232	Okay	15%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos
234	Okay	15%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos
235	Okay	18%	1/4 in 12 slope, concrete deck, hail impacts per report, ponding water per photos, delam in some minor areas
201	Good		
202	Good		
203	Good		
204	Good		
205	Good		
206	Good		
207	Good		
209	Good		
210	Good		
211	Good	0%	1.5 in 12 slope, wood deck, hail impacts through granular coating
	=		Based on immediate review this roof looked to need some repairs but looks to have some life in it still.
	=		Based on immediate review this roof looked to need some repair/areas removed and replaced. Possible re-coat as well. Need more reporting.
	=		Based on immediate review this roof looked to be in poor condition and should be considered for major repairs or full replacement. Need more reporting.
	=		Based on immediate review this roof looked to be in substantial deterioration and is suggested for immediate replacement based on available reports.

# VersiGard® Black EPDM (Non-Reinforced) Adhered

*Bldg.'s 215/218/241 Re-Roofing Project*  
April 2022

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## **PART 1 GENERAL**

### **1.01 DESCRIPTION**

- A. The “Bldg.’s 215/218/241 Re-Roofing Project” is located at Heather Gardens, Aurora, CO. Don O’Gorman, Contracts Manager, is the lead point of contact and may be contacted regarding any questions or for a pre-bid job site inspection, phone (720) 974-6906.
- B. The project consists of installing Versico’s VersiGard (black) EPDM Adhered Roofing System as outlined below:

Apply the Fully Adhered EPDM Roofing System in conjunction with adhering two layers of 2.6” VersiCore polyiso, full taper expanded polystyrene OR taper polyiso and ½” Securshield HD Plus OR ½” Dens Deck Prime cover board after tear off of the existing spray foam and built up roof systems to expose the poured in place concrete deck for verification of suitable substrate as specified in this specification.

Additionally, at the roof perimeter apply the Fully Adhered EPDM Roofing System flashing to perimeter for proper flashing per Versico current specifications and detail after tear off of the existing spray foam and built up roof system flashings to expose the concrete, masonry or wood substrate. Prior to installation of product all NON-SUITABLE or deteriorated substrate is to be removed and replace with new substrate acceptable to the owner.

After installation of the Fully Adhered EPDM Roofing System and flashings installation of all new perimeter Metal Era ANSI/SPRI/FM 4434 ES-1 compliant edge system and proper fascia extenders where needed (patio roof area).

### **1.02 EXTENT OF WORK**

- A. Provide all labor, material, tools, equipment, and supervision necessary to complete the installation of a VersiGard 90-mil thick EPDM membrane Fully Adhered Roofing System including flashings and insulation as specified herein and as indicated on the drawings in accordance with the manufacturer’s most current specifications and details.
- B. The roofing contractor shall be fully knowledgeable of all requirements of the contract documents and shall make themselves aware of all job site conditions that will affect their work.
- C. The roofing contractor shall confirm all given information and advise the building owner, prior to bid, of any conflicts that will affect their cost proposal.
- D. No manufacture substitutions allowed.

### 1.03 SUBMITTALS

- A. Prior to starting work, the roofing contractor must submit the following:
  - 1. Shop drawings showing layout, details of construction and identification of materials.
  - 2. Sample of the manufacturer's Total Systems Warranty covering all components of the roofing system.
  - 3. Submit a letter of certification from the manufacturer which certifies the roofing contractor is authorized to install the manufacturer's roofing system.
  - 4. Certification of the manufacturer's warranty reserve.
- B. Upon completion of the installed work, submit copies of the manufacturer's final inspection report to the specifier prior to the issuance of the manufacturer's warranty.

### 1.04 PRODUCT DELIVERY, STORAGE AND HANDLING

- A. Deliver materials to the job site in the manufacturer's original, unopened containers or wrappings with the manufacturer's name, brand name and installation instructions intact and legible. Deliver in sufficient quantity to permit work to continue without interruption.
- B. Comply with the manufacturer's written instructions for proper material storage.
  - 1. Store materials between 60°F and 80°F in dry areas protected from water and direct sunlight. If exposed to lower temperature, restore to 60°F minimum temperature before using.
  - 2. Store materials containing solvents in dry, well ventilated spaces with proper fire and safety precautions. Keep lids on tight. Use before expiration of their shelf life.
- C. Insulation and underlayment products must be on pallets, off the ground and tightly covered with waterproof materials. Manufacturer's wrap does not provide sufficient waterproofing. Insulation and underlayment products that become wet or saturated are to be discarded.
- D. Any materials which are found to be damaged shall be removed and replaced at the contractor's expense.

### 1.05 WORK SEQUENCE

- A. Schedule and execute work to prevent leaks and excessive traffic on completed roof sections. Care should be exercised to provide protection for the interior of the building and to ensure water does not flow beneath any completed sections of the membrane system.
- B. Do not disrupt activities in occupied spaces.

### 1.06 USE OF THE PREMISES

- A. Before beginning work, the roofing contractor must secure approval from the building owner's representative for the following:
  - 1. Areas permitted for personnel parking.
  - 2. Access to the site.
  - 3. Areas permitted for storage of materials and debris.

4. Areas permitted for the location of cranes, hoists and chutes for loading and unloading materials to and from the roof.
- B. Interior stairs or elevators may not be used for removing debris or delivering materials, except as authorized by the building superintendent.

### 1.07 EXISTING CONDITIONS

If discrepancies OR deterioration are discovered between the existing conditions, roof deck, substrate, wood, etc. and those noted on the drawings/specifications, immediately notify the owner's representative by phone and solicit the manufacturer's approval prior to commencing with the work. Necessary steps shall be taken to make the building watertight until the discrepancies are resolved.

### 1.08 PRE-CONSTRUCTION CONFERENCE

- A. A pre-bid meeting will be held at the job site on March 8<sup>th</sup> at 10am. Contact the owner's representative, Don O'Gorman – Contracts Manager, at (720) 974-6906 if there are any questions.
- B. Prior to bid submittal, the roofing contractor should schedule a job site inspection to observe actual conditions and verify all dimensions on the roof. The job site inspection may occur on the day of the pre-bid meeting or prior to such a meeting. Should access to the roof be necessary before or after the pre-bid meeting, the contractor must contact the owner's representative, Don O'Gorman – Contracts Manager, at (720) 974-6906 to coordinate an appropriate time.
- C. Bids must be forwarded to the following address no later than April 4<sup>th</sup>, 2023 prior to close of business. Email Bids are acceptable:  

**Heather Gardens Association**  
**Attn: Don O'Gorman**  
**2887 S. Heather Gardens Way**  
**Aurora, CO 80014**  
**Email: [don.ogorman@heathergardensmail.com](mailto:don.ogorman@heathergardensmail.com)**
- D. Any conditions which are not shown on the shop drawings should be indicated on a copy of the shop drawing and included with bid submittal if necessary to clarify any conditions not shown.

### 1.09 TEMPORARY FACILITIES AND CONTROLS

- A. Temporary Utilities:
  1. Water, power for construction purposes and lighting are available at the site and will be made available to the roofing contractor.
  2. Provide all hoses, valves and connections for water from source designated by the owner when made available.
  3. When available, electrical power should be extended as required from the source. Provide all trailers, connections and fused disconnects.
- B. Temporary Sanitary Facilities  

Sanitary facilities will not be available at the job site. The roofing contractor shall be responsible for the provision and maintenance of portable toilets or their equal.

C. Building Site:

1. The roofing contractor shall use reasonable care and responsibility to protect the building and site against damages. The contractor shall be responsible for the correction of any damage incurred as a result of the performance of the contract.
2. The roofing contractor shall remove all construction debris from the job site in a timely and legally acceptable manner so as to not detract from the aesthetics or the functions of the building.
3. Hourly/Daily Clean Up is required by Heather Gardens. All demolition and debris created by the existing roof removal must be disposed of daily during the construction process. Hourly/daily care to be taken to limit the air born dust and waste. REFER TO SECTION CLEANLINESS GUIDELINES.

D. Security:

Obey the owner's requirements for personnel identification, inspection and other security measures.

### 1.10 JOB SITE PROTECTION

- A. The roofing contractor shall adequately protect building, paved areas, service drives, lawn, shrubs, trees, etc. from damage while performing the required work. Provide canvas, boards and sheet metal (properly secured) as necessary for protection and remove protection material at completion. The contractor shall repair or be responsible for costs to repair all property damaged during the roofing application.
- B. During the roofing contractor's performance of the work, the building owner will continue to occupy the existing building. The contractor shall take precautions to prevent the spread of dust and debris, particularly where such material may sift into the building. The roofing contractor shall provide labor and materials to construct, maintain and remove necessary temporary enclosures to prevent dust or debris in the construction area(s) from entering the remainder of the building.
- C. Do not overload any portion of the building, either by use of or placement of equipment, storage of debris, or storage of materials.
- D. Protect against fire and flame spread. Maintain proper and adequate fire extinguishers.
- E. Take precautions to prevent drains from clogging during the roofing application. Remove debris at the completion of each day's work and clean drains, if required. At completion, test drains to ensure the system is free running and drains are watertight. Remove strainers and plug drains in areas **where work is in progress**. Install flags or other telltales on plugs. Remove plugs each night and screen drain.
- F. **Roof Leak Prevention – Daily walk-through, making sure all scuppers, downspouts, and exposed roof are watertight prior to leaving for the night. Restoration cost due to leaks into the building will be the contractors responsibility.**
- G. Store moisture susceptible materials above ground and protect with waterproof coverings.
- H. Remove all traces of piled bulk materials and return the job site to its original condition upon completion of the work.

### 1.11 SAFETY

The roofing contractor shall be responsible for all means and methods as they relate to safety and shall comply with all applicable local, state and federal requirements that are safety related. **Safety shall be the responsibility of the roofing contractor.** All related personnel shall be instructed daily to be mindful of the full time requirement to

maintain a safe environment for the facility's occupants including staff, visitors, customers and the occurrence of the general public on or near the site. **ROOFING CONTRACTOR TO SUBMIT COMPANY AND ROOF PROJECT SPECIFIC SAFETY PROTOCOLS FOR HEATHER GARDENS APPROVAL.**

### 1.12 WORKMANSHIP

- A. Contractors installing new roof, flashing and related work shall be factory trained and approved by the manufacturer they are representing.
- B. All work shall be of highest quality and in strict accordance with the manufacturer's published specifications and to the building owner's satisfaction.
- C. There shall be a supervisor on the job site at all times while work is in progress.
- D. All field seams and flashing details are to be completed according to manufacturer's specifications and details by the end of each work day.

### 1.13 QUALITY ASSURANCE

- A. The VersiGard(Black) Non-Reinforced EPDM Roofing System must achieve a UL Class A.
- B. The manufacturer shall have domestic manufacturing experience commensurate with the term of warranty coverage of the products supplied.
- C. **Unless otherwise noted in this specification, the roofing contractor must strictly comply with ALL local code requirements and the manufacturer's current specifications and details. If there is a discrepancy the most stringent requirement of the two will prevail.**
- D. The roofing system must be installed by an contractor authorized and trained by the manufacturer in compliance with shop drawings as approved by the manufacturer. The roofing contractor shall be thoroughly experienced and upon request be able to provide evidence of having at least five (5) years successful experience installing single-ply EPDM roofing systems and having installed at least one (1) EPDM roofing application or several similar systems of equal or greater size within one year.
- E. Provide adequate number of experienced workmen regularly engaged in this type of work who are skilled in the application techniques of the materials specified. Provide at least one thoroughly trained and experienced superintendent on the job at all times roofing work is in progress.
- F. There shall be no deviations made from this specification or the approved shop drawings without the prior written approval of the owner or specifier. Any deviation from the manufacturer's installation procedures must be supported by a written certification on the manufacturer's letterhead and presented for the specifier's consideration.
- G. Upon completion of the installation, the contractor shall arrange for an inspection to be made by a non-sales technical representative of the membrane manufacturer in order to identify any needed corrective repairs that will be required for warranty issuance. Notify the building owner seventy-two (72) hours prior to the manufacturer's final inspection.
- H. Inspector shall be employed and trained by the manufacturer and have received product-specific training from the manufacturer of the products.
- I. The VersiGard EPDM Membrane exceeds 41,580 kJ/m<sup>2</sup> under Xenon-Arc UV Light testing used for testing "Resistance to Outdoor (Ultraviolet) Weathering." (ASTM D 4637 Specification requires a 7560 kJ/m<sup>2</sup> minimum total radiant exposure at 70 W/m<sup>2</sup> irradiance at 176°F black panel temperature to pass.)The membrane shows no visible signs of cracking or crazing.



## 1.14 JOB CONDITIONS, CAUTIONS AND WARNINGS

Refer to Versico's EPDM Roofing System specification for General Job Site Considerations.

- A. Material Safety Data Sheets (MSDS) must be on location at all times during the transportation, storage and application of materials.
- B. When positioning membrane sheets, exercise care to locate all field splices away from low spots and out of drain sumps. All field splices should be shingled to prevent bucking of water.
- C. When loading materials onto the roof, the Versico Authorized Roofing Contractor must comply with the requirements of the building owner to prevent overloading and possible disturbance to the building structure.
- D. Proceed with roofing work only when weather conditions are in compliance with the manufacturer's recommended limitations, and when conditions will permit the work to proceed in accordance with the manufacturer's requirements and recommendations.
- E. Proceed with work so new roofing materials are not subject to construction traffic. When necessary, new roof sections shall be protected and inspected upon completion for possible damage.
- F. Provide protection, such as 3/4 inch thick plywood, for all roof areas exposed to traffic during construction. Plywood must be smooth and free of fasteners and splinters.
- G. The surface on which the insulation or roofing membrane is to be applied shall be clean, smooth, dry, and free of projections or contaminants that would prevent proper application of or be incompatible with the new installation, such as fins, sharp edges, foreign materials, oil and grease.
- H. New roofing shall be complete and weathertight at the end of the work day.
- I. Contaminants such as grease, fats and oils shall not be permitted to come in direct contact with the roofing membrane. An overlay of Epichlorohydrin membrane must be adhered around units which have the potential to emit solvents, grease or oil.

