



ASSOCIATION and METROPOLITAN DISTRICT

Budget & Finance Committee

Agenda

Monday, July 18, 2022 at 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, and John Recob

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: June 20, 2022
3. **Monthly Operating Analysis Review** – June 2022
4. **Subcommittee and Other Reports:**
 - a. Audit Subcommittee (Harry Laubach) – June 27, 2022, Report
 - b. Insurance Subcommittee (Randy Lane) – Update
 - c. Capital Program Subcommittee (Ray Nash) – No Meeting
 - d. Investment (Terry Hostetler) – Update on Interest Rates (Nick Picucci with The Nice Group of Raymond James)
5. **Unfinished Business**
 - a. Recommend the Revisions of Finance-4, External Audit Policy
6. **New Business:**
 - a. Recommend Replacing Parking Structure #3 Northside Stairs (\$43,253)
 - b. Recommend the Stairs Engineering and Design for Parking Structure 1-4 (\$31,790)
 - c. Recommend the Revisions for the Budget and Finance JPM B-1
 - d. Recommend the Revisions for the Capital Financing Program JPM B-2
 - e. Recommend the Revisions for the Internal Audit Program JPM B-3
 - f. Recommend the Revisions for the Business Insurance Program JPM B-4
7. Members of the audience wishing to speak on non-agenda items. Time limit-3 minutes.
8. **Adjournment**

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

The next regular meeting is on August 15, 2022, at 10 a.m.

**HEATHER GARDENS JOINT BUDGET & FINANCE COMMITTEE
JUNE 20, 2022, MEETING REPORT
COMMITTEE MET IN BOARD ROOM
MEETING ALSO AVAILABLE ON ZOON**

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, and John Recob.

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

Audience: Approximately 19 residents, via zoom, including HGA Board Members and HGMD Board Members

Welcome and Chair Comments: The B&F Committee meeting was called to order at 10:00 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present via Zoom. Linda Serio has resigned from the committee and John Recob was welcomed as a new member.

The May 16, 2022, B&F Committee meeting report was accepted with one correction.

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

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: The committee met on May 23rd and discussed answers to questions submitted to the insurance broker. Also met with insurance brokers on June 9 and discussed the insurance needs of HGA. Insurance brokers thought the premium increase would go up by 20% or more for the next renewal.

Capital Projects Subcommittee: No meeting. However, the chair will meet in mid-July with the CEO and the CFO to review the capital component listing. A subcommittee meeting will be arranged after that.

Investment Update: Three annuity contracts have been signed and a fourth is pending.

Unfinished Business:

Ratify email vote for buildings 221 and 222 Roof Replacements.

Project Cost: \$985,768.

Motion by Baldwin, seconded by Laubach and passed unanimously that the Joint Budget and Finance Committee ratify the email vote taken on May 21, 2022, to replace the roofs for Buildings 221 and 222.

New Business:

- 1) Motion by Laubach, seconded by Lane and passed unanimously that the Joint Budget and Finance Committee recommend the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the attached 2023 budget development schedule, as amended.
- 2) Motion by Lane, seconded by Baldwin and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the purchase to upgrade the Toro Lynx software for the current Heather Gardens irrigation system from LL Johnson Toro. The cost of the upgrade is \$14,464.20. This is an unbudgeted item.
- 3) Motion by Recob, seconded by Laubach and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors ratify the contract with Air Conditioning Associated, Inc – Denver Boiler Company to replace the 95 boiler tubes in the boiler in Building 243. The cost of the contract is \$23,558 with a change order reserve of \$2,355 for a total project cost of \$25,913. This is an unbudgeted expense.
- 4) Motion by Baldwin, seconded by Nash and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the reassignment of \$50,000 of previously budgeted and approved Concrete Capital Funds for use in future Handrail Repair Projects.
- 5) Motion by Baldwin, seconded by Lane and approved unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the revisions and updated to the FINANCE – 1 BANKING POLICIES, last updated on June 18, 2019, as amended. (The Committee recommends that the Chief Human Resources Officer be added as an authorized signature on all bank and investments accounts).
- 6) Motion by Laubach, seconded by Baldwin and approved unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the revisions and updates to the **FINANCE – 3 INVESTMENT POLICY**, last updated on May 21, 2019.
- 7) Motion by Nash, seconded by Lane and approved unanimously that the Joint Budget and Finance Committee table the motion regarding revisions and updates to the **FINANCE – 4 EXTERNAL AUDIT POLICY** last updated on June 18, 2019, until the July 2022

meeting. This will allow a committee member to recommend some wording changes to the Policy.

- 8) Motion by Hostetler seconded by Lane and passed by a vote of 3 in favor, 2 abstentions, and 1 against that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve the contract with Sunny Day Concrete to complete the 2022 asphalt/concrete project at the HG Maintenance Building Parking Lot. The contract amount is \$31,679 with a 20% change order in the amount of \$6,336 for a total cost of \$38,015. This is under the budgeted amount of \$59,282.
- 9) Motion by Lane, seconded by Recob and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve using Lottery (Conservation Trust Fund) funds for pickleball equipment not to exceed \$3,046.00.
- 10) Motion by Recob, seconded by Baldwin and passed that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve using Lottery (Conservation Trust Fund) funds to replace the billiard table at a cost not to exceed \$6,134.99.
- 11) Motion by Laubach, seconded by Baldwin and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve authorizing the Chief Financial Officer and the HGMD Treasurer to reinvest the money from the \$100,000 Foundation Fund CD maturing on June 27, 2022, at the best possible CD rate as of the date of maturity for one year and considering investing for a period of up to 3 years depending on the interest rate.

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

The meeting was adjourned at 12:13 PM. The next meeting will be on July 18, 2022.