## 1.15 WARRANTY

- A. Provide manufacturer's 30 year Total System Warranty covering both labor and all materials with no dollar limitation. The maximum wind speed coverage shall be peak gusts of 55 measured at 10 meters above ground level. Certification is required with bid submittal indicating the manufacturer has reviewed and agreed to such wind coverage.
- B. Warranty shall also cover leaks caused by hail:
  - I. Hail up to 2" diameter when 90-mil VersiGard Non-Reinforced over Versico Securshield HD OR Dens Deck Prime.
- C. Pro-rated System Warranties shall not be accepted.

## PART 2 PRODUCTS

### 2.01 GENERAL

- A. All components of the specified roofing system shall be products of Versico or accepted by Versico as compatible.

- B. Unless otherwise approved by the specifier and accepted by the membrane manufacturer, all products (including insulation, fasteners, fastening plates and edgings) must be **manufactured and supplied** by the roofing system manufacturer and covered by the warranty.
- D. Manufacturer of roof membrane shall also manufacture all polymeric components for the roofing system, including, but limited to, membrane, adhesives, primers, flashings, caulks and tapes.
- E. **Failure to comply with these requirements will result in a non-warranted roof assembly.**

## 2.02 MEMBRANE

- A. Furnish Versico Roofing Systems - VersiGard 90 mil Black Non-Reinforced EPDM (Ethylene, Propylene, Diene Terpolymer) in the largest sheet possible with 6" factory applied Quick Applied Tape (VersiGard QAT). The membrane shall conform to the minimum physical properties of ASTM D4637. When a 10 foot wide membrane is to be used, the membrane shall be manufactured in a single panel with no factory splices to reduce splice intersections.
- B. Substitutions: Not permitted

## 2.03 INSULATION/UNDERLAYMENT

- A. When applicable, insulation shall be installed in multiple layers. The first and second layer of insulation shall be mechanically fastened or adhered to the substrate in accordance with the manufacturer's published specifications.
- B. Insulation shall be those of the below approved based on availability as supplied by Versico.
  - 1. **VersiCore Polyiso** – A foam core insulation board covered on both sides with a medium weight fiber-reinforced felt facer meeting ASTM C 1289-06, Type II, Class 1, Grade 2 (20 psi) or Grade 3 (25 psi). The product is available in 4' x 8' standard size with a thickness from 1 to 4 inches. 4' x 4' tapered panels are also available.
  - 2. **InsulFoam I (EPS: Expanded Polystyrene)** – A closed-cell lightweight expanded polystyrene (EPS) that meets ASTM C578, Type I. Nominal density of 1.0 lbs/cubic ft (pcf) OR denser available in 4' x 4' or 4' x 8' sizes with thickness from 1/4" to 40". Custom lengths, widths and tapered boards are available. Specified beneath Versico HP Recovery Board or Dens-Deck Prime.
  - 3. **Versico SecurShield HD Plus Cover Board**– an FM approved rigid insulation panel composed of a high-density, closed-cell polyisocyanurate foam core laminated to moisture resistant coated-glass fiber-mat facer for use as a cover board or recover board meeting ASTM 1289-06, Type II, Class 2 (100 psi). Available 1/2" thick 4' x 4' and 4' x 8' panel weight with 6.5lbs per 4' x 4' panel weight and a 13 lbs weight per 4' x 8' panel with an R-value of 2.5.
  - 4. **Dens Deck Prime** – gypsum core that incorporates glass-mat facings on the top and bottom side. The top surface is pre-primed and provides excellent bond strength for adhered membrane for use as a cover board. Available in 1/4" to 5/8" and 4' x 4' or 4' x 8' size boards.

## 2.04 FASTENING COMPONENTS

To be used for mechanical attachment of insulation and to provide additional membrane securement:

### A. Fasteners, Plates and Bars

- 1. **Seam Fastening Plate:** a 2" diameter metal fastening plate used in conjunction with RUSS or EPDM membrane for additional membrane securement.

2. **Polymer Seam Plate:** a 2" diameter plastic fastening plate incorporating barbs on the underside of the plate. This plate is required for membrane and RUSS attachment installed in conjunction with steel roof decks. May also be used for insulation attachment.
3. **Versico Quick-Applied RTS (Reinforced Termination Strip):** a 6" or 9" wide, nominal 45-mil thick clean, cured black reinforced EPDM membrane with 3" or 6" wide factory applied quick applied seam tape (VersiGard QAT) laminated along one edge. The 6" or 9" wide Quick Applied RTS is used horizontally or vertically at the base of walls, curbs, etc., in conjunction with 2" diameter securement plates or bars below the EPDM deck membrane for additional membrane securement.

#### B. Insulation Adhesives

1. **Flexible DASH Adhesive:** An elongating impact resistant two component insulating urethane adhesive used to attach insulation. Packaging formats include 50 and 15 gallon drums as well as Dual Tanks, Dual Cartridges and 5 gallon Jug formats.
  - a. Adhesive to provide 150% elongation in conjunction with fleece backed membrane – ASTM D412
  - b. MDI content of Part A material less than 25%

### 2.05 ADHESIVES, CLEANERS AND SEALANTS

All products shall be furnished by Versico and specifically formulated for the intended purpose.

- A. **Versico Weathered Membrane Cleaner:** A clear, solvent-based cleaner used to loosen and remove dirt and other contaminants from the surface of exposed EPDM membrane (for repairs, etc.) prior to applying EPDM Primer. Weathered Membrane Cleaner can also be used when applying Splicing Cement. Available in 1 and 5-gallon pails.
- B. **VersiGard (Black) Quick Applied Seam Tape (Factory Applied):** A 3" or 6" wide by 100' long splice tape used for splicing adjoining sections of EPDM membrane. Complies with the South Coast Air Quality Management District Rule 1168.
- C. **EPDM Primer:** A solvent-based primer used to prepare the surface of EPDM membrane for application of Splice Tape or Quick Applied products. Available in 1 gallon pails.
- D. **Quick Applied Flashing (Coverstrip/Covortape):** Quick Applied (QA) uncured EPDM flashing laminated to fully cured QA adhesive available in 6" x 100', 9" x 100' and 12" x 50' rolls and is easily malleable and highly adaptable to irregular shapes and surfaces.
- E. **Lap Sealant:** A heavy-bodied material used to seal the exposed edges of a membrane splice. Available in tubes.
  1. Versico's Lap Sealant is a black sealant for use with VersiGard (black) Roofing Systems.
- F. **Water Cut-Off Mastic:** A one-component, low viscosity, self wetting, Butyl blend mastic used to achieve a compression seal between the EPDM membrane or Uncured EPDM Flashing and applicable substrates. Available in tubes.
- G. **One-Part Pourable Sealer:** Available in black or white, a one-component, moisture curing, elastomeric polyether sealant used for attaching lightning rod bases and ground cable clips to the membrane surface and as a sealant around hard-to-flash penetrations such as clusters of pipes.
- H. **Universal Single-Ply Sealant** A one-part polyether, non-sagging sealant designed for sealing expansion joints, control joints and counterflashings. Available in white only.

- I. **CAV-GRIP 3V Low-VOC Aerosol Contact Adhesive/Primer:** a low-VOC, methylene chloride-free adhesive that can be used for a variety of applications including: bonding VersiGard and VersiWeld membrane to various surfaces, enhancing the bond between Versico's VapAir Seal 725TR and various substrates, priming unexposed asphalt prior to applying Flexible DASH Adhesive. Coverage rate is approximately 2,000-2,500 sq. ft. per 40 lb cylinder and 4,000-5,000 sq. ft. per 85 lb cylinder as a primer, in a single-sided application and 750 sq. ft. per 40 lb cylinder and 1,500 sq. ft. per 85 lb cylinder as an adhesive for vertical walls, in a double-sided application.

## 2.06 METAL EDGING AND MEMBRANE TERMINATIONS

- A. **General:** All metal edgings shall be tested and meet ANSI/SPRIFM 4434 ES-1 standards and comply with International Building Code. All metal work is to be supplied and warranted by the manufacturer.
- B. **Manufacturers:**
  1. Acceptable Manufacturer: **Metal Era, Inc.**, which is located at 1600 Airport Road Waukesha, WI 53188; Colorado Representative Contact Phone Number: 303-222-0036; Email: [scott@rm-reps.com](mailto:scott@rm-reps.com)
  2. Substitutions: **Not Permitted**
- C. **Fabricated Roof Edge Products:**
  1. Pre-Manufactured Coping/Fascia/Edge Metal (where applicable): 24 ga. Galvanized Kynar coated sheet steel; One Edge ® by Metal-Era, in 12 foot lengths. Provide factory mitered corners, end caps and end terms. Lap joints and seal per manufacturer.
    - a. Cover Material:
      1. 24 gauge galvanized steel
    - b. Fascia Covers: Standard 12 feet 0 inches (3.65 m) lengths
      1. **In some areas replacement of existed rotted wood fascia trim with new metal fascia extender is required.**
    - c. Formed Rail: Shall be 20 gauge commercial type G-90 galvanized steel at 12 feet 0 inches (3.65 m) standard lengths
    - d. Fasteners: #10 x 2" Stainless Steel Fasteners
    - e. Performance:
      1. 20 Year, 120 mph Wind Warranty
      2. Tested per ANSI/SPRI ES-1 Standard to a design pressure of 200 lbs/sf to comply with International Building Code
      3. Factory Mutual 1-225 approved with Aluminum Rail
    - f. **Substrate: contractor is responsible for inspection of the existing wood substrate and replacement of any rotted or damaged substrate with like and kind.**
- D. **Drip Edge:** a metal fascia/edge system with a 22 or 24 gauge continuous anchor cleat and .032 inch thick aluminum or 24 gauge steel fascia. Metal fascia color shall be as designated by the Owner's Representative.
- E. **Termination Bar:** a 1" wide and .098" thick extruded aluminum bar pre-punched 6" on center; incorporates a sealant ledge to support Lap Sealant and provide increased stability for membrane terminations.

## 2.07 WALKWAYS

Protective surfacing for roof traffic shall be VersiGard (black) Quick Applied Walkway Pads (with factory applied tape on the underside of the walkway) adhered to the membrane surface in conjunction with Versico's EPDM Primer. Walkways are to be installed at ALL serviceable units and entry points at the direction of Heather Gardens.

## PART 3 EXECUTION

### 3.01 GENERAL

- A. Comply with the manufacturer's published instructions for the installation of the membrane roofing system including proper substrate preparation, jobsite considerations and weather restrictions.
- B. Position sheets to accommodate contours of the roof deck and shingle splices to avoid bucking water.

### 3.02 INSULATION PLACEMENT

- A. Install insulation or membrane underlayment over the substrate with boards butted tightly together with no joints or gaps greater than 1/4 inch. Stagger joints both horizontally and vertically if multiple layers are provided.
- B. Secure insulation to the substrate with the required mechanical fasteners or Versico DASH Adhesive in accordance with the manufacturer's specifications.

### 3.03 MEMBRANE PLACEMENT AND BONDING

- A. Unroll and position membrane without stretching. Allow the membrane to relax for approximately 1/2 hour before bonding. Fold the sheet back onto itself so half the underside of the membrane is exposed.
- B. Apply the Bonding Adhesive in accordance with the manufacturer's published instructions and coverage rates, to both the underside of the membrane and the substrate. Allow the adhesive to dry until it is tacky but will not string or stick to a dry finger touch.
  - 1. Roll the coated membrane into the coated substrate while avoiding wrinkles. Brush down the bonded half of the membrane sheet with a soft bristle push broom to achieve maximum contact.
  - 2. Fold back the unbonded half of the membrane sheet and repeat the bonding procedure.
- C. Install adjoining membrane sheets in the same manner, overlapping edges approximately 4 inches. Do not apply bonding adhesive to the splice area.
- D. **Contractor to use blower to rid of debris prior to adhesive and EPDM being laid. This is to prevent debris from getting stuck between top insulation/ dens deck and EPDM. Contractor to also use a roller after laying EPDM to eliminate bubbling.**

### 3.04 MEMBRANE SPLICING

- A. Position membrane sheet to allow for required splice overlap. Mark the bottom sheets with an indelible marker approximately 1/4" to 1/2" from the top sheet edge. The pre-marked line on the membrane edge can also be used as a guide for positioning splice tape.
- B. When the membrane is contaminated with dirt, fold the top sheet back and clean the dry splice area (minimum

3" wide) of both membrane sheets by scrubbing with clean natural fiber rags saturated with Versico's Weathered Membrane Cleaner. When using VersiGard Black Clean (No Dust) membrane, cleaning the splice area is not required unless contaminated with field dirt or other residue.

- C. Apply EPDM Primer to splice area and permit to flash off.
- D. When adhering Factory applied Quick Applied Seam Tape (VersiGard QAT), pull the poly backing from QAT beneath the top sheet and allow the top sheet to fall freely onto the exposed primed surface. Press top sheet on to the bottom sheet using firm even hand pressure across the splice towards the splice edge
- E. For end laps, apply 3" or 6" Quick Applied Seam Tape to the primed membrane surface in accordance with the manufacturer's specifications. Remove the poly backing and roll the top sheet onto the mating surface.
- F. Tape splices must be a minimum of 2-1/2" wide using 3" wide SecurTAPE extending 1/8" minimum to 1/2" maximum beyond the splice edge. Field splices at roof drains must be located outside the drain sump.

Note: For projects where a 90-mil membrane OR 20-year or longer System Warranty is specified, splice enhancements are required. Refer to Versico VersiGard (Black or White) Roofing System Specification.

- G. Immediately roll the splice using positive pressure when using a 2" wide steel roller. Roll across the splice edge, not parallel to it. When VersiGard QAT is used, Versico's Stand-Up Seam Roller can be used to roll parallel to the splice edge. **Over top of the 3" taped splice, install one layer of 6" uncured cover-tape.**
- H. **At all field splice intersections**, apply Lap Sealant along the edge of the membrane splice to cover the exposed Quick Applied Seam Tape 2" in each direction from the splice intersection. Install Versico's Quick Applied "T" Joint Covers or a 6" wide section (with rounded corners) of Versico Quick Applied Flashing over the field splice intersection.

### 3.06 FLASHING

- A. Wall and curb flashing shall be cured EPDM membrane. Continue the deck membrane as wall flashing where practicable. Use Quick Applied Curb Wrap when possible to flash curb units.
- B. Follow manufacturer's typical flashing procedures for all wall, curb, and penetration flashing including metal edging/coping and roof drain applications.
- C. Flashing in and around through wall scupper boxes to receive flashing per warrantable details **as well as secondary flashing as per Heather Gardens field team and prior warranted projects.**

### 3.07 WALKWAYS

- A. Install walkways at all traffic concentration points (such as roof hatches, access doors, rooftop ladders, etc.) and all locations as identified by the owner. **Walkways are to be installed at ALL serviceable units and entry points at the direction of Heather Gardens.**
- B. Adhere walkways pads to the EPDM membrane in accordance with the manufacturer's specifications.

Note: Pavers are not recommended when the roof slope exceeds 2" in 12"

### 3.08 DAILY SEAL

- A. On phased roofing, when the completion of flashings and terminations is not achieved by the end of the work day, a daily seal must be performed.

Note: A temporary seal should be performed at the conclusion of daily work and use of the appropriate method will vary based

on project and project conditions. Contact Versico for various methods that may be utilized.

### **3.09 CLEAN UP**

- A. Perform daily clean-up to include but not limited to:
  - a. Collect all wrappings, empty containers, paper, and other debris from the project site.
  - b. All loose waste and material to be properly removed and disposed of daily.
  - c. All roof demolition and waste to include the spray foam roof system and granules to be moved to dumpster daily.
  - d. All debris at the ground level to be swept and cleaned daily.
  - e. Project site to be walked, swept and cleaned free of ALL demolition and ongoing construction generated waste daily both at the roof top and ground level.
  - f. Dumpster to be monitored and secured nightly to prevent waste from blowing overnight.
  - g. Upon completion, all debris must be disposed of in a legally acceptable manner.
  
- B. At the pre-construction meeting Heather Gardens to discuss and establish any additional cleanliness items to be addressed for the duration of this project.
  
- C. Prior to the manufacturer's inspection for warranty, the contractor must perform a pre-inspection to review all work and to verify all flashing has been completed as well as the application of all caulking.

**END OF SPECIFICATION**

**Heather Gardens Association Budget and Finance Committee**  
**Date: April 17, 2023**

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**Motion: Recommend Exterior Paint for Building 232**

**Project Cost: \$87,450**

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the contract with Denver Commercial Coatings to re-paint the exterior of HG Building 232 at a contract price of \$79,500 plus a change order amount of \$7,950 for a total cost of \$87,450. This amount is over the approved budgeted amount of \$77,200. The project cost is not to exceed \$87,450 without prior HGA Board Approval.

Motion made by:	
Seconded by:	

<b>Outcome of Vote:</b>	
For:	
Against:	
Absent/Abstaining:	
Notes:	

**Rationale/Notes:** See the attached request for capital expenditure.



# HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: 2023 Exterior Building Paint Project: Building 232

F821

DEPT: Contracts

DATE: 4/5/23

<b>BUDGET</b>	<b>Budget Amount:</b> \$ 77,200	<b>Contract Amount:</b> \$79,500
Year: 2023	Expended YTD: \$ 0.00	Change Order Res.: \$7,950
Tab:	Unexpended Balance: \$ 0.00	<b>Total Project Cost:</b> \$87,450
Page:		Add. Funds Requested:

**DESCRIPTION:** This project includes painting the exterior of Building 232 located in Seville. The contractor will prepare for new exterior building paint by pressure washing and removing/scraping dirt and debris from the exterior of the building. The contractor will mask, tape, apply primer, caulk, and hammer loose nails. The building will be painted in all locations previously painted, including block wall, lanai walls, handrails, garage doors, pedestrian doors, exterior garage walls and around window as well as exterior AC units.

**JUSTIFICATION:** (Attach backup material as required)  
 Periodic painting of buildings is necessary to maintain aesthetics of the building exterior as well as provide protection from the elements. Building 232 was last painted in 2015. The industry standard is to re-paint buildings every 8-10 years. Building 232 has areas, showing visible signs of paint deterioration most noticeable on the west side of the building.

**BID COMPARISON:** (If required, summarize, or attach separate schedule.)  
 Denver Commercial Coatings: \$79,500  
 Denver Commercial Property Services: \$111,108.72  
 Platte Capital Projects: \$137,500  
 Majestic Painting Company: No Bid Received.

**RECOMMENDATION:**  
 The recommendation is to contract with Heather Gardens preferred vender Denver Commercial Coatings to re-paint the exterior of Heather Gardens Seville Building 232. The building will be re-painted per the attached Sherwin Williams RFP/ Specifications. The cost of this project is \$2,300 over the 2023 building paint budget. We have included a 10% change order reserve in the amount of \$7,950 to cover the cost of unforeseen issues to complete the project. This project is not to exceed \$87,450 without prior HGA 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.

## 2023 Heather Gardens Association Paint Project: Building 232 Re-Paint

	Denver Commercial Coatings	Denver Commercial Property Services	Platte Capital Projects	Magestic Painting
<b>Mobilization:</b>				
Dumpster	Yes	Yes	Yes	
Lift/ Scaffolding	Yes	Yes	Yes	
<b>Preparation Work:</b>				
Pressure Wash, remove Dirt and Debris	Yes	Yes	Yes	
Scrape Loose/ Peeling Coating to Hard Edge	Yes	Yes	Yes	
Mask and Tape	Yes	Yes	Yes	
Apply Primer	Yes	Yes	Yes	
Hammer Loose Nails	Yes	Yes	Yes	
Caulking, including where building meets AC Unit, and at Metal Windows.	Yes	Yes	Yes	
<b>Structures:</b>				
B232: All previously painted Concrete Block Walls, including Lanai Walls	Yes	Yes	Yes	
Handrails: Previously painted, including Lanai Handrails.	Yes	Yes	Yes	
Garage Doors	Yes	Yes	Yes	
Metal Pedestrian Doors	Yes	Yes	Yes	
Garage Exterior Walls	Yes	Yes	Yes	
Exterior AC Unit Boxes	Yes	Yes	Yes	
<b>Total Bid Amount</b>	<b>\$79,500</b>	<b>\$111,108.72</b>	<b>\$137,500</b>	



Denver Commercial Coatings, Inc.

3/16/2023

Don O’Gorman

Contracts Department

Heather Gardens Association

## PROPOSAL

### **PROJECT: Building 232 Exterior Paint**

Denver Commercial Coatings Inc. will provide all the necessary labor, equipment and material for the completion of preparing and painting of the above project.

### **AREAS INCLUDED:**

- All previously painted concrete block walls
  - Includes all lanai patio walls
- All previously painted hand rails
  - Includes all lanai patio railings
- All miscellaneous previously painted items
  - Garage doors, metal personnel doors garage exterior walls, exterior AC unit boxes

### **SCOPE OF WORK:**

- Pressure wash as needed to remove dirt & debris
- Scrape loose/peeling coatings to a hard edge
- Mask all adjacent surfaces, numbers, signage to protect from overspray
- Inspect all AC units for failed caulk at junction with building
  - Repair or replace failed caulk as necessary
- Inspect caulk between block and metal windows
  - Repair as necessary using Sherwin Williams Loxon S1 urethane sealant
- Spot prime bare block surfaces using Loxon masonry primer/sealer
- Apply finish coat – Sherwin Williams A-100 Satin to all block surfaces and doors
- Spot prime all rusted or bare metal areas with Sherwin Williams Procryl DTM Primer
- Apply finish coat of Sherwin Williams Shercryl HP acrylic coating to all metal hand rails

**\*All products used and work to be completed based on provided specifications from Sherwin Williams\*\***

**\*\*DCC will communicate all lanai painting schedules with Heather Gardens Management to facilitate schedule and coordination with all residents\*\***

**\*\*DCC will provide all necessary traffic control and ground safety measures\*\***

**EXCLUSIONS:** Unfinished/prefinished surfaces, sign/number replacement, surfaces not noted above

**APPLICATION:** Spray, Brush, Roll

**JOB DURATION:** 4-6 weeks (Weather Permitting)

**JOB CLEAN UP:** Daily

**CONDITIONS/PRICE:** Any alterations from the above specifications, including design/color changes will be executed only upon written orders and may result in additional charges. Pricing for work completed in 2023 may be revised based on unforeseen changes in material, labor or equipment rental costs prior to contracting. Surface imperfections or repairs may be visible following coating. This proposal may be withdrawn after 30 days. The specified work will be completed for the sum of:

**PAINT: \$79,500**

With payment as follows: 30% at commencement of work, 30% with project 50% complete, 30% with project 90% complete and the balance due upon completion of all specified work.

**ACCEPTANCE: THE PRICES, SPECIFICATIONS AND CONDITIONS ARE HEREBY ACCEPTED.**

**ACCEPTED BY:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_



Paint & Construction Division

Phone: 720-575-3277

BLDG 232 13952 E  
Marine Drive  
03/29/2023

Exterior repaint of previously painted surfaces on building 232 and the attached parking garage.

**Don O'Gorman**  
**Heather Gardens Association**  
2888 South Heather Gardens Way  
Aurora, CO 80014  
(410) 501-4940

### Painting Exterior Section

#### SCOPE:

- Paint all previously painted surfaces matching the current color pattern (up to three colors) including building masonry, soffits, and associated hand rails as applicable.
- Remove damaged caulk and replace it with new commercial-grade caulk, as necessary.
- Application will be a combination of brush/roll with spray being used on larger open areas.

#### STRUCTURES INCLUDED:

- Building 232
- Attached parking garage
- Surrounding hand rails
- Interior lanai building wall

#### PRODUCTS & COLORS:

- SW Pro Industrial Multi Surface Acrylic B66W1151
- Loxon Masonry Block Surfacor Primer LX01W0200
- SW A-100 Latex Satin A82w151
- SW Exterior Wood Primer B42W08041
- SW Pro Ceryl Universal Metal Primer B66W1151.
- COLOR TO MATCH EXISTING

#### SURFACE PREPARATION DETAILS:

- Pressure wash the entire building to remove dirt, loose mill scale, and loose paint by water at pressures of 2500 to 3500 p.s.i.
- Sand and scrape wood surfaces as necessary to remove loose paint dislodged by the pressure wash.
- Apply a primer coat to any bare surfaces, wood, or metal to provide adhesion and durability.
- Full prime on the bottom edge of the three bottom siding boards around the entire structure and at the roof to wall transitions.
- Pound in all loose nails.
- Use commercial grade caulking to seal cracks, seams, and nail heads.

#### MASK & TAPE:

- Cover all windows with painter's plastic and tape.
- Cover all areas/elements exposed to overspray with plastic/tarps as needed.

#### CREW & DURATION:

- A Project Manager will oversee production and communicate via email twice a week providing narrative and photo updates.
- 1 Crew Lead with 6 Person Crew for approximately 1 month on-site (Monday-Saturday). We will paint consecutive days until the completion of the project, weather permitting.

#### CONDITIONS:

- Work Hours: Monday-Friday (7:00 AM -7:00 PM). Saturday (8:00 AM through 5:00 PM).
- DCPS is responsible for keeping all tools in specified staging areas.
- Job site will be cleaned daily and debris removed from the property during and after job completion.
- Price includes all labor, materials, and taxes.

#### OWNERS RESPONSIBILITY:

- Provide paint colors.
- Provide access to water & electrical hookups.
- Remove breakable & hanging items.
- Trim bushes and trees.
- Remove blocking vehicles parked near the painting zones.
- Move any obstacles away from the elevation(s) that are going to be painted.
- Provide parking spaces for lift, equipment trailer and 2 crew vehicles.

- Coordinate with the project manager ensuring appropriate parking spaces are blocked off

ADDITIONAL NOTES:

- If access equipment is needed, we will need a place to store it.
- Our estimate does not include winter conditions work.
- Our estimate includes up to 1 mobilization charge. Any additional mobilizations due to delays by the owner will be charged at \$250 EA.
- If lead paint is found, depending on the type of containment needed we will charge additional handling and disposal of hazardous materials.
- Lead paint testing is not included within our estimate.
- If the side/elevation was impacted by hail, we must paint the entire side/elevation.
- In order to restore the structure back to a pre-hail condition we must paint and seal the surfaces.
- Color and sheen will appear different on newly painted sides/elevations.
- Woodwork: We will walk the property with the owner to determine their wood replacement

EXCLUSIONS:

- Price does not include any masonry, metal or carpentry repairs.
- Pricing does not include repair to carpentry, If damaged woodwork is found, the option to replace it will be presented @ \$60/hour + materials + 20% billed to the owner at the completion of the project.

SCHEDULE:

- Approximate starting date Spring 2023 weather permitting.

Caulks & Sealants

Sherwin-Williams 950A Siliconized Acrylic Latex Caulk

Primer

Sherwin Williams All Purpose Primer

A general-utility primer ideal for both interior and exterior applications. Its wide versatility and strong adhesion properties make it a universal favorite. Meets the most stringent VOC regulations.

Sherwin-Williams Pro Industrial Pro-Cryl Universal Acrylic Primer

Pro Industrial Pro-Cryl Universal Primer is an advanced technology, self cross-linking acrylic primer. It is rust inhibitive and designed for commercial, new construction and maintenance applications. It can be used as a primer under water-based or solvent-based high performance topcoats.

Exterior Paint

Sherwin-Williams SuperPaint Exterior Acrylic Latex (1 gal)

Exterior Paint Direct To Metal

Sherwin-Williams Pro Industrial DTM Acrylic (1gal)

Exterior Paint Labor

Painting Crew/per job

Please add here painter bid # for reference

Equipment & Miscellaneous

Lifts 85' Boom lift

Porta Potty

Porta Potty

Roll Off

40 yard roll off for trash

Sundries, Taxes, Colorado's PaintCare Recycling/ Disposal Fee

Sundries

add this cost per Gallon

Taxes

Management

Project Manager

\$111,108.72

TOTAL

\$111,108.72

\_\_\_\_\_  
Company Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date

**PROPOSAL  
PRESENTED BY:**



2485 W. Main Street, Suite #207  
Littleton, CO 80120  
303-339-0729  
[www.plattecapitalprojects.com](http://www.plattecapitalprojects.com)



[platteprojects@gmail.com](mailto:platteprojects@gmail.com)

**HEATHER GARDENS BLDG 232  
Exterior Repaint Proposal**





## *Professional Services*

**Types of Properties:** Multi-Family, Apartments, HOA Communities/Townhomes & Condos, Community Clubhouses, Commercial, Hotel/Resort & New Construction.