HEATHER GARDENS ASSOCIATION

Budget Exceptions Report

Through: **06/30/22**

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% of Budget	Annual Budget	% of Annual Budget Spent
OPERATIONS						
Assessment Income - 2022	\$ 5,232,699	\$ 5,233,350	\$ (651)	-0.01%	\$ 10,466,713	50%
Assessment Surplus - 2020	\$ 109,932	\$ 109,932	\$ -	0.00%	\$ 219,850	50%
Misc Income	\$ 93,734	\$ 80,606	\$ 13,128	16.29%	\$ 162,508	58%
Total Income	\$ 5,436,365	\$ 5,423,888	\$ 12,477	0.23%	\$ 10,849,071	50%
Expenses:						
General	\$ 2,090,742	\$ 2,112,191	\$ 21,449	1.02%	\$ 4,361,134	48%
Custodial	\$ 226,005	\$ 216,812	\$ (9,193)	-4.24%	\$ 446,004	51%
Contracts	\$ 105,791	\$ 110,186	\$ 4,395	3.99%	\$ 225,531	47%
Maintenance	\$ 1,135,504	\$ 1,228,462	\$ 92,958	7.57%	\$ 2,445,823	46%
Administration	\$ 635,722	\$ 696,190	\$ 60,468	8.69%	\$ 1,347,061	47%
Paint	\$ 161,268	\$ 173,402	\$ 12,134	7.00%	\$ 347,964	46%
Roads & Grounds	\$ 557,432	\$ 569,876	\$ 12,444	2.18%	\$ 1,161,178	48%
Security	\$ 269,834	\$ 307,140	\$ 37,306	12.15%	\$ 617,380	44%
Total Expenses	\$ 5,182,298	\$ 5,414,259	\$ 231,961	4.28%	\$ 10,952,075	47%
Net Operating Income/(Loss)	\$ 254,067	\$ 9,629	\$ 244,438		\$ (103,004)	
CAPITAL RESERVES						
Capital Reserve Income	\$ 1,700,731	\$ 1,700,916	\$ (185)	-0.01%	\$ 3,401,830	50%
Interest Income	\$ 5,174	\$ 2,940	\$ 2,234		\$ 8,900	
Capital Expenditures	\$ 595,413	\$ 2,324,854	\$ 1,729,441	74.39%	\$ 3,935,461	15%
Net Capital Reserve Income	\$ 1,110,492	\$ (620,998)	\$ 1,731,490		\$ (524,731)	
GRAND TOTALS	\$ 1,364,559	\$ (611,369)	\$ 1,975,928		\$ (627,735)	

Executive Summary						
	YTD ACTUAL	YTD BUDGET	VARIANCE	% of Budget	Annual Budget	% of Annual Budget Spent
Income Summary	\$ 5,436,365	\$ 5,423,888	\$ 12,477	0.23%	\$ 10,849,071	50%
Expense Summary	\$ 5,182,298	\$ 5,414,259	\$ 231,961	4.28%	\$ 10,952,075	47%
Overall Expenses	We are seeing price increases for the cost of goods and services across all departments.					
General	General Expenses for June exceeded budget by over \$23K primarily due to Water and Sewer usage being higher by 58% when compared with prior year.					
Custodial	Custodial net wages/benefits for June exceeded budget by \$6K. We now have 9 FTEs vs budget of 7, not including Montrell. 25% of Montrell's time is allocated to Custodial. OPX costs were slightly over budget for June.					
Contracts	June overall expenses were near budget amounts.					
Maintenance	Net wages/benefits were on budget for June. 10 OPX line items exceeded budget in June totaling \$37.8K. Over budgeted items in June include \$5.3K for elevator repairs for several buildings, \$5K for 13 window replacements, \$10.9K for 20 amp circuits for Starry Internet B201-222 and B231-250, \$8.4K for air filters and \$8.6K for leak control services for B241-244 and B250. There were 22 OPX line items that were below budget by \$30.4K.					
Administration	June net wages and benefits were down by \$11.4K due to being down 1.5 FTEs compared to budget. June OPX was below budget by \$4.7K.					
Paint	Total Paint costs for June were below budget by \$8K primarily due to 1 less FTE and lower supply costs.					
Roads & Grounds	Total expenses for June exceeded budget by \$4.8K primarily due to OT and wood chipper rental for tree damage work from the May snowstorm.					
Security	Total costs for June were below budget by \$2.2K primarily due to not incurring the ProVigil security system cost.					

HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:

June 2022

2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D	A-C-D		
Carpet - 10 floors (various bldgs)	F780	\$96,255	\$90,150	-6%	06/07/22	06/29/22	22	\$90,150	\$0	0%	\$6,105	Project is 100% complete.
Chair Rail Installation B214	F781	\$25,819	\$24,161	-6%	12/01/22	04/01/23	121		\$24,161	-100%	\$25,819	Board Approved
Chair Rail Installation B219	F782	\$25,819	\$24,161	-6%	08/01/22	12/31/22	152	\$525	\$23,636	-98%	\$25,294	Board Approved
Chair Rail Installation B243	F783	\$25,819	\$24,361	-6%	04/18/22	07/25/22	98	\$22,903	\$1,458	-6%	\$2,916	Construction on-going
Elevator Jacks B243	F784	\$65,000	\$112,000	72%	03/22/22	09/01/22	163	\$56,000	\$56,000	-50%	\$9,000	Contractors Cost to replace (2) Elevators at B243 is \$112,000. The recommendation is to reallocate money from the 2022 Fire Alarm Project, considering this project will mostly be investigative work in 2022. Board Approved. Project to Start August 1st and go through September.
Elevator Jacks B244	F785	\$65,000	\$112,000	72%	03/22/22	09/01/22	163	\$56,000	\$56,000	-50%	\$9,000	Contractors Cost to replace (2) Elevators at B244 is \$112,000. The recommendation is to reallocate money from the 2022 Fire Alarm Project, considering this project will mostly be investigative work in 2022. Board Approved. Project to start Mid August and completed by the end of August
Elevator Jacks B250	F786	\$40,163	\$40,000	0%	03/22/22	10/01/22	193	\$20,000	\$20,000	-50%	\$20,163	
R&G Equipment Chipper #569	F787	\$20,188		-100%	04/01/22	10/31/22	213		\$0	#DIV/0!	\$20,188	Not enough money in the budget, looking at used options.
R&G Equipment Pick-up #500	F788	\$54,258	\$51,330	-5%	04/01/22	12/31/22	274	\$1,000	\$50,330	-98%	\$53,258	5/25/22 - \$1,000 deposit check was delivered to the dealership. R&G Manager is estimating an August/ September delivery date based on previous like-kind truck purchases. We are looking at using the budgeted funds to take care of puddling and drainage issues in lieu of sealcoat. This would be the best use of the budgeted funds for this project. 4/4/22 - Collecting Bids
Road Sealcoat B231-236	F789	\$37,000	\$36,999	0%	04/04/22	10/01/22	180		\$36,999	-100%	\$37,000	
Road Sealcoat CP4	F790	\$44,975	\$18,767	-58%	04/04/22	08/15/22	133		\$18,767	-100%	\$44,975	Collecting Bids
Roof Re-Coat B204	F791	\$50,546		-100%			0		\$0	#DIV/0!	\$50,546	Contracts Dept Recommends Moving the money to cover the price increases to replace B221 and B222's Roofs
Roof Re-Coat B205	F792	\$50,546		-100%			0		\$0	#DIV/0!	\$50,546	Contracts Dept recommends moving the budget to cover price increases to replace B221 and B222's Roofs
Roof Re-Coat B213	F793	\$48,836		-100%			0		\$0	#DIV/0!	\$48,836	Contracts Dept Recommends moving the budget to cover price increases to replace B221 and B222's Roofs
Roof Re-Coat B217	F794	\$62,951		-100%			0		\$0	#DIV/0!	\$62,951	Contracts Dept Recommends moving the budget to cover price increases to replace B221 and B222's Roofs

HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:

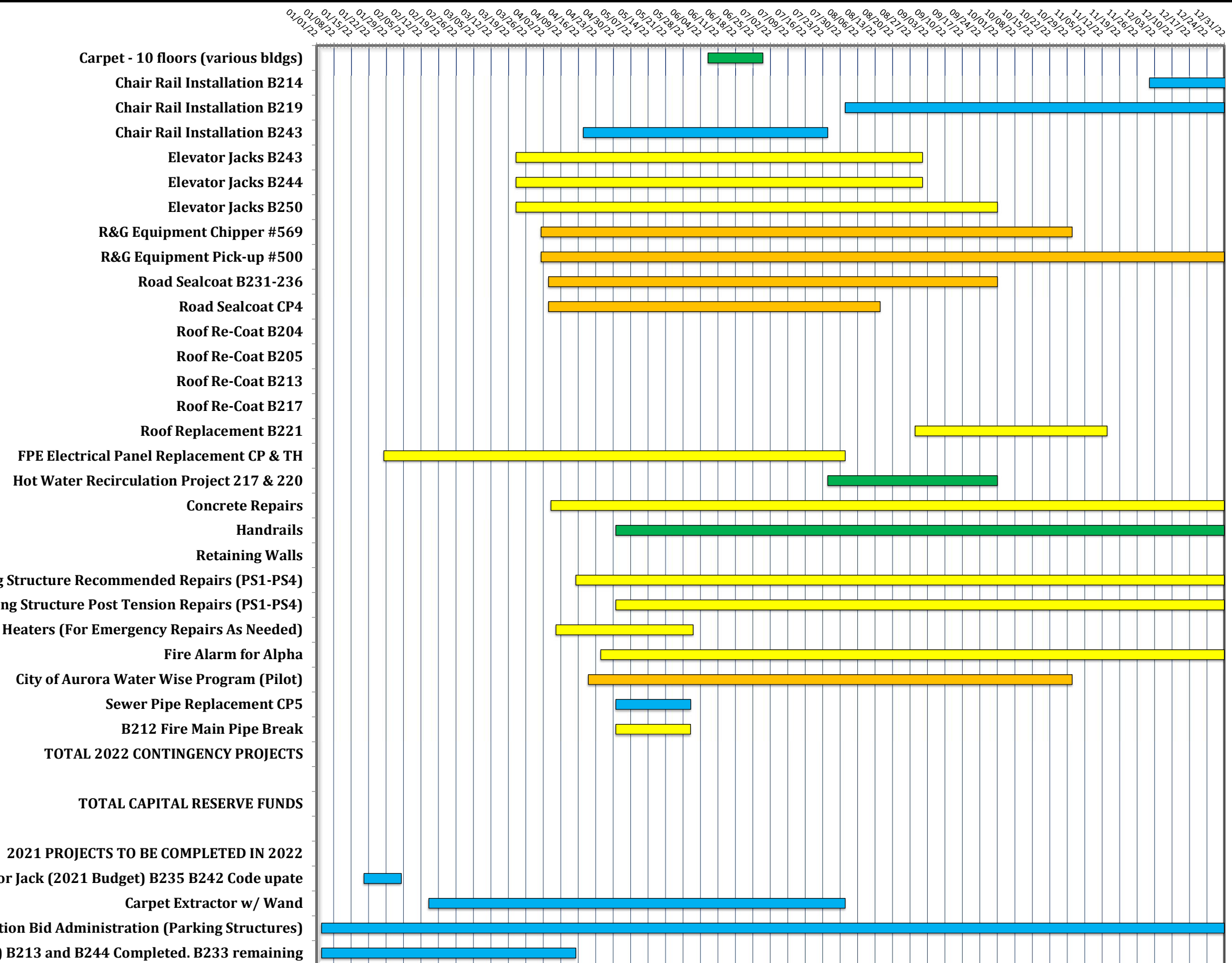
June 2022

2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D	A-C-D		
Roof Replacement B221	F795	\$360,000	\$448,076	24%	08/29/22	11/14/22	77		\$448,076	-100%	\$360,000	Maintenance Committee Agrees to Replace B221's roof in lieu of B244's roof scheduled for 2022 based on Rocky Mountain Reps Evaluations. Work to start the last week of August
FPE Electrical Panel Replacement CP & TH	F796	\$217,350	\$166,032	-24%	01/28/22	08/01/22	185	\$121,616	\$44,416	-27%	\$95,734	7 panels remain. 3 residential and 4 street lamp panels.
Hot Water Recirculation Project 217 & 220	F797	\$39,000	\$36,000	-8%	07/25/22	10/01/22	68		\$36,000	-100%	\$39,000	B220 Replacement only due to limited budget. Waiting on B&F and Board Approval
Concrete Repairs	F798	\$196,920	\$196,920	0%	04/05/22	12/31/22	270	\$7,070	\$189,850	-96%	\$189,850	
Handrails	F799	\$27,718	\$27,718	0%	05/01/22	12/31/22	244	\$21,559	\$6,159	-22%	\$6,159	
Retaining Walls	F800	\$119,310		-100%			0		\$0	#DIV/0!	\$119,310	Recommended reallocating the money to B221 and 222's roof
BC&E Parking Structure Recommended Repairs (PS1-PS4)	F801	\$825,000		-100%	04/15/22	12/31/22	260		\$0	#DIV/0!	\$825,000	Waiting on BC&E to submit design proposals.
Parking Structure Post Tension Repairs (PS1-PS4)	F802	\$300,150	\$2,269	-99%	05/01/22	12/31/22	244	\$2,269	(\$0)	0%	\$297,881	Waiting on BC&E design proposals and design so contractors can bid off of.
Water Heaters (For Emergency Repairs As Needed)	F803	\$40,163	\$36,000	-10%	04/07/22	06/01/22	55	\$34,530	\$1,470	-4%	\$5,633	There are no Water Heaters needing to be replaced at this time.
Fire Alarm for Alpha	F804	\$180,018		-100%	04/25/22	12/31/22	250		\$0	#DIV/0!	\$180,018	Made recommendation to move money to the elevator jack replacement project at B243, 244, and 250.
City of Aurora Water Wise Program (Pilot)	F805	\$67,704		-100%	04/20/22	10/31/22	194		\$0	#DIV/0!	\$67,704	R&G Team and City of Aurora have designated an area. City of Aurora has asked to meet with the HG Board to discuss possible indoor water wise solutions.
TOTAL 2022 FUNDED PROJECTS		\$3,086,508	\$1,446,944	-53%				\$433,622	\$1,013,322		\$2,652,886	
2022 CONTINGENCY PROJECTS												
One Time Projects	F806.1 - F806.9	\$90,872			01/01/22	12/31/22	364		\$0	#DIV/0!	\$90,872	
Toro Irrigation Software	F806.1	\$20,000	\$14,464		04/28/22	09/01/22			\$14,464	-100%	\$20,000	HGA Board approved. Proceeding with acquisition.
Other Unknown Projects	F807.2 - F807.9	\$421,944			01/01/22	12/31/22	364		\$0	#DIV/0!	\$421,944	