### *Painting Services*

- Exterior/Interior
- All Applications
- Textures

### *Carpentry Services*

- Siding/Trim
- Decking
- Fencing
- Stair Systems  
(Wood & Metal)

### *Stucco Services*

- Repairs/New
- Hard/Dry Coat

### *Other Services*

- Doors
- Windows
- Gutters



**Sunchase Apartments**  
Aurora, CO  
Full Exterior Siding Replacement & Paint



**Vail Marriott Mountain Resort**  
Vail, CO  
Full Exterior Repaint



**Hunters Ridge Apartments  
Denver, CO  
Full Exterior Siding Replacement and Paint**



**Remington Post HOA  
Boulder, CO  
Full Exterior Siding Replacement & Paint**



**Raintree HOA  
Denver, CO  
Full Exterior Siding Replacement & Paint**



**Talon Hill Apartments  
Colorado Springs, CO  
Full Exterior Repaint**



**Winridge Apartments  
Aurora, CO  
Siding Replacement/ Full Exterior Repaint**



**Watch Hill Condominiums  
Silverthorne, CO  
Full Exterior Repaint**



2485 W. Main Street Suite 207 • Littleton, CO 80120 • Phone: 303.339.0729 Fax: 303.459.7943

## PROPOSAL

**DATE:** March 27, 2023

**TO:** HEATHER GARDENS  
Attn: Don O’Gorman, Contracts Manager

**SUBJECT:** EXTERIOR REPAINT OF PREVIOUSLY PAINTED EXTERIOR SURFACES  
ON BUILDING 232 + PARKING DECK FOUNDATION WALLS

Platte Capital Projects, Inc. (the Contractor) is very pleased to provide you (the Owner’s Representatives) with the following bid proposal regarding the above referenced project. Included in the pages following is an outline of procedures, materials and estimated costs to complete the project.

### 1. GENERAL DETAILS:

All labor is by skilled mechanics in and above the standard practice and in a manner acceptable to the owner / owner’s representative. Any work not conforming to these specifications shall be corrected to the reasonable satisfaction of the owner / owner’s representative. Contractor shall furnish all labor, materials, and equipment necessary to faithfully perform and complete the “Summary of Work” as set forth following.

All products to be used shall be carefully selected to meet your unique requirements. The Contractor hereby undertakes that all applications will be done in a professional and timely manner, based on the amount of work necessary to complete the specified project. This Bid Proposal is exclusively for the project named **HEATHER GARDENS 232**. If any changes or errors are discovered subsequent to the date of this Proposal, Contractor and Owner hereby agree to address and make any and all necessary modifications to this Proposal.

## 2. SCOPE FOR PAINTING:

Please read carefully. The items listed below are areas designated to receive labor under this bid proposal. Items not listed below, or which are specifically identified as excluded, are not included in the bid proposal.

### **Preparation:**

- All exterior surfaces will be power washed while maintaining a maximum spray head distance of 6 feet whether surfaces are at ground level or are elevated. Ladders and/or scaffolding will be used to reach elevated surfaces.
- Loose paint will be hand scraped and/or sanded as necessary to ensure proper paint and/or stain adhesion. Exposed wood from scrapping and/or sanding shall be primed prior to paint and/or stain application.
- Previously-installed caulk that has failed will be re-caulked utilizing 35 year paintable caulking.
- All paint will be applied in accordance with the manufacturer's recommendations AND per Sherwin Williams Paint Scope/Specification.

### **Scope of Exterior Paintable Areas:**

- Areas *included* to be painted are all previously painted exterior surfaces including block, trim, soffit, fascia, exterior doors and frames, lanais (and ceilings), railings, and any other previously painted exterior surface.
- Areas to be *excluded* are all other area not previously painted, horizontal deck surfaces (top and bottom), perimeter fencing, hot vents, brick (unless otherwise indicated or specified).

### **Product Application Specifications:**

- Paint/stain will be applied to body in two (2) application coats of specified paint. Application of paint/stain will be at a spread rate of approximately 250 square feet to achieve 3 mils of dry film thickness with the proper tip per manufacturer's specifications.
- Paint will be applied on body by sprayer for a two (2) coat application and brushed and rolled on all trim surfaces also with a two (2) coat application.
- All paint/stain products will be applied only during periods when temperatures have attained the manufacturers specified level suitable for application.

### **Protection:**

- Areas not to be painted will be appropriately masked.
- Contractor will notify homeowners/residents whose automobiles or other vehicles may be in proximity of overspray of stain and/or paint. In the event the vehicle owner cannot be reached or is unable to move their vehicle, the contractor will cover the vehicle in question with a tarp.
- Protect all areas exposed to overspray with painter's plastic/tarp to limit this possibility.
- Cover all other Common Elements from possible staining from paint operations.

## 3. CONDITIONS FOR ALL SCOPES:

- **Work Hours:** Monday-Friday (8:00 a.m.-6:30 p.m.) Saturday (9:00 a.m. - 5:30 p.m.)
- **Paint Colors:** Contractor agrees to provide sample area of paint colors selected to be approved by owner's representative prior to paint being applied.
- **Time Line:** Contractor agrees to work continuously on the project until full scope of work is completed. Start and completion dates are to be strictly adhered to.
- **Notice:** Contractor will provide notices to residents 48 hours prior to beginning work on a building. Notice tags will be provided by management of contractor.
- **Staging:** Contractor will contain all operations in the area specified by a representative of management.
- **Trash:** Contractor is responsible for having waste related to project contained and removed on a daily basis.
- **Site:** The job site is to be left in an organized and clean condition throughout, and at the end of each work day.

- **Tools:** The contractor is responsible for stowing all tools and materials to limit visibility and protect from theft or vandalism.
- Contractor shall request regular on-site meetings with property management and/or maintenance department for progress and quality control inspections

#### 4. TIME TO COMPLETE:

The estimated time to complete the entire project will be **4-6 WEEKS, WEATHER PERMITTING.** Sundays are not included unless otherwise specified and agreed upon. All work shall be completed under favorable weather conditions per the material Manufacturer's specifications. The Contractor shall insure no paint will be applied when surface or air temperature is below the Manufacturer's specifications.

#### 5. MATERIALS:

Paint/stain materials shall be **SHERWIN WILLIAMS "A100" AND OTHER MATERIALS IN SW SPEC.** Primer materials shall be a premium exterior grade primer unless otherwise specific by management. Contractor will provide color samples on designated surface areas for advance approval by owner's representative or management. Materials shall be selected and provided per specifications. All material used on this project shall be of the brand and quality specified by the owner/owner's representative and shall be delivered at the site in original containers with seal unbroken and labels intact. All materials shall be used strictly in accordance with Manufacturer directions and specifications. Any necessary materials not specified in the contract or subcontract agreement shall be subject to approval by the owner / owner's representative. Raw materials and equipment may be stored on the job site by Contractor unless objected to by owner's representative or management.

#### 6. MATERIAL AND LABOR WARRANTY

**Contractor warrants the labor application of the exterior coating herein for a period of five (5) years. Neither Contractor nor paint manufacturer warrants paint or coating on horizontal surface. The Contractor warranties the paintable substrate against adhesion failures including chipping, peeling, flaking and delamination due to the application process or procedures used by Contractor which are at variance with the Manufacturers' warranty. We agree to repair any and all damages from such defects, all without expense to the Owner. Ordinary wear and tear, unusual abuse or neglect, acts of God such as hail damage and flooding and other unforeseen events beyond our control excluded. All applicable Manufacturers warranties apply to the materials used pursuant to this Proposal or any subsequent Agreement related thereto between the parties.**

#### 7. INSURANCE REQUIREMENTS

During the term of this project, the Contractor agrees to maintain insurance meeting or exceeding the following requirements:

- |                                      |                 |
|--------------------------------------|-----------------|
| • Worker's Compensation              | \$1,000,000     |
| • Comprehensive General Liability    |                 |
| Each occurrence                      | \$1,000,000     |
| Personal Injury                      | \$1,000,000     |
| General Aggregate                    | \$2,000,000     |
| Products-COMAGG                      | \$2,000,000     |
| • Comprehensive Automobile Liability | \$1,000,000 CSL |

Contractor shall provide owner / owner's representative with a current certificate of insurance designating owner / owner's representative as beneficiary thereof upon commencement of work.

**8. PROPOSAL/CONTRACT REQUIREMENTS:**

This Proposal shall constitute the terms and conditions for the project referenced herein, unless it shall be superseded by a written Agreement between the Contractor and owner / owner’s representative concerning this project. This Bid Proposal along with any addendums hereto, shall be attached and incorporated by reference into any subsequent written agreement concerning this project between Contactor and owner / owner’s representative.

- Payment terms shall be deposit of 30%, progress payment of 30%, production payment of 30% and 10% retained for punch completion. (Unless otherwise agreed upon)
- This bid proposal is valid for a period of six months from the date below, unless otherwise agreed in writing. It is anticipated that the estimated proposed costs for this project may be subject to reevaluation after the six month time frame expires.
- Any alteration or deviation from the above specifications involving extra cost will be reduced to written change orders and approved by Contractor and owner / owner’s representative. Such will become an extra charge over and above the original estimate.

**9. PROPOSED COSTS:**

**LABOR, MATERIALS AND EQUIPMENT:**

**EXTERIOR REPAINT OF PREVIOUSLY PAINTED EXTERIOR SURFACES ON BUILDING 232 + PARKING DECK FOUNDATION WALLS**

**PROJECT TOTAL**

**\$137,500.00**

- This bid proposal is valid for a period of six months from the date of this Proposal, unless otherwise agreed in writing. It is anticipated that the estimated proposed costs for this project may be subject to reevaluation after the six-month time frame expires.
- Any alteration or deviation from the above specifications involving extra cost will be reduced to written change orders and approved by Contractor and owner / owner’s representative. Such will become an extra charge over and above the original estimate.

**10. ACCEPTANCE OF PROPOSAL**

By signing below, the specifications and conditions of this Bid Proposal are hereby accepted. The Contractor is hereby authorized to commence and complete the project specified herein.

**Platte Capital Projects, Inc.**

**Heather Gardens**

Signed: \_\_\_\_\_  
Tony Caldwell, President  
Office: 303-339-0729  
Cell: 303-929-9153  
Email: tony@plattecapitalprojects.com

Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone & Email: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



2485 W. Main Street  
Suite #207  
Littleton, CO 80120

303-339-0729

[platteprojects@gmail.com](mailto:platteprojects@gmail.com)

[www.plattecapiatprojects.com](http://www.plattecapiatprojects.com)



**SHERWIN-WILLIAMS.**

TYLER CHRISTY  
720.982.9852  
TYLER.R.CHRISTY@SHERWIN.COM

# Paint Scope/Specification

## HEATHER GARDENS HOA EXTERIOR REPAINT SPECIFICATION





## Scope of Work

1. Painting of all previously painted surfaces to include the elevator block house located on the roof of the buildings, the sides and underside of the end stairs; foundation walls, including parking deck foundation walls; passage doors and door trim.
  - a. All passage doors shall be painted, including those not previously painted. Anodized aluminum frames of entry doors are excluded.
  - b. The ornamental hand/guard rails on all stairs and landings.
  
2. The painting of all lanais, open and enclosed, to include the lanai textured ceilings and face of the lanai slab.
  - a. The ornamental iron railings on the lanais and lanai knee walls of all buildings. The back side of the railings will be painted when accessible.
  - b. The lanai ceilings shall be spray painted. They shall not be painted by use of a roller or brush.
  
3. Air conditioning cans shall be painted.
  
4. Do not paint factory finished metals

### B. Surface Preparation

1. All attachments to the building such as building and/or address numbers shall be removed before painting and shall be replaced upon completion. Item broken by Contractor personnel shall be replaced at the Contractor's expense in a timely manner and before final payment is made on the building.
  
2. Inspect all block surfaces and mortar joints for cracks and other failures in preparation of painting in accordance with the paragraphs below and Section V., Technical Specification. Repair as necessary. All cracks must be dry and clean.
  - a. Hairline cracks to cracks of  $\frac{1}{8}$ "
    - 1) Remove all loose materials by use of hand tools.
    - 2) Seal crack with Elastomeric Sealant.
    - 3) Spot prime with Loxon Masonry Block Surfacer Primer.
  
  - b. Cracks  $\frac{1}{8}$ " up to cracks of  $\frac{1}{4}$ ".
    - 1) Remove all loose materials by use of hand tools.
    - 2) Seal crack with Elastomeric Sealant.

- 3) Spot prime with Loxon Masonry Block Surfacers.
  - c. Cracks and imperfections greater than  $\frac{1}{4}$ ".
    - 1) Remove all loose materials by use of hand or power tools.
    - 2) Remove all dirt, dust, or powder by use of water or air blast.
    - 3) Repair area by use of a non-shrinking grout or patch cement and allow to cure. Backer rod may be used to fill deep cracks prior to filling the crack.
    - 4) Prime repair with Loxon Masonry Block Surfacers.
  
6. Inspect the condition of the caulking around all air-conditioning cans, all windows, and window sills. If necessary remove the existing caulk and re-caulk using a sealant recommended by the paint manufacturer's technical representative.
  
7. Inspect the vertical joint formed by the lanai enclosure frame and building line.
  - a. If not previously sealed, the joint shall be sealed using a two-part urethane sealant the full length of the assembly. Closed cell backer rod suitable for exterior use shall be used to fill the excess gap between the wall and enclosure.
  - b. If previously sealed and the existing sealant shows signs of deterioration or does not form a water tight seal, remove and reseal with a two part urethane sealant. All old sealant is to be removed and the surfaces cleaned before applying the new sealant.
  - c. Surface areas shall be primed with an acceptable primer before applying sealants.
  
8. Inspect all ornamental iron railing surfaces.
  - a. Wipe all surfaces to remove dust, dirt, and other contaminants with an approved cleaning solvent.
  - b. Remove loose, chipped and peeling paint; rust, mil scale; and other contaminants not removed by the cleaning solvent by use of scraper, wire brush or mechanical means such as an electric sander. Areas that have peeled and left a film thickness edge must be sanded smooth.
  - c. Rusted and/or blistered areas that have been previously painted over shall be sanded smooth.

10. Passage Doors

- a. Remove loose rust, mill scale and other existing contaminants from the surface by hand tools. Hand tool cleaning does not require the removal of intact rust or mill scale. Hand tooling includes scraping, wire brushing, and sanding.
- b. Apply rust inhibiting primer coat specified by the paint manufacturer's technical representative.
- c. Spray inside and outside of door with **Pro Industrial Multi Surface Acrylic B66W1151**

13. Exterior Masonite Panels/Composition Boards/Rock Boards

- a. Inspect panels for rot, splitting, delamination, and any other signs of deterioration and repair as necessary.
- b. Remove loose paint and other loose contaminants from the surface with hand tools.
- c. Prior to painting, the surface must be clean and dry.
- d. Note: Some composition boards may exude a waxy material that must be removed with a solvent prior to painting. Whether factory primed or unprimed, exterior composition board siding (hardboard) must be cleaned thoroughly and primed with an alkyd primer.

C. Power Washing

1. Prior to painting, all surfaces shall be power washed to remove all surface contamination such as oil, grease, loose paint, mill scale, dirt, foreign matter, rust, mold, mildew, mortar, efflorescence and sealers. This is a gentle rinse to clean the substrate.

2. Block shall not be saturated by power washing. Surfaces shall be allowed to dry before painting.

D. Painting

1. Spot prime all bare block using **Loxon Block Surfacer LX01W0200** 16.0 mils WMT/8.0 mils DFT. **Note:** New block shall first be coated as described above.
2. All block must be sprayed to ensure a uniform coat of paint. Apply one coat of Sherwin Williams **A100 Latex Satin A82w151** at 4.0 mils WMT, 1.5 mils DFT.
4. Spot prime all new and bare wood using Sherwin-Williams **B42W08041 Exterior Wood Primer**, 4.0 mils WFT, 1.4 mils DFT.
5. Passage Doors, Metal, and Handrails
  1. Spot prime bare metal using **b66w13010 Pro Cryl Universal Metal Primer** , 10 mils WFT, 3.8 mils DFT.
  2. Apply 1 full coat of **Pro Industrial Multi Surface Acrylic B66W1151** , 6 mils WFT, 2.5 mils DFT.
  3. Total 6.2 mils DFT.
6. Exterior Galvanized Gutters, Downspouts, Scuppers, and Miscellaneous Metal Flashing
  1. Spot prime all new and bare galvanized metal with **Pro Cryl universal primer** 10 mils WFT, 3.8 mils DFT.
  2. Apply one coat of **A100 Latex Satin A82W151** at 4.0 mils WMT, 1.5 mils DFT.
  3. Total DFT, 5.3 mils.

# Loxon® Acrylic Block Surfacers

LX01W0200 White


**SHERWIN  
WILLIAMS.**

## CHARACTERISTICS

Loxon Acrylic Block Surfacers is a lightweight technology, 100% acrylic resin surfacer for interior and exterior poured and precast concrete, concrete block, cinder block, and stucco. It is designed to smooth and uniform surfaces, helping to reduce pinholes.

Loxon Acrylic Block Surfacers's technology solves problems:

- Faster production rates
- Excellent filling and sealing properties
- Suitable for use in USDA-inspected facilities
- Topcoat with high performance coatings such as epoxies and urethanes
- Alkali resistant from 8 to 13 pH
- Use at temperatures down to 35°F

<b>Color:</b>	White
<b>Coverage:</b>	
Wet mils:	16
Dry mils:	8.8
Coverage sq.ft. per gallon	50-100
<b>Drying Schedule @ 50% RH, 16 mils wet:</b>	
temperature and humidity dependent	
	<b>@35-55°F @ 55°F+</b>
<b>Touch:</b>	2 hours 1 hour
<b>Recoat:</b>	
with latex:	24 hours 8 hours
with alkyd:	48 hours 48 hours
<b>with high performance:</b>	48 hours 48 hours
Air and surface temperatures must not drop below 35°F for 48 hours after application.	
<b>Finish:</b>	Flat
<b>Tinting with CCE only:</b>	
<b>Base</b>	<b>oz.per gallon</b> <b>Strength</b>
White	0-2 SherColor

### White LX01W0200

#### V.O.C. (less exempt solvents):

86 grams per litre; 0.72 lbs. per gallon  
As per 40 CFR 59.406

<b>Volume Solids:</b>	55 ± 2%
<b>Weight Solids:</b>	60 ± 2%
<b>Weight per Gallon:</b>	9.39 lb
<b>Flash Point:</b>	NA
<b>Vehicle Type:</b>	Acrylic
<b>Shelf Life:</b>	36 months, unopened

## COMPLIANCE

As of 10/28/2021, Complies with:

OTC	Yes
OTC Phase II	Yes
S.C.A.Q.M.D.	Yes
CARB	Yes
CARB SCM 2007	Yes
CARB SCM 2020	Yes
Canada	Yes
LEED® v4 & v4.1 Emissions	No
LEED® v4 & v4.1 V.O.C.	Yes
EPD-NSF® Certified	Yes
MIR-Manufacturer Inventory	No
MPI®	Yes

## APPLICATION

**Temperature:**  
minimum 35°F

The following is a guide. Changes in pressures and tip sizes may be needed for proper spray characteristics. Always purge spray equipment before use with listed reducer. Any reduction must be compatible with the existing environmental and application conditions.

**Reducer:** No reduction necessary

**Airless Spray:**

Pressure	2000 p.s.i.
Hose	1/4-3/8 inch I.D.
Tip	.015-.031 inch
Filter	30 mesh

**Brush:** Use a nylon-polyester brush

**Roller Cover:** Use a 1/2 to 1 1/2 inch nap synthetic cover

Spray and backroll on porous & rough stucco to achieve required film build and a pin-hole free surface.

For porous block a coat of Loxon Acrylic Block Surfacers is required to achieve a pinhole free surface.

Apply at temperatures above 35°F. When the air temperature is at 35°F, substrates may be colder; prior to painting, check to be sure the air, surface, and material temperature are above 35°F and at least 5°F above the dew point. Avoid using if rain or snow is expected within 2-3 hours.

Do not apply at air or surface temperatures below 35°F or when air or surface temperatures may drop below 35°F within 48 hours.

Do not paint in direct sun or on a hot surface.

Do not reduce.

## APPLICATION TIPS

Apply paint at the recommended film thickness and spreading rate as indicated on the page. Application of coating below minimum recommended spreading rate may adversely affect the coating systems performance.

Loxon Block Surfacers is ready-to-spray (airless) and does not require thinning. Mix material thoroughly to a uniform consistency with power agitation and apply by brush, roller, or spray. If applied by airless spray, follow by roller, being careful to force material into pores in order to reduce pinholes and produce a relatively smooth surface. Squeegee or trowel will provide the smoothest finish. Two coats properly applied may be required to provide the most pinhole-free, uniform surface.

## RECOMMENDED SYSTEMS

**Concrete, Masonry, Cement**  
1 coat Loxon Acrylic Block Surfacers  
2 coats Appropriate topcoat

**CMU, Block, Split-face Block:**  
1 coat Loxon Acrylic Block Surfacers  
2 coats Appropriate topcoat

### Recommended Architectural Topcoats:

A-100 Exterior Latex  
Loxon Masonry Coatings  
SuperPaint Exterior  
Duration Exterior  
Emerald Exterior  
Emerald Interior  
Duration Home  
ProClassic Interior  
ProMar Interior  
SuperPaint Interior

### Recommended Industrial Topcoats:

Acrolon 218 Polyurethane  
Pro Industrial Series  
Epolon II Multi-Mil Epoxy  
Industrial Enamels  
Macropoxy HS Epoxy  
Macropoxy 646  
Steel Master 9500 Silicone Alkyd  
Tile-Clad HS Epoxy  
Water Based Catalyzed Epoxy

Industrial finishes have been tested for interior use only. Loxon Acrylic Block Surfacers has not been tested in environments subject to chemical attack. Any recommendations for use in such areas must follow a thorough evaluation of the effects of the environment on the Loxon Block Surfacers and topcoat system.

For exterior use, this primer-sealer must be topcoated within 14 days to prevent degradation due to weathering.

# Loxon® Acrylic Block Surfacers

## SURFACE PREPARATION

**WARNING!** Removal of old paint by sanding, scraping or other means may generate dust or fumes that contain lead. Exposure to lead dust or fumes may cause brain damage or other adverse health effects, especially in children or pregnant women. Controlling exposure to lead or other hazardous substances requires the use of proper protective equipment, such as a properly fitted respirator (NIOSH approved) and proper containment and cleanup. For more information, call the National Lead Information Center at 1-800-424-LEAD (in US) or contact your local health authority.

Remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Scrape and sand peeled or checked paint to a sound surface. Sand glossy surfaces dull. Seal stains from water, smoke, ink, pencil, grease, etc. with the appropriate primer-sealer. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

### **Masonry, Concrete, Cement, Block:**

If needed, pressure clean to remove all dirt, dust, grease, oil, loose particles, laitance, foreign material, peeling and defective coatings, chalk, form release agents, moisture curing membranes, etc. Allow the surface to dry thoroughly. Existing peeled or checked paint should be removed to a sound surface. Do not apply to smooth, slick surfaces. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

Concrete and mortar must be cured at least 7 days at 75°F. Moisture content must be 15% or lower. On tilt-up and poured-in-place concrete, commercial detergents and sandblasting may be necessary to remove sealers, release compounds, and to provide an anchor pattern. Fill bugholes, air pockets and other voids with an elastomeric patch or sealant.

## SURFACE PREPARATION

### **Mildew:**

Prior to attempting to remove mildew, it is always recommended to test any cleaner on a small, inconspicuous area prior to use. Bleach and bleaching type cleaners may damage or discolor existing paint films. Bleach alternative cleaning solutions may be advised.

Mildew may be removed before painting by washing with a solution of 1 part liquid bleach and 3 parts water. Apply the solution and scrub the mildewed area. Allow the solution to remain on the surface for 10 minutes. Rinse thoroughly with water and allow the surface to dry before painting. Wear protective eyewear, waterproof gloves, and protective clothing. Quickly wash off any of the mixture that comes in contact with your skin. Do not add detergents or ammonia to the bleach-water solution.

## PHYSICAL PROPERTIES

Do not paint on wet surfaces.

### **LX01W0200**

**Water Vapor Permeance (US) :** 35.99 perms

**Method:** ASTM D1653 grains/(hr ft<sup>2</sup> in Hg)

### **Flexibility:**

**Method:** ASTM D522, method B, 180° bend, 3/4 inch mandrel

**Result:** Pass

## CAUTIONS

For interior exterior use only.

Must be topcoated for exterior use.

Protect from freezing.

Do not apply to damp or wet surfaces.

Do not use below grade as a hydrostatic waterproofer or in immersion service.

Do not apply at temperatures below 35°F. Air and surface temperatures must not drop below 35°F for 48 hours after application.

Before using, carefully read **CAUTIONS** on label.

**CRYSTALLINE SILICA:** Use only with adequate ventilation. To avoid overexposure, open windows and doors or use other means to ensure fresh air entry during application and drying. If you experience eye watering, headaches, or dizziness, increase fresh air, or wear respiratory protection (NIOSH approved) or leave the area. Adequate ventilation required when sanding or abrading the dried film. If adequate ventilation cannot be provided wear an approved particulate respirator (NIOSH approved). Follow respirator manufacturer's directions for respirator use. Avoid contact with eyes and skin. Wash hands after using. Keep container closed when not in use. Do not transfer contents to other containers for storage. **FIRST AID:** In case of eye contact, flush thoroughly with large amounts of water. Get medical attention if irritation persists. If swallowed, call Poison Control Center, hospital emergency room, or physician immediately. **DELAYED EFFECTS FROM LONG TERM OVEREXPOSURE.** Abrading or sanding of the dry film may release crystalline silica which has been shown to cause lung damage and cancer under long term exposure. **WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. **DO NOT TAKE INTERNALLY. KEEP OUT OF THE REACH OF CHILDREN.**

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## CLEANUP INFORMATION

Clean spills, spatters, hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with a compliant cleanup solvent to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using solvents.



**SHERWIN  
WILLIAMS.**

# ConFlex™ XL Smooth High Build Acrylic Coating

CF11W0051 Extra White, CF11W0053 Deep Base, CF11T0054 Ultradeep Base

## CHARACTERISTICS

ConFlex XL High Build Acrylic Coating is an elastomeric coating that provides excellent flexibility, durability, and weather resistance. This product will protect against wind-driven rain when used on tilt-up, precast, or poured-in-place concrete, CMU, brick, and stucco.

Color: Most Colors

2 coat system, brush, roller, or spray applied, coverage per coat: 100-125 sq. ft. per gallon

Wet mils: 13.0-16.0  
Dry mils: 6.0-7.5

1 coat system, spray applied, coverage per coat: 50-60 sq. ft. per gallon

Wet mils: 26.0-32.0  
Dry mils: 12.0-15.0

Can be applied up to 40 mils wet. Coverage will vary with the substrate and the texture.

Drying Schedule @ 50% RH:

@ 77°F  
Touch: 4 hours  
Recoat: 24 hours

Drying time is temperature, humidity, and film thickness dependent.

Finish: 0-10 units @ 85°

Tinting with CCE only:

Base	oz.per gallon	Strength
Extra White	0-6	SherColor
Deep Base	2-12	SherColor
Ultradeep Base	10-12	SherColor

Extra White CF11W0051  
(may vary by color)

V.O.C. (less exempt solvents):

less than 50 grams per litre; 0.42 lbs. per gallon  
As per 40 CFR 59.406

Volume Solids: 46 ± 2%

Weight Solids: 62 ± 2%

Weight per Gallon: 11.58 lb

Flash Point: NA

Vehicle Type: 100% Acrylic

Shelf Life: 36 months, unopened

Mildew Resistant:

This coating contains agents which inhibit the growth of mildew on the surface of this coating film.