Plow for truck 502	F807.1	\$8,138	\$8,138	0%	08/01/21	12/31/21	152	\$ 8,072	\$66	-1%	\$66	
Elevator Repairs	F807.2	\$17,298	\$17,298	0%	01/01/22	01/31/22	30	\$ 17,298	\$0	0%	\$0	
Boiler Retubing B243	F807.3	\$25,913	\$17,298	-33%	06/13/22	07/01/22	18	\$ 23,558	(\$6,260)	36%	\$2,355	HGA Board approved.
Sewer Pipe Replacement CP5	F807.4	\$19,975	\$19,975	0%	05/01/22	05/31/22	30	\$ 19,975	\$0	0%	\$0	
B212 Fire Main Pipe Break	F807.5	\$33,373	\$33,373	0%	05/01/22	05/31/22	30	\$ 26,498	\$6,875	-21%	\$6,875	
TOTAL 2022 CONTINGENCY PROJECTS		\$637,513	\$110,546					\$95,401	\$15,146		\$542,112	
TOTAL CAPITAL RESERVE FUNDS		\$3,724,021	\$1,557,490					\$529,023	\$1,028,467		\$3,194,998	

HGA MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:

June 2022

2022 APPROVED PROJECTS	ACCT	2022 APPROVED BUDGET AMOUNT	2022 SIGNED CONTRACT AMOUNT	% VAR	START DATE	FINISH DATE	#Days	2022 INVOICES PAID	UNDER/ (OVER) CONTRACT AMOUNT	% VAR FROM CONTRACT	UNDER / (OVER) BUDGET	PROJECT Notes / Comments
		A	B					D	B-C-D	A-C-D		
2021 PROJECTS TO BE COMPLETED IN 2022												
Elevator Jack (2021 Budget) B235 B242 Code upate	F756	\$9,000	\$8,200		01/20/22	02/04/22	15	\$8,200	\$0	0%	\$800	
Carpet Extractor w/ Wand	F649	\$3,766	\$3,766		02/15/22	08/01/22	167		\$3,766	-100%	\$3,766	Ordered 9/21, 4/4/22 - Vendor Supplier is waiting for extractor to arrive.
Construction Bid Administration (Parking Structures)	F762	\$168,252	\$156,752		01/03/22	12/31/22	362	\$5,000	\$151,752	-97%	\$163,252	\$11,500 was expended in 2021 after BOD approval to carry over \$168,252. 2022 expenditures s/b \$11,500 below carry over amount.
Chair Rail Project (2020 Budget) B213 and B244 Completed. B233 remaining	F738	\$30,422	\$30,422		01/03/22	04/15/22	102	\$23,190	\$7,232	-24%	\$7,232	Started B233 in Jan 2022. Project is completed.
TOTAL PRIOR YEAR PROJECTS		\$211,440	\$199,140					\$36,390	\$162,750		\$175,050	
GRAND TOTAL PER BUDGET		\$3,935,461	\$1,756,630					\$565,413	\$1,191,217		\$3,370,048	
PROJECTS TARGETED FOR COMPLETION IN 2022 BUT NOT IN THE PUBLISHED BUDGET												
Building 233 Re-Roof	F774		\$30,000		02/01/22	02/28/22	27	\$30,000	\$0	0%	(\$30,000)	
Building 222 Re-Roof	F808		\$448,076		10/01/22	12/31/22			\$448,076	-100%	\$0	Approved in May 2022 SM, B&F, and Board
									\$0	#DIV/0!	\$0	
									\$0	#DIV/0!	\$0	
									\$0	#DIV/0!	\$0	
TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2022		\$0	\$478,076					\$30,000	\$448,076		(\$30,000)	
GRAND TOTAL		\$3,935,461	\$2,234,706					\$595,413	\$1,639,293		\$3,340,048	



Heather Gardens Association
Investments
06/30/22

Bank	Yield	Maturity	Interest Paid	Principal	Monthly Interest	Fund	G/L Acct.	Stmt Acct.
Raymond James - Cash/Investments - Operating Account				\$ 248,829.95		Operating	A106/A107.2	
TOTAL - OPERATING ACCT - CASH/INVESTMENTS				<u>\$ 248,829.95</u>	<u>\$ -</u>			
Raymond James - Cash/Investments - Capital Reserve				\$ 5,291,317.18		Capital	A106.1/A107.3/A107.4	
Key Bank Capital Reserve Savings				\$ 4,389,909.71		Capital	A107	
TOTAL CAPITAL RESERVE INVESTMENTS - CASH/INVESTMENTS				<u>\$ 9,681,226.89</u>	<u>\$ -</u>			
TOTAL INVESTMENTS				<u><u>\$ 9,930,056.84</u></u>	<u><u>\$ -</u></u>			

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

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CURRENT ASSETS		
	Operating Bank Account	6,732,048
A107.2	Raymond James Operating Savings	13,830
A106	Raymond James - Operating Investments	235,000
A107	Savings-Capital Improvement	4,389,910
A107.3	Raymond James Cap Reserve Savings	2,519,317
A107.4	Raymond James - Cap Reserve Investments	1,426,000
A106.2	Raymond James Premium Operating	1,874
A106.4	Raymond James Premium Cap Reserve	24,148
	Accounts & Assessments Receivable	186,385
A114.1	AR - Insurance Claim	108,200
	Interest Receivable	21,426
	Inventory	214,915
	Prepaid Insurance	500,322
A142	Prepaid Taxes	16,243
A143.2	Prepaid Expenses	260,405
A128.4	Due To/From Seville	1,223
A128.6	Due To/From - HGMD	85,873
	TOTAL CURRENT ASSETS	16,737,119
LONG-TERM INVESTMENTS (more than 12 mos)		
A106.1	Raymond James - Cap Reserve Investments	1,346,000
A106.3	Raymond James Premium Cap Reserve	34,987
	TOTAL LONG-TERM INVESTMENTS	1,380,987
BUILDING, LAND & EQUIPMENT		
A165	FF&E (Equipment & Furniture)	1,611,757
A165.1	Accumulated Depreciation FF&E	(1,252,236)
	TOTAL BUILDING, LAND & EQUIPMENT	359,521
	TOTAL ASSETS	18,477,628
CURRENT LIABILITIES		
A201	Accounts Payable Trade	204,512
	Accounts Pay Other/Taxes Payable	852,840
A203	Pay In Lieu Of Taxes	47,900
A211	Prepaid Monthly Assessments	268,601
	Accrued Payroll	273,085
A206.1	Accrued PTO	282,416
A214.5	Excess Assess 2020	109,918
A214.51	Excess Assessments 2021	32,186
A215.2	Deferred Revenue-Comcast	57,618
A265	Six MO Impound Fund	5,066,343
	Unearned Revenue	11,671
	TOTAL CURRENT LIABILITIES	7,207,090
	TOTAL CURRENT & LONG TERM LIABILITIES	7,207,090
FUND EQUITY		
A302	Capital Improvement Reserve	8,797,409
A300	Operating Fund	1,108,570
	Net/Income (Loss)	1,364,559
	Total Equity	11,270,538
	TOTAL LIABILITIES AND EQUITY	18,477,628

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
Assessments	890,271	890,547	(276)	5,342,631	5,343,282	(651)	10,686,563
Interest Income	102	103	(1)	267	248	19	1,792
Late Charges to Residents	1,265	600	665	8,789	3,600	5,189	7,200
Interest from Residents	0	125	(125)	0	750	(750)	1,500
Laundry Comm	3,267	3,501	(235)	21,501	21,008	493	42,016
Misc Income	8,124	2,700	5,424	27,676	16,200	11,476	32,400
Comcast Revenue	1,011	1,000	11	32,883	36,000	(3,117)	72,000
Hea 'N Yon Profits	0	0	0	2,444	2,800	(356)	5,600
Vendor Disc Taken	0	0	0	74	0	74	0
Violations	0	0	0	100	0	100	0
Total Revenue	<u>904,040</u>	<u>898,576</u>	<u>5,464</u>	<u>5,436,365</u>	<u>5,423,888</u>	<u>12,477</u>	<u>10,849,071</u>
EXPENSES							
General	380,029	356,547	(23,482)	2,090,743	2,112,191	21,448	4,361,134
Custodial	40,458	33,873	(6,585)	226,005	216,812	(9,193)	446,004
Contracts	18,399	18,260	(139)	105,791	110,186	4,396	225,531
Maintenance	207,133	199,514	(7,619)	1,135,504	1,228,462	92,959	2,445,823
Administration	92,632	108,825	16,192	635,722	696,190	60,468	1,347,061
Paint	20,568	28,568	8,000	161,268	173,402	12,133	347,964
Roads & Grounds	109,293	104,447	(4,846)	557,432	569,876	12,444	1,161,178
Security	46,554	48,804	2,250	269,834	307,140	37,306	617,380
Total Expenses	<u>915,066</u>	<u>898,838</u>	<u>(16,227)</u>	<u>5,182,298</u>	<u>5,414,259</u>	<u>231,961</u>	<u>10,952,075</u>
Surplus (Deficit)	<u>(11,025)</u>	<u>(262)</u>	<u>(10,763)</u>	<u>254,067</u>	<u>9,629</u>	<u>244,439</u>	<u>(103,004)</u>
INSURANCE CLAIMS							
Net Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESERVES							
Capital Rsv Revenue	285,158	284,710	448	1,705,905	1,703,856	2,049	3,410,730
Less Expenses	<u>135,070</u>	<u>838,607</u>	<u>703,536</u>	<u>595,413</u>	<u>2,324,854</u>	<u>1,729,441</u>	<u>3,935,461</u>
Net Surplus (Deficit)	<u>150,088</u>	<u>(553,897)</u>	<u>703,985</u>	<u>1,110,492</u>	<u>(620,998)</u>	<u>1,731,490</u>	<u>(524,731)</u>
Net Income/(Loss)	<u>139,063</u>	<u>(554,159)</u>	<u>693,221</u>	<u>1,364,559</u>	<u>(611,369)</u>	<u>1,975,929</u>	<u>(627,735)</u>