## COMPLIANCE

As of 04/29/2020, Complies with:

OTC	Yes
OTC Phase II	Yes
SCAQMD	Yes
CARB	Yes
CARB SCM 2007	Yes
Canada	Yes
LEED® v4 & v4.1 Emissions	N/A
LEED® v4 & v4.1 V.O.C.	Yes
EPD-NSF® Certified	N/A
MIR-Manufacturer Inventory	N/A
MPI®	Yes

## APPLICATION

Temperature:

Apply between 50°-100°F

The following is a guide. Changes in pressures and tip sizes may be needed for proper spray characteristics. Always purge spray equipment before use with listed reducer. Any reduction must be compatible with the existing environmental and application conditions.

Reducer:

Do not reduce

Airless Spray:

Pressure 2300 p.s.i.

Tip .021 inch

Brush: nylon-polyester

Roller Cover: ½ to 1½ inch nap synthetic cover.

Avoid over-brushing or rapid rolling, which causes air bubbles.

The substrate and its condition will determine the application procedure.

Considerations to minimize pinholes:

- 2 coat application with overnight drying between coats
- Spray application with backrolling
- Power rolling

## APPLICATION TIPS

Sealing and Patching:

After cleaning the masonry surface thoroughly, prime any bare surface with Loxon Concrete & Masonry Primer, apply an elastomeric patch or sealant if needed, allow to dry, then topcoat.

To improve the performance consider:

- Use caution when preparing the substrate to create a uniform surface.
- Patch cracks, crevices, and openings with an elastomeric patch or sealant
- Stripe coat all inside and outside corners and edges with 1 coat of ConFlex XL High Build Coating Smooth.

The depth of the opening should be 1/2 the width of the joint, with a maximum depth of 1/2". In deep openings, the depth of the Sealant should be controlled with a closed cell, "non-gassing" type backer rod. The backer rod should be about 1/8" wider than the opening.

## RECOMMENDED SYSTEMS

A minimum total dry film thickness of 12 - 15 mils of topcoat and a surface with 10 or less pinholes per square foot is required for a waterproofing system.

### New Construction

Concrete & Stucco:

1 coat Loxon Concrete and Masonry Primer

1-2 coats ConFlex XL High Build Coating

Concrete Block, CMU, Split-face Block:

1-2 coats ConFlex Block Filler

or

1-2 coats Loxon Acrylic Block Surfacers

2 coats ConFlex XL High Build Coating

(2 coats recommended due to the typical porosity of these surfaces)

Previously Coated:

After power washing, apply 1 coat of Loxon Conditioner to tie any residual chalk to the surface.

1 coat Loxon Acrylic Conditioner (if needed)

1-2 coats ConFlex XL High Build Coating

# ConFlex™ XL

## Smooth High Build Acrylic Coating

### SURFACE PREPARATION

**WARNING!** Removal of old paint by sanding, scraping or other means may generate dust or fumes that contain lead. Exposure to lead dust or fumes may cause brain damage or other adverse health effects, especially in children or pregnant women. Controlling exposure to lead or other hazardous substances requires the use of proper protective equipment, such as a properly fitted respirator (NIOSH approved) and proper containment and cleanup. For more information, call the National Lead Information Center at 1-800-424-LEAD (in US) or contact your local health authority.

Remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Scrape and sand peeled or checked paint to a sound surface. Sand glossy surfaces dull. Seal stains from water, smoke, ink, pencil, grease, etc. with the appropriate primer-sealer. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

**Masonry, Concrete, CMU, Stucco:** Remove all dirt, dust, mildew, loose particles, laitance, foreign material, peeling and defective coatings, chalk, form release agents, moisture curing membranes, etc. All new surfaces must be cured according to the supplier's recommendations—usually about 30 days. If painting cannot wait 30 days, allow the surface to cure 7 days at 75°F and prime the surface with Loxon Concrete & Masonry Primer or Loxon Block Surfacers to fill Block, and CMU.

On tilt-up and poured-in-place concrete, commercial detergents and sandblasting may be necessary to remove sealers, release compounds, and to provide an anchor pattern.

Allow the surface to dry thoroughly.

Concrete and mortar must be dry and cured at least 30 days and a pH of less than 10 to apply this product directly. Fill bugholes, air pockets, cracks, and other voids with an elastomeric patch or sealant. Rough surfaces can be filled to provide a smooth surface.

**To repair openings and cracks:**

**No greater than 1/32" wide:**

Apply one coat of Loxon Acrylic Primer and follow with 1 or 2 coats of ConFlex XL High Build Coating.

**From 1/32" up to 1/16" wide:**

Bridge over voids and small cracks up to 1/16" wide with an elastomeric patch or sealant. The product must be feathered to zero at the edges using a brush, knife, or trowel, to prevent the repaired area from telegraphing through the subsequent finishes. Do not apply more than 1/4" in depth in one application.

**From 1/16" to 3/8" wide:**

Cracks and voids between 1/16" and 3/8" wide should be opened to a sound surface. Flush out the opening to remove all dust. If dust is still evident, seal the surface with Loxon Conditioner to bind the dust to the surface.

Fill the opening with an elastomeric patch or sealant; provide a small crest over the opening to allow for shrinkage. The product must be feathered to zero at the edges using a brush, knife, or trowel, to prevent the repaired area from telegraphing through the subsequent finishes. Do not apply more than 1/4" in depth in one application. Allow this to cure 24 hours.

### SURFACE PREPARATION

**Mildew:** Prior to attempting to remove mildew, it is always recommended to test any cleaner on a small, inconspicuous area prior to use. Bleach and bleaching type cleaners may damage or discolor existing paint films. Bleach alternative cleaning solutions may be advised.

Mildew may be removed before painting by washing with a solution of 1 part liquid bleach and 3 parts water. Apply the solution and scrub the mildewed area. Allow the solution to remain on the surface for 10 minutes. Rinse thoroughly with water and allow the surface to dry before painting. Wear protective eyewear, waterproof gloves, and protective clothing. Quickly wash off any of the mixture that comes in contact with your skin. Do not add detergents or ammonia to the bleach/water solution.

### PHYSICAL PROPERTIES

#### Extra White CF11W0051

(may vary by base)

#### Wind-Driven Rain Test<sup>1</sup> :

Method: ASTM D6904-03  
Result: Pass

#### Water Vapor Permeance<sup>2</sup> :

Method: ASTM D1653 14 day cure @ 77°F & 50% RH  
Result: 16.9 US perms

#### Elongation<sup>3</sup> :

Method: ASTM D2370, 14 day cure @ 77°F & 50% RH  
Result: 250%

#### Tensile Strength<sup>3</sup> :

Method: ASTM D2370, 14 day cure @ 77°F & 50% RH  
Result: 215 p.s.i.

#### Flexibility:

Method: ASTM D522, Method A  
Result: Pass

#### Mildew Resistance :

Method: ASTM D3273/D3274  
Result: Pass

#### Low Temperature Flexibility :

Method: ASTM D522 - Method B @ 10°F  
Result: Pass

<sup>1</sup> 1 coat Loxon Primer at 3.2 mils D.F.T.

<sup>2</sup> 2 coats ConFlex XL Smooth at 6.0-7.5 mils D.F.T.-per coat

<sup>3</sup> 1 coat ConFlex XL Smooth at 5.9 mils D.F.T.

<sup>3</sup> 1 coat ConFlex XL Smooth at 6.4 mils D.F.T.

### CAUTIONS

For exterior use only.

Protect from freezing.

Not for use on horizontal surfaces (floors, roofs, decks, etc.) where water will collect.

Not for use on overhead horizontal surfaces (under sides of balconies, soffits, etc.)

Not for use below grade. Will not withstand hydrostatic pressure.

Before using, carefully read **CAUTIONS** on label.

**CRYSTALLINE SILICA, ZINC:** Use only with adequate ventilation. To avoid overexposure, open windows and doors or use other means to ensure fresh air entry during application and drying. If you experience eye watering, headaches, or dizziness, increase fresh air, or wear respiratory protection (NIOSH approved) or leave the area. Adequate ventilation required when sanding or abrading the dried film. If adequate ventilation cannot be provided wear an approved particulate respirator (NIOSH approved). Follow respirator manufacturer's directions for respirator use. Avoid contact with eyes and skin. Wash hands after using. Keep container closed when not in use. Do not transfer contents to other containers for storage. **FIRST AID:** In case of eye contact, flush thoroughly with large amounts of water. Get medical attention if irritation persists. If swallowed, call Poison Control Center, hospital emergency room, or physician immediately. **DELAYED EFFECTS FROM LONG TERM OVEREXPOSURE.** Abrading or sanding of the dry film may release crystalline silica which has been shown to cause lung damage and cancer under long term exposure. **WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. **DO NOT TAKE INTERNALLY. KEEP OUT OF THE REACH OF CHILDREN.**

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### CLEANUP INFORMATION

Clean spills, spatters, hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with a compliant cleanup solvent to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using solvents.





**SHERWIN  
WILLIAMS.**

# Pro Industrial™ Multi-Surface Acrylic Semi-Gloss

B66-1550 Series

## CHARACTERISTICS

Pro Industrial Multi-Surface Acrylic is a waterborne acrylic for interior and exterior use on marginally prepared metal or masonry surfaces. Features multiple sheens, fast dry, easy application and dry fall properties.

### Features:

- Self-priming directly to multiple surfaces
- Excellent one-coat hide and stain blocking
- Abrasion resistant
- Optimized for spray application
- Good exterior color and gloss retention
- Dries fast and dry falls in 10-15 feet
- Suitable for use in USDA inspected facilities

### For use on properly prepared:

Steel, Galvanized & Aluminum, Concrete and Masonry.

**Finish:** 35-45° @60°

**Color:** Most colors

### Recommended Spreading Rate per coat:

Wet mils: 3.75-6.0

Dry mils: 1.4-2.3

Coverage: 264-435 sq.ft. per gallon

**Theoretical Coverage:** 609 sq. ft. per gallon  
@ 1 mil dry

Approximate spreading rates are calculated on volume solids and do not include any application loss.

**Note:** Brush or roll application may require multiple coats to achieve maximum film thickness and uniformity of appearance.

### Drying Schedule @ 5.0 mils wet, @ 50% RH:

Drying, and recoat times are temperature, humidity, and film thickness dependent. Dry fall characteristics will be affected at temperatures below 77°F(25°C) or above 50% RH.

	@50°F	@77°F	@100°F
To touch	1 hour 30 minutes	15 minutes	
To handle	2 hours	1 hour 30 minutes	
To recoat	4 hours	2 hours	1 hour
To dryfall	10-15 ft.	10 ft.	10 ft.

### Tinting with CCE only:

Tinting will affect dryfall characteristics.

Base	oz. per gallon	Strength
Extra White	0-6	SherColor
Ultradeep Base	10-14	SherColor

### Extra White B66W01551

(may vary by color)

### V.O.C. (less exempt solvents):

less than 50 grams per litre; 0.42 lbs. per gallon

As per 40 CFR 59.406

**Volume Solids:** 38 ± 2%

**Weight Solids:** 50 ± 2%

**Weight per Gallon:** 10.25 lb

**Flash Point:** N/A

**Vehicle Type:** Acrylic

**Shelf Life:** 24 months, unopened

## COMPLIANCE

As of 11/18/2021, Complies with:

OTC	Yes
OTC Phase II	Yes
S.C.A.Q.M.D.	Yes
CARB	Yes
CARB SCM 2007	Yes
CARB SCM 2020	Yes
Canada	Yes
LEED® v4 & v4.1 Emissions	No
LEED® v4 & v4.1 V.O.C.	Yes
EPD-NSF® Certified	No
MIR-Manufacturer Inventory	No
MPI®	Yes

## APPLICATION

### Temperature:

minimum 50°F

maximum 100°F

air, surface, and material

At least 5°F above dew point

**Relative humidity:** 85% maximum

The following is a guide. Changes in pressures and tip sizes may be needed for proper spray characteristics. Always purge spray equipment before use with listed reducer. Any reduction must be compatible with the existing environmental and application conditions.

**Reducer:** Water

### Airless Spray:

Pressure 2000 p.s.i.

Hose 1/4 inch I.D.

Tip .013 - .017 inch

Filter 60 mesh

### Conventional Spray:

Gun Binks 95

Fluid Nozzle 63 C

Air Nozzle 63 FB

Atomization Pressure 60 p.s.i.

Fluid Pressure 50 p.s.i.

Reduction: Not recommended

**Brush:** Nylon-polyester

**Roller Cover:** 1/4 inch woven

If specific application equipment is listed above, equivalent equipment may be substituted.

Apply paint at the recommended film thickness and spreading rate as indicated. Application of coating above maximum or below minimum recommended spreading rate may adversely affect coating performance.

When using spray application, use a 50% overlap with each pass of the gun to avoid holidays, bare areas, and pinholes. If necessary, cross spray at a right angle.

Overspray landing on hot surfaces may adhere to these surfaces. Immediately remove overspray from hot surfaces before adhesion occurs.

No painting should be done immediately after a rain or during foggy weather.

Do not paint on wet surfaces.

Check adhesion by applying a test strip to determine the readiness for painting.