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
PAYROLL EXPENSES BY DEPT							
Custodial	36,334	30,321	(6,013)	195,465	190,960	(4,505)	386,235
Contracts	18,057	17,508	(549)	103,486	106,674	3,189	219,007
Maintenance	121,123	121,001	(121)	718,554	766,766	48,212	1,555,982
Administration	80,111	91,573	11,462	496,928	559,230	62,302	1,135,664
Paint	18,534	23,424	4,890	134,876	143,738	8,862	288,636
Roads & Grounds	83,387	78,997	(4,389)	425,468	455,436	29,969	925,828
Security	42,783	41,513	(1,270)	249,772	258,619	8,847	522,213
TOTAL PAYROLL EXPENSES	400,328	404,338	4,011	2,324,548	2,481,423	156,876	5,033,564
OPERATING EXPENSES BY DEPT							
General	380,029	356,547	(23,482)	2,090,743	2,112,191	21,448	4,361,134
Custodial	4,124	3,552	(572)	30,540	25,852	(4,688)	59,769
Contracts	342	752	410	2,305	3,512	1,207	6,524
Maintenance	86,010	78,513	(7,498)	416,949	461,696	44,746	889,842
Administration	12,521	17,251	4,730	138,794	136,960	(1,834)	211,397
Paint	2,035	5,144	3,109	26,392	29,664	3,272	59,328
Roads & Grounds	25,907	25,450	(457)	131,965	114,440	(17,525)	235,350
Security	3,770	7,291	3,521	20,062	48,521	28,459	95,167
TOTAL OPERATING EXPENSES	514,738	494,500	(20,238)	2,857,750	2,932,836	75,086	5,918,511
TOTAL PAYROLL & OPERATING	915,066	898,838	(16,227)	5,182,298	5,414,259	231,961	10,952,075

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
REVENUE SUMMARY							
A404.2 Interest Income RJ Operat	630	631	(1)	3,790	3,786	4	7,572
A404.3 RJ Premium Amort	(528)	(528)	0	(3,167)	(3,168)	1	(5,040)
A404.4 RJ Advis. Fees Operating	0	0	0	(357)	(370)	13	(740)
A408 Insurance	142,333	142,356	(23)	853,903	854,136	(233)	1,708,272
A408.4 Insurance Adj 2020	1,706	1,706	0	10,236	10,236	0	20,471
A409 Water & Sewer	110,440	110,456	(16)	662,645	662,736	(91)	1,325,472
A409.4 Water & Sewer Adj 2020	(9,873)	(9,872)	(1)	(59,238)	(59,236)	(2)	(118,472)
A410 Gas & Electric	79,646	79,661	(15)	478,027	477,966	61	955,932
A410.4 Gas & Elec Adj 2020	12,627	12,626	1	75,762	75,759	3	151,519
A411 Maintenance	539,530	539,753	(223)	3,238,124	3,238,518	(394)	6,477,036
A411.4 Maintenance Adj 2020	13,862	13,861	1	83,172	83,167	5	166,333
A414 Late Charges to Residents	1,265	600	665	8,789	3,600	5,189	7,200
A414.5 Interest from Residents	0	125	(125)	0	750	(750)	1,500
A415 Laundry Commissions	3,267	3,501	(235)	21,501	21,008	493	42,016
A416 Miscellaneous Income	8,124	2,700	5,424	27,676	16,200	11,476	32,400
A416.2 Comcast Revenue	1,011	1,000	11	32,883	36,000	(3,117)	72,000
A417 Heather 'N Yon Profits	0	0	0	2,444	2,800	(356)	5,600
A418 Vendor Discounts Taken	0	0	0	74	0	74	0
A422 Violations	0	0	0	100	0	100	0
TOTAL REVENUE	904,040	898,576	5,464	5,436,365	5,423,888	12,477	10,849,071
ASSOC GENERAL EXPENSES							
A622 Payment In Lieu Of Taxes	0	0	0	0	0	0	25,000
A624 Personal Property Tax	78	0	(78)	3,179	4,300	1,121	4,300
A626 Income Taxes	4,583	4,584	1	27,498	27,500	2	55,000
A628 Bad Debt Expense	0	0	0	0	0	0	7,500
A640 Electric - High Rises	29,284	28,997	(287)	164,930	164,822	(107)	346,118
A641 Electric - Parking	848	876	28	5,039	5,165	126	10,777
A642 Electric - Town Homes	858	1,069	211	4,787	5,808	1,020	12,765
A643 Gas - High Rises	26,189	29,735	3,546	410,801	411,790	989	737,792
A652 Insurance Coverages	137,738	140,548	2,810	826,566	843,290	16,725	1,728,745
A652.1 Insurance - Claims	10,356	7,800	(2,556)	37,932	46,800	8,868	93,600
A653 HRA Admin Costs/Misc	1,845	1,384	(461)	9,592	8,306	(1,286)	16,612
A660 Legal Fees	3,978	4,200	222	12,703	25,200	12,497	50,400
A671 Outside Services	1,849	106	(1,743)	2,948	4,096	1,148	4,732
A672 Communications Expense	1,409	1,915	506	11,275	11,414	139	22,904
A673 Annual Meeting/Election	0	0	0	0	10,000	10,000	20,000
A675 Incentive Program	0	25	25	1,033	150	(883)	17,888
A698 Water & Sewer	161,014	135,307	(25,707)	572,461	543,550	(28,911)	1,207,000
TOTAL ASSOC GENERAL EXPEN	380,029	356,547	(23,482)	2,090,743	2,112,191	21,448	4,361,134

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
CAPITAL RESERVE FUND							
REVENUE SUMMARY							
F608 Capital Reserve	283,454	283,486	(32)	1,700,732	1,700,916	(184)	3,401,830
F611.1 Capital Reserve Interest	6,232	5,752	480	36,560	34,508	2,052	69,016
F611.2 Raymond James Premium Amo	(4,528)	(4,528)	0	(27,167)	(27,168)	1	(51,316)
F611.3 Raymond James Advisory Fe	0	0	0	(4,219)	(4,400)	181	(8,800)
TOTAL REVENUE	285,158	284,710	448	1,705,905	1,703,856	2,049	3,410,730
EXPENSE SUMMARY							
F649 2021 C/O Proj. Cust Equip	0	0	0	0	3,766	3,766	3,766
F738 2021 C/O Proj. Ch. Rail	0	0	0	23,190	30,422	7,232	30,422
F756 2021 C/O Proj Elev Jacks	0	0	0	8,200	9,000	800	9,000
F762 2021 C/O Proj. Const Bid	5,000	14,021	9,021	5,000	84,126	79,126	168,252
F774 Building 233 Re-roof w/ 6	0	0	0	30,000	0	(30,000)	0
F780 Carpet - 10 floors (vario	90,150	32,085	(58,065)	90,150	96,255	6,105	96,255
F781 Chair Rail Installation B	0	0	0	0	0	0	25,819
F782 Chair Rail Installation B	525	0	(525)	525	0	(525)	25,819
F783 Chair Rail Installation B	0	8,606	8,606	22,903	25,819	2,916	25,819
F784 Elevator Jacks B243	0	0	0	56,000	0	(56,000)	65,000
F785 Elevator Jacks B244	0	0	0	56,000	0	(56,000)	65,000
F786 Elevator Jacks B250	0	0	0	20,000	0	(20,000)	40,163
F787 R&G Equipment Chipper #56	0	0	0	0	20,188	20,188	20,188
F788 R&G Equipment Pick-up #50	0	0	0	1,000	54,258	53,258	54,258
F789 Road Sealcoat B231-236	0	12,333	12,333	0	24,666	24,666	37,000
F790 Road Sealcoat CP4	0	22,488	22,488	0	44,975	44,975	44,975
F791 Roof Re-Coat B204	0	0	0	0	0	0	50,546
F792 Roof Re-Coat B205	0	0	0	0	0	0	50,546
F793 Roof Re-Coat B213	0	0	0	0	0	0	48,836
F794 Roof Re-Coat B217	0	0	0	0	0	0	62,951
F795 Roof Replacement B221	0	240,000	240,000	0	240,000	240,000	360,000
F796 FPE Electrical Panel Repl	0	19,810	19,810	121,616	217,350	95,734	217,350
F797 Hot Water Recirculation P	0	0	0	0	39,000	39,000	39,000
F798 Concrete Repairs	278	196,920	196,642	7,070	196,920	189,850	196,920
F799 Handrails	15,559	9,239	(6,320)	21,559	9,239	(12,320)	27,718
F800 Retaining Walls	0	19,885	19,885	0	59,655	59,655	119,310
F801 BC&E PS Recommended Repai	0	137,500	137,500	0	412,500	412,500	825,000
F802 PS Post Tension Repairs P	0	50,025	50,025	2,269	150,075	147,806	300,150
F803 Water Heaters	0	0	0	34,530	40,163	5,633	40,163
F804 Fire Alarm for Alpha	0	0	0	0	180,018	180,018	180,018
F805 Aurora Water Wise Program	0	22,568	22,568	0	67,704	67,704	67,704
F806 2022 One Time Proj	0	9,239	9,239	0	55,436	55,436	110,872
F807 2022 Contingency Projects	0	43,887	43,887	0	263,319	263,319	526,641
F807.1 Plow for truck 502	0	0	0	8,073	0	(8,073)	0
F807.2 Elevator Repairs for 209	0	0	0	17,298	0	(17,298)	0
F807.3 Boiler Retubing B243	23,558	0	(23,558)	23,558	0	(23,558)	0
F807.4 Sewer Pipe Replace CP5	0	0	0	19,975	0	(19,975)	0
F807.5 B212 Fire Main Pipe Break	0	0	0	26,498	0	(26,498)	0
TOTAL EXPENSES	135,070	838,607	703,536	595,413	2,324,854	1,729,441	3,935,461
GROSS SURPLUS (DEFICIT)	150,088	(553,897)	703,985	1,110,492	(620,998)	1,731,490	(524,731)
BALANCE TO CASH (A107)							
A302 Cap Imprv Reserve	0	0	0	8,797,409	0	(8,797,409)	0
ADD: Cap Reserve Revenue	285,158	284,710	(448)	1,705,905	1,703,856	(2,049)	3,410,730
LESS: Cap Reserve Expens	(111,512)	(575,387)	(463,875)	(463,213)	(1,155,639)	(692,426)	(1,884,913)
A115.1 LESS: Interest Receivable	21	0	(21)	(272)	0	272	0
TOTAL BALANCE TO CASH	173,667	(290,677)	(464,344)	10,039,829	548,217	(9,491,612)	1,525,817