## SPECIFICATIONS

### Steel\*

2 coats Pro Industrial Multi-Surface Acrylic

### Steel:

1 coat Pro Industrial Pro-Cryl Primer

or Pro Industrial DTM Primer/Finish

or Kem Bonds HS

or Zinc Clad Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

### Aluminum:

1-2 coats Pro Industrial Multi-Surface Acrylic

### Aluminum (Water Based Primer):

1 coat Pro Industrial Pro-Cryl Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

### Concrete Block (CMU):

1 coat Pro Industrial Heavy Duty Blockfiller

or Loxon Acrylic Block Surfacers

1-2 coats Pro Industrial Multi-Surface Acrylic

### Concrete/Masonry:

1 coat Loxon Concrete & Masonry Primer (if needed)

or Loxon Conditioner (if needed)

2 coats Pro Industrial Multi-Surface Acrylic

### Drywall:

1 coat ProMar 200 Zero V.O.C. Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

### Galvanizing:

2 coats Pro Industrial Multi-Surface Acrylic

### Pre-Finished Siding: (Baked-on finishes)

1 coat Bond-Plex Waterbased Acrylic

or DTM Bonding Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

### Wood, exterior:

1 coat Exterior Wood Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

### Wood, interior:

1 coat Premium Wall & Wood Primer

1-2 coats Pro Industrial Multi-Surface Acrylic

\*Primer recommended for best performance

# Pro Industrial™

## Multi-Surface Acrylic Semi-Gloss

### SURFACE PREPARATION

**WARNING!** Removal of old paint by sanding, scraping or other means may generate dust or fumes that contain lead. Exposure to lead dust or fumes may cause brain damage or other adverse health effects, especially in children or pregnant women. Controlling exposure to lead or other hazardous substances requires the use of proper protective equipment, such as a properly fitted respirator (NIOSH approved) and proper containment and cleanup. For more information, call the National Lead Information Center at 1-800-424-LEAD (in US) or contact your local health authority.

**Do not use hydrocarbon solvents for cleaning.**

Remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Existing peeled or checked paint should be scraped and sanded to a sound surface. Glossy surfaces should be sanded dull. Stains from water, smoke, ink, pencil, grease, etc. should be sealed with the appropriate primer/sealer. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

**Iron & Steel** - Minimum surface preparation is Hand Tool Clean per SSPC-SP2. Remove all oil and grease from surface per SSPC-SP1. For better performance, use Commercial Blast Cleaning per SSPC-SP6. Primer recommended for best performance

**Aluminum** - Remove all oil, grease, dirt, oxide and other foreign material per SSPC-SP1.

**Galvanizing** - Allow to weather a minimum of six months prior to coating. Solvent Clean per SSPC-SP1. When weathering is not possible, or the surface has been treated with chromates or silicates, first Solvent Clean per SSPC-SP1 and apply a test patch. Allow paint to dry at least one week before testing adhesion. If adhesion is poor, brush blasting per SSPC-SP16 is necessary to remove these treatments. Rusty galvanizing requires a minimum of Hand Tool Cleaning per SSPC-SP2, prime the area the same day as cleaned.

**Concrete Block** - Surface should be thoroughly clean and dry. Air, material and surface temperatures must be at least 55°F (13°C) before filling. Use Pro Industrial Heavy Duty Block Filler or Loxon Acrylic Block Surfacer. The filler must be thoroughly dry before topcoating.

**Masonry** - All masonry must be free of dirt, oil, grease, loose paint, mortar, masonry dust, etc. Clean per SSPC-SP13/Nace 6/ ICRI No. 310.2R, CSP 1-3. Poured, troweled, or tilt-up concrete, plaster, mortar, etc. must be thoroughly cured at least 30 days at 75°F. Form release compounds and curing membranes must be removed by brush blasting. Brick must be allowed to weather for one year prior to surface preparation and painting. Prime the area the same day as cleaned. Weathered masonry and soft or porous cement board must be brush blasted or power tool cleaned to remove loosely adhering contamination and to get to a hard, firm surface. Apply one coat Loxon Conditioner, following label recommendations.

**Wood** - Surface must be clean, dry, and sound. Prime with recommended primer. No painting should be done immediately after a rain or during foggy weather. Knots and pitch streaks must be scraped, sanded and spot primed before full coat of primer is applied. All nail holes or small openings must be properly caulked. Sand to remove any loose or deteriorated surface wood and to obtain a proper surface profile.

### SURFACE PREPARATION

**Previously Painted Surface** - If in sound condition, clean the surface of all foreign material. Smooth, hard or glossy coatings and surfaces should be dulled by abrading the surface. Apply a test area, allowing paint to dry one week before testing adhesion. If adhesion is poor, additional abrasion of the surface and/or removal of the previous coating may be necessary. Retest surface for adhesion. If paint is peeling or badly weathered, clean surface to sound substrate and treat as a new surface as above. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

**Mildew** - Prior to attempting to remove mildew, it is always recommended to test any cleaner on a small, inconspicuous area prior to use. Bleach and bleaching type cleaners may damage or discolor existing paint films. Bleach alternative cleaning solutions may be advised.

Mildew may be removed before painting by washing with a solution of 1 part liquid bleach and 3 parts water. Apply the solution and scrub the mildewed area. Allow the solution to remain on the surface for 10 minutes. Rinse thoroughly with water and allow the surface to dry before painting. Wear protective eyewear, waterproof gloves, and protective clothing. Quickly wash off any of the mixture that comes in contact with your skin. Do not add detergents or ammonia to the bleach/water solution.

### PERFORMANCE

**System Tested:** (unless otherwise indicated)

**Substrate:** Steel  
**Surface Preparation:** SSPC-SP10  
**Finish:** 2 coats Pro Industrial Multi-Surface Acrylic B66W01551, 2.5 DFT per coat

**Adhesion:**  
Method: ASTM D4541  
Result: 1385 p.s.i.

**Abrasion Resistance:**  
Method: ASTM D4060, CS17 wheel,  
1000 cycles, 1000 mg load  
Result: 52.7 mg loss

**Corrosion Weathering\*:**  
Method: ASTM D5894, 5 cycles  
Result: Rating 10, per ASTM D714  
for Blistering. Rating 8 per  
ASTM D1654 for corrosion

**Direct Impact Resistance:**  
Method: ASTM D2794  
Result: 30 inch lb.

**Dry Heat Resistance:**  
Method: ASTM D2485  
Result: 300°F

**Flexibility:**  
Method: ASTM D522, 1/8 inch mandrel  
Result: Pass

**Pencil Hardness:** 30 days  
Method: ASTM D3363  
Result: 4H

**Water Vapor Permeance (US):** 24.77 Perms  
Method: ASTM D1653 grains/(hr ft<sup>2</sup> in Hg)

\*over Pro Industrial Pro-Cryl Primer

### SAFETY PRECAUTIONS

Before using, carefully read **CAUTIONS** on label. Refer to the Safety Data Sheets (SDS) before use. **FOR PROFESSIONAL USE ONLY.**

Published technical data and instructions are subject to change without notice. Contact your Sherwin-Williams representative for additional technical data and instructions.

### CLEANUP INFORMATION

Clean spills, splatters, hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with compliant cleanup solvent to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using solvents.

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FRC

# A-100® Exterior Latex Satin

A82-Series


**SHERWIN  
WILLIAMS.**

## CHARACTERISTICS

A-100 Exterior Latex is a quality exterior finish. This product is recommended for use on aluminum, vinyl, and wood siding, clapboard, shakes, shingles, plywood, masonry, and metal down to a surface and air temperature of 35°F.

**Color:** Most Colors

**Coverage:** 350-400 sq. ft. per gallon  
@ 4 mils wet; 1.4 mils dry

**Drying Time, @ 50% RH:**

@ 35-45°F @ 45°F +

Touch: 2 hours 2 hours  
Recoat: 24-48 hours 4 hours

Drying and recoat times are temperature, humidity, and film thickness dependent

**Finish:** 10-20 units @ 60°

**Tinting with CCE only:**

Base:	oz. per gallon	Strength:
Extra White	0-6	SherColor
Deep Base	4-12	SherColor
Ultra Deep Base	10-12	SherColor

**Extra White A82W00151**

(may vary by color)

**VOC (less exempt solvents):**

less than 50 grams per litre; 0.42 lbs. per gallon

As per 40 CFR 59.406

<b>Volume Solids:</b>	36 ± 2%
<b>Weight Solids:</b>	46 ± 2%
<b>Weight per Gallon:</b>	9.88 lbs
<b>Flash Point:</b>	N/A
<b>Vehicle Type:</b>	100% Acrylic
<b>Shelf Life:</b>	36 months unopened
<b>WVP Perms (US)</b>	24.58 grains/(hr ft <sup>2</sup> in Hg)

### Mildew Resistant

This coating contains agents which inhibit the growth of mildew on the surface of this coating film.

## COMPLIANCE

As of 08/20/2020, Complies with:

OTC	Yes
OTC Phase II	Yes
SCAQMD	Yes
CARB	Yes
CARB SCM 2007	Yes
Canada	Yes
LEED® v4 & v4.1 Emissions	N/A
LEED® v4 & v4.1 VOC	Yes
EPD-NSF® Certified	N/A
MIR-Manufacturer Inventory	N/A
MPI®	Yes

## APPLICATION

When the air temperature is at 35°F, substrates may be colder; prior to painting, check to be sure the air, surface, and material temperature are above 35°F and at least 5°F above the dew point. Avoid using if rain or snow is expected within 2-3 hours.

Do not apply at air or surface temperatures below 35°F or when air or surface temperatures may drop below 35°F within 48 hours.

No reduction necessary.

**Brush:** Use a nylon-polyester brush.

**Roller:** Use a high quality 3/8-3/4 inch nap synthetic roller cover.

For specific brushes and rollers, please refer to our Brush and Roller Guide on Sherwin-Williams.com

**Spray—Airless** 2000 p.s.i.  
**Pressure**  
**Tip** .015-.019 inch

## APPLICATION TIPS

Make sure product is completely agitated (mechanically or manually) before use.

## SPECIFICATIONS

Standard latex primers cannot be used below 50°F. See specific primer label for that product's application conditions.

**Aluminum & Aluminum Siding<sup>1</sup>, Galvanized Steel<sup>1</sup>**

2 coats A-100 Exterior Latex

**Concrete Block, CMU, Split face Block**

1 coat Loxon Acrylic Block Surfacer

2 coats A-100 Exterior Latex

**Brick, Stucco, Cement, Concrete**

1 coat Loxon Concrete and Masonry Primer<sup>3</sup> or

Loxon Conditioner<sup>2</sup>

2 coats A-100 Exterior Latex

**Cement Composition Siding/Panels**

1 coat Loxon Concrete and Masonry Primer<sup>3</sup> or

Loxon Conditioner<sup>2</sup>

2 coats A-100 Exterior Latex

**Plywood**

1 coat Exterior Latex Primer

2 coats A-100 Exterior Latex

**\*Vinyl Siding**

2 coats A-100 Exterior Latex

**Wood, (Cedar, Redwood)<sup>4</sup>**

1 coat Exterior Oil-Based Wood Primer<sup>2</sup>

2 coats A-100 Exterior Latex

<sup>1</sup> On large expanses of metal siding, the air, surface, and material temperatures must be 50°F or higher.

<sup>2</sup> Not for use at temperatures under 50°F. See specific primer label for that product's application conditions.

<sup>3</sup> Not for use at temperatures under 40°F. See specific primer label for that product's application conditions.

<sup>4</sup> Knots and some woods, such as redwood and cedar, contain a high amount of tannin, a colored wood extract. For best results on these woods, use a coat of Exterior Oil-Based Wood Primer.

Other primers may be appropriate.

When repainting involves a drastic color change, a coat of primer will improve the hiding performance of the topcoat color.

# A-100®

## Exterior Latex Satin

### SURFACE PREPARATION

**WARNING!** Removal of old paint by sanding, scraping or other means may generate dust or fumes that contain lead. Exposure to lead dust or fumes may cause brain damage or other adverse health effects, especially in children or pregnant women. Controlling exposure to lead or other hazardous substances requires the use of proper protective equipment, such as a properly fitted respirator (NIOSH approved) and proper containment and cleanup. For more information, call the National Lead Information Center at 1-800-424-LEAD (in US) or contact your local health authority.

Remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Existing peeled or checked paint should be scraped and sanded to a sound surface. Glossy surfaces should be sanded dull. Stains from water, smoke, ink, pencil, grease, etc. should be sealed with the appropriate primer-sealer. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

#### **Aluminum and Galvanized Steel:**

Wash to remove any oil, grease, or other surface contamination. All corrosion must be removed with sandpaper, wire brush, or other abrading method.

#### **Cement Composition Siding-Panels:**

Remove all dirt, dust, grease, oil, loose particles, laitance, foreign material, and peeling or defective coatings. Allow the surface to dry thoroughly. If the surface is new, test it for pH, if the pH is higher than 9, prime with Loxon Concrete & Masonry Primer.

#### **Caulking:**

Gaps between windows, doors, trim, and other through-wall openings can be filled with the appropriate caulk after priming the surface.

#### **Concrete, Masonry, Cement, Block:**

All new surfaces must be cured according to the supplier's recommendations—usually about 30 days. Remove all form release and curing agents. Rough surfaces should be filled to provide a smooth surface. If painting cannot wait 30 days, allow the surface to cure 7 days and prime the surface with Loxon Concrete & Masonry Primer/Sealer. Cracks, voids, and other holes should be repaired with an elastomeric patch or sealant. **Concrete masonry units (CMU)** - Surface should be thoroughly clean and dry. Air, material and surface temperatures must be at least 50°F (10°C) before filling. Use Loxon Acrylic Block Surface. The filler must be thoroughly dry before topcoating.

#### **Stucco:**

Remove any loose stucco, efflorescence, or laitance. Allow new stucco to cure at least 30 days before painting. If painting cannot wait 30 days, allow the surface to dry 7 days and prime with Loxon Concrete & Masonry Primer. Repair cracks, voids, and other holes with an elastomeric patch or sealant.

### SURFACE PREPARATION

#### **Mildew:**

Prior to attempting to remove mildew, it is always recommended to test any cleaner on a small, inconspicuous area prior to use. Bleach and bleaching type cleaners may damage or discolor existing paint films. Bleach alternative cleaning solutions may be advised.

Mildew may be removed before painting by washing with a solution of 1 part liquid bleach and 3 parts water. Apply the solution and scrub the mildewed area. Allow the solution to remain on the surface for 10 minutes. Rinse thoroughly with water and allow the surface to dry before painting. Wear protective eyewear, waterproof gloves, and protective clothing. Quickly wash off any of the mixture that comes in contact with your skin. Do not add detergents or ammonia to the bleach-water solution.

#### **Previously Painted Surfaces:**

If in sound condition, clean the surface of all foreign material. Smooth, hard or glossy coatings and surfaces should be dulled by abrading the surface. Apply a test area, allowing paint to dry one week before testing adhesion. If adhesion is poor, additional abrasion of the surface and/or removal of the previous coating may be necessary. Retest surface for adhesion. If paint is peeling or badly weathered, clean surface to sound substrate and treat as a new surface as above. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

#### **Steel:**

Rust and mill scale must be removed using sandpaper, wire brush, or other abrading method. Bare steel must be primed the same day as cleaned.

#### **\*Vinyl or other PVC Building Products:**

Clean the surface thoroughly by scrubbing with warm, soapy water. Rinse thoroughly, if needed prime with appropriate white primer. Do not paint vinyl with any color darker than the original color. Do not paint vinyl with a color having a Light Reflective Value (LRV) of less than 56. Painting with darker colors lower than an LRV of 56 may cause vinyl to warp. Follow all painting guidelines of the vinyl manufacturer when painting. Only paint properly installed vinyl siding. Deviating from the manufacturer's painting guidelines may cause the warranty to be voided.

#### **Wood, Plywood, Composition Board:**

Clean the surface thoroughly then sand any exposed wood to a fresh surface. Patch all holes and imperfections with a wood filler or putty and sand smooth. All new and patched areas must be primed. Knots and some woods, such as redwood and cedar, contain a high amount of tannin, a colored wood extract. If applied to these bare woods, it may show some staining. If staining persists, spot prime severe areas with 1 coat of Exterior Oil-Based Wood Primer prior to using.

### CAUTIONS

For Exterior use only

Protect from freezing

Non-photochemically reactive

Not for use on floors.

Before using, carefully read **CAUTIONS on label**

**CRYSTALLINE SILICA, ZINC:** Use only with adequate ventilation. To avoid overexposure, open windows and doors or use other means to ensure fresh air entry during application and drying. If you experience eye watering, headaches, or dizziness, increase fresh air, or wear respiratory protection (NIOSH approved) or leave the area. Adequate ventilation required when sanding or abrading the dried film. If adequate ventilation cannot be provided wear an approved particulate respirator (NIOSH approved). Follow respirator manufacturer's directions for respirator use. Avoid contact with eyes and skin. Wash hands after using. Keep container closed when not in use. Do not transfer contents to other containers for storage. **FIRST AID:** In case of eye contact, flush thoroughly with large amounts of water. Get medical attention if irritation persists. If swallowed, call Poison Control Center, hospital emergency room, or physician immediately. **DELAYED EFFECTS FROM LONG TERM OVEREXPOSURE.** Abrading or sanding of the dry film may release crystalline silica which has been shown to cause lung damage and cancer under long term exposure. **WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm. **DO NOT TAKE INTERNALLY. KEEP OUT OF THE REACH OF CHILDREN.**

HOTW 08/20/2020 A82W00151 47 37  
FRC, SP

### CLEANUP INFORMATION

Clean spills, spatters, hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with compliant cleanup solvent to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using solvents.

# Pro Industrial™ Pro-Cryl® Universal Primer

B66-1300 Series


**SHERWIN  
WILLIAMS.**

## CHARACTERISTICS

Pro Industrial Pro-Cryl® Universal Primer is an advanced technology, self cross-linking acrylic primer. It is rust inhibitive and was designed for both construction and maintenance applications. It can be used as a primer under water-based or solvent-based high performance topcoats.

### Features:

- Rust inhibitive, corrosion resistant
- Single component
- Early moisture resistant
- Fast dry
- Lower temperature application 40°F
- Interior and exterior use
- Suitable for use in USDA inspected facilities

### For use on properly prepared:

Steel, Galvanized &amp; Aluminum, wood

Finish: Low Sheen

Color: Off White, Medium Grey,  
and Red Oxide

### Recommended Spreading Rate per coat:

Wet mils: 5.0-10.0

Dry mils: 1.9-3.8

Coverage: 160-320 sq.ft. per gallon

Theoretical Coverage: 609 sq. ft. per gallon  
@ 1 mil dry

Approximate spreading rates are calculated on volume solids and do not include any application loss.

Note: Brush or roll application may require multiple coats to achieve maximum film thickness and uniformity of appearance.

### Drying Schedule @ 6.0 mils wet, @ 50% RH:

Drying, and recoat times are temperature, humidity, and film thickness dependent.

	@40°F	@77°F	@120°F
To touch	2 hours	40 minutes	20 minutes
Tack free	8 hours	2 hours	1 hour
To recoat	16 hours	4 hours	2 hours

Tinting: DO NOT TINT

### Off White B66W01310

(may vary by base)

### V.O.C. (less exempt solvents):

less than 50 grams per litre; 0.42 lbs. per gallon

As per 40 CFR 59.406

Volume Solids: 38 ± 2%

Weight Solids: 49 ± 2%

Weight per Gallon: 10.09 lb

Flash Point: N/A

Shelf Life: 36 months, unopened

## COMPLIANCE

As of 10/11/2021, Complies with:

OTC	Yes
OTC Phase II	Yes
S.C.A.Q.M.D.	Yes
CARB	Yes
CARB SCM 2007	Yes
CARB SCM 2020	Yes
Canada	Yes
LEED® v4 & v4.1 Emissions	Yes
LEED® v4 & v4.1 V.O.C.	Yes
EPD-NSF® Certified	Yes
MIR-Manufacturer Inventory	Yes
MPI®	Yes

## APPLICATION

Temperature:  
minimum 40°F  
maximum 120°F  
air, surface, and material  
At least 5°F above dew point

Relative humidity: 85% maximum

The following is a guide. Changes in pressures and tip sizes may be needed for proper spray characteristics. Always purge spray equipment before use with listed reducer. Any reduction must be compatible with the existing environmental and application conditions.

Reducer: Water

Airless Spray: 2000 p.s.i.

Pressure: 2000 p.s.i.

Hose: 1/4 inch I.D.

Tip: .015 - .019 inch

Filter: 60 mesh

Conventional Spray: Binks 95

Gun: Binks 95

Fluid Nozzle: 66

Air Nozzle: 63 PB

Atomization Pressure: 60 p.s.i.

Fluid Pressure: 25 p.s.i.

Reduction: as needed up to 5 % by volume

Brush: Nylon-polyester

Roller Cover: 3/8 inch woven

If specific application equipment is listed above, equivalent equipment may be substituted.

Apply paint at the recommended film thickness and spreading rate as indicated. Application of coating above maximum or below minimum recommended spreading rate may adversely affect coating performance.

Stripe coat crevices, welds, and sharp angles to prevent early failure in these areas. For best results on rusty surfaces, always apply first coat by brush. When using spray application, use a 50% overlap with each pass of the gun to avoid holidays, bare areas, and pinholes. If necessary, cross spray at a right angle.

No painting should be done immediately after a rain or during foggy weather.

For optimal performance, this primer should be topcoated.

For exterior exposure, this primer should be topcoated within 14 days. If 14 days is exceeded remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Finish with appropriate topcoat.

## SPECIFICATIONS

### Acceptable Water Based topcoats:

1-2 coats Pro Industrial Acrylic Coating or  
Pro Industrial Acrylic Dryfall  
Pro Industrial DTM Acrylic  
Pro Industrial Multi-Surface Acrylic  
Pro Industrial Pre-Catalyzed Epoxy  
Pro Industrial Pre-Catalyzed Urethane  
Pro Industrial Water Based Acrolon 100  
Pro Industrial Water Base Alkyd Urethane  
Pro Industrial Water Based Catalyzed Epoxy  
Sherwin-Williams Architectural Coatings

### Acceptable Solvent Based topcoats:

Pro Industrial High Performance Epoxy  
Pro Industrial Series  
Industrial Enamels  
Steel Master 9500 Silicone Alkyd  
Tile-Clad HS Epoxy  
Water Based Catalyzed Epoxy

The finishes listed above are representative of the product's use, other finishes may be appropriate.

# Pro Industrial™ Pro-Cryl® Universal Primer

## SURFACE PREPARATION

**WARNING!** Removal of old paint by sanding, scraping or other means may generate dust or fumes that contain lead. Exposure to lead dust or fumes may cause brain damage or other adverse health effects, especially in children or pregnant women. Controlling exposure to lead or other hazardous substances requires the use of proper protective equipment, such as a properly fitted respirator (NIOSH approved) and proper containment and cleanup. For more information, call the National Lead Information Center at 1-800-424-LEAD (in US) or contact your local health authority.

**Do not use hydrocarbon solvents for cleaning.**

Remove all surface contamination by washing with an appropriate cleaner, rinse thoroughly and allow to dry. Existing peeled or checked paint should be scraped and sanded to a sound surface. Glossy surfaces should be sanded dull. Stains from water, smoke, ink, pencil, grease, etc. should be sealed with the appropriate primer-sealer. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

**Iron & Steel** - Minimum surface preparation is Hand Tool Cleaning per SSPC-SP2. Remove all oil and grease from the surface per SSPC-SP1. For better performance, use Commercial Blast Cleaning per SSPC-SP6. Prime the area the same day as cleaned. Self priming

**Aluminum** - Remove all oil, grease, dirt, oxide and other foreign material per SSPC-SP1. Self priming.

**Galvanizing** - Allow to weather a minimum of six months prior to coating. Solvent Clean per SSPC-SP1. When weathering is not possible, or the surface has been treated with chromates or silicates, first Solvent Clean per SSPC-SP1 and apply a test patch. Allow paint to dry at least one week before testing adhesion. If adhesion is poor, brush blasting per SSPC-SP16 is necessary to remove these treatments. Rusty galvanizing requires a minimum of Hand Tool Cleaning per SSPC-SP2, prime the area the same day as cleaned. Self priming.

**Previously Painted Surfaces** - If in sound condition, clean the surface of all foreign material. Smooth, hard or glossy coatings and surfaces should be dulled by abrading the surface. Apply a test area, allowing paint to dry one week before testing adhesion. If adhesion is poor, additional abrasion of the surface and/or removal of the previous coating may be necessary. Retest surface for adhesion. If paint is peeling or badly weathered, clean surface to sound substrate and treat as a new surface as above. Recognize that any surface preparation short of total removal of the old coating may compromise the service length of the system.

**Wood** - Surface must be clean, dry and sound. Prime with recommended primer. No painting should be done immediately after a rain or during foggy weather. Knots and pitch streaks must be scraped, sanded and spot primed before full coat of primer is applied. All nail holes or small openings must be properly caulked.

## SURFACE PREPARATION

**Mildew-** Prior to attempting to remove mildew, it is always recommended to test any cleaner on a small, inconspicuous area prior to use. Bleach and bleaching type cleaners may damage or discolor existing paint films. Bleach alternative cleaning solutions may be advised.

Mildew may be removed before painting by washing with a solution of 1 part liquid bleach and 3 parts water. Apply the solution and scrub the mildewed area. Allow the solution to remain on the surface for 10 minutes. Rinse thoroughly with water and allow the surface to dry before painting. Wear protective eyewear, waterproof gloves, and protective clothing. Quickly wash off any of the mixture that comes in contact with your skin. Do not add detergents or ammonia to the bleach/water solution.

## PERFORMANCE

**System Tested:** (unless otherwise indicated)

**Substrate:** Steel  
**Surface Preparation:** SSPC-SP10  
**Finish:** 1 coat Pro Industrial Pro-Cryl Off White  
1 coat Pro Industrial Acrylic Coating

**Adhesion:**  
**Method:** ASTM D4541  
**Result:** 500 p.s.i.

**Corrosion Weathering:**  
**Method:** ASTM D5894, 10 cycles,  
3360 hours  
**Result:** Passes

**Direct Impact Resistance:**  
**Method:** ASTM D2794  
**Result:** greater than 140 inch lb.

**Dry Heat Resistance:**  
**Method:** ASTM D2485  
**Result:** 200°F

**Flexibility:**  
**Method:** ASTM D522, 180° bend,  
1/4 inch mandrel  
**Result:** Passes

**Moisture Condensation Resistance:**  
**Method:** ASTM D4585, 100°F,  
1250 hours  
**Result:** Passes

**Pencil Hardness:**  
**Method:** ASTM D3363  
**Result:** B

**Salt Fog Resistance:**  
**Method:** ASTM B117, 1250 hours  
**Result:** Passes

Provides performance comparable to products formulated in lieu of federal specification: AA50557 and Paint Specification: SSPC-Paint 23.

## SAFETY PRECAUTIONS

Before using, carefully read **CAUTIONS** on label. Refer to the Safety Data Sheets (SDS) before use. **FOR PROFESSIONAL USE ONLY.**

Published technical data and instructions are subject to change without notice. Contact your Sherwin-Williams representative for additional technical data and instructions.

## CLEANUP INFORMATION

Clean spills, splatters, hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with compliant cleanup solvent to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using solvents.

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HOTW	10/11/2021	B66A01320	05 39
HOTW	10/11/2021	B66N01310	05 40
FRC			

**Heather Gardens Association Budget and Finance Committee**  
**Date: April 17, 2023**

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**Motion: Recommend extending the term for the following members of the Audit Subcommittee: Karen Kasprzak, Karen McClaury, Barbara Schneller, and Rita Lusk for another year until April 2024**

**Project Cost: N/A**

I move that the Heather Gardens Association Budget and Finance Committee approve extending the term of the above mentioned members of the Audit Subcommittee for another year until April 2024.

Motion made by:	Bev Havens
Seconded by:	

<b>Outcome of Vote:</b>	
For:	
Against:	
Absent/Abstaining:	
Notes:	

**Rationale/Notes: The above mentioned members are efficient and do a great job.**

## **Draft Vision Statement:**

To be the most desirable senior living community in the greater Denver/Aurora area. To provide safe, affordable, high quality and diverse housing alternatives with inclusive activities and amenities to support an active lifestyle. Heather Gardens is a financially sound community with a superb management and staffed support infrastructure.

## **Mission Statement:**

It is the purpose of Heather Gardens Home Owners Association and the Heather Gardens Metropolitan District to provide a safe, sound, beautiful, supportive housing and environment for the owners and residents of the community. Further it is the duty of the two mutually dependent organizations to provide first class amenities, recreational opportunities, staff and management at reasonable cost to the community.