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

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		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
CUSTODIAL SERVICES								
WAGES/BENEFITS								
J500	Salaries - FTP	33,165	24,228	(8,937)	161,816	146,168	(15,648)	295,918
J510	Salaries - Part Time	3,159	7,754	4,594	37,942	46,522	8,580	93,044
J520	Salaries - Overtime	958	220	(737)	5,332	3,385	(1,947)	8,072
J540	Taxes - Payroll	3,175	2,576	(599)	20,121	19,093	(1,028)	35,282
J550	Retirement Expense	32	483	451	1,111	2,962	1,852	5,982
J553	Insurance - Personnel	3,214	4,143	929	15,430	24,858	9,428	52,201
J574	Recruit / Train / Service	0	150	150	1,408	1,150	(258)	2,050
J575	Employee Incentive	0	0	0	912	1,400	488	2,800
J580	PEO Administration	448	450	2	2,959	2,700	(259)	5,400
J588	Workers Comp Insurance	353	950	597	2,022	5,700	3,678	11,685
	TOTAL WAGES/BENEFITS	44,503	40,954	(3,549)	249,052	253,937	4,886	512,434
J675.2	Salary Charge Out - Opera	(8,170)	(10,633)	(2,464)	(53,586)	(62,977)	(9,391)	(126,199)
	NET WAGES/BENEFITS	36,334	30,321	(6,013)	195,465	190,960	(4,505)	386,235
OPERATING EXPENSES								
J621	Fuel Expense	0	50	50	391	290	(101)	575
J621.1	Mileage Reimbursement	212	700	488	1,965	4,100	2,136	8,250
J639	Software & IT	57	60	3	643	360	(283)	720
J645	Uniforms	50	0	(50)	2,553	1,650	(903)	3,250
J680	Radio Communication	0	0	0	0	350	350	350
J683	Repairs - Equipment	0	130	130	1,706	1,850	144	2,700
J684	Supplies	3,805	2,600	(1,205)	23,282	17,180	(6,102)	32,780
J691	Licenses	0	12	12	0	72	72	144
J699	Window Cleaning	0	0	0	0	0	0	11,000
	TOTAL OPERATING EXPENSES	4,124	3,552	(572)	30,540	25,852	(4,688)	59,769
	TOTAL CUSTODIAL SERVICES	40,458	33,873	(6,585)	226,005	216,812	(9,193)	446,004

2888 So Heather Gardens Way
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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
CONTRACTS								
WAGES/BENEFITS								
K500	Salaries - FT	14,874	14,378	(497)	84,835	86,742	1,907	178,437
K540	Taxes - Payroll	1,128	1,150	22	7,158	7,371	213	14,706
K550	Retirement Expense	675	705	30	3,952	4,250	299	8,573
K553	Insurance - Personne	1,222	1,076	(146)	6,581	6,455	(126)	13,555
K574	Recruiting, Training Serv	0	50	50	38	500	462	1,000
K575	Employee Incentive	0	0	0	0	456	456	912
K580	PEO Administration	80	70	(10)	480	420	(60)	840
K588	Workers Comp Insurance	78	80	2	442	480	38	984
	TOTAL WAGES/BENEFITS	18,057	17,508	(549)	103,486	106,674	3,189	219,007
	NET WAGES/BENEFITS	18,057	17,508	(549)	103,486	106,674	3,189	219,007
OPERATING EXPENSES								
K621.1	Mileage Reimbursement	73	80	7	519	480	(39)	960
K639	Software & IT	199	250	51	1,141	1,500	359	3,000
K645	Uniforms	0	250	250	0	500	500	500
K662	Office Supplies	70	125	55	645	750	105	1,500
K683	Repairs - Equipment	0	40	40	0	240	240	480
K691	Licenses	0	7	7	0	42	42	84
	TOTAL OPERATING EXPENSES	342	752	410	2,305	3,512	1,207	6,524
	TOTAL CONTRACTS EXPENSES	18,399	18,260	(139)	105,791	110,186	4,396	225,531

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
MAINTENANCE								
WAGES/BENEFITS								
M500	Salaries - FTP	108,113	102,748	(5,365)	611,436	619,890	8,453	1,251,926
M520	Salaries - Overtime	3,360	2,639	(721)	16,369	19,539	3,170	47,210
M540	Taxes - Payroll	8,617	8,431	(186)	55,391	57,779	2,388	110,779
M550	Retirement Expense	3,200	3,372	172	18,976	20,551	1,575	41,752
M553	Insurance - Personnel	12,376	12,075	(301)	68,534	72,451	3,917	152,147
M574	Recruit/Train/Services	1,474	585	(889)	8,136	3,510	(4,626)	7,020
M575	Employee Incentive	0	0	0	2,783	2,800	17	5,600
M580	PEO Administration	1,022	875	(147)	5,979	5,250	(729)	10,500
M588	Workers Comp Insurance	901	1,020	119	5,126	6,120	994	12,546
TOTAL WAGES/BENEFITS		139,062	131,745	(7,317)	792,730	807,889	15,159	1,639,481
M675.2	Salary Charge Out - Opera	(10,249)	(6,577)	3,672	(38,391)	(16,123)	22,268	(33,499)
M675.3	Salary Charge Out-Residen	(7,691)	(4,167)	3,524	(35,785)	(25,000)	10,785	(50,000)
NET WAGES/BENEFITS		121,123	121,001	(121)	718,554	766,766	48,212	1,555,982
OPERATING EXPENSES								
M621	Fuel Expense	382	330	(52)	2,015	1,720	(295)	3,670
M621.1	Mileage Reimbursement	1,871	2,200	329	11,583	12,500	917	25,400
M639	Software & IT	2,444	2,500	56	14,657	15,000	343	30,000
M640	Electric	300	340	40	1,955	2,040	85	4,080
M643	Gas	20	213	193	966	1,278	312	2,556
M644	Elevator	14,873	12,000	(2,873)	82,723	72,000	(10,723)	144,000
M645	Uniforms	64	1,000	936	8,217	11,000	2,783	13,000
M646	Maintenance Shop Repairs	1,955	1,200	(755)	7,008	8,800	1,792	16,000
M654	Lamp Replacement	326	1,000	674	3,598	7,500	3,902	15,000
m662	Office Supplies	435	1,100	665	8,035	6,600	(1,435)	13,200
M665	Rent - Equipment	0	0	0	0	1,000	1,000	1,000
M671	Outside Contractors - Mis	0	2,800	2,800	1,431	9,300	7,869	16,900
M671.1	Glass Replacement	4,947	2,500	(2,447)	18,320	15,000	(3,320)	30,000
M671.3	Boiler/HVAC Repairs	0	2,100	2,100	2,581	2,100	(481)	6,300
M671.4	Roof Repairs	0	2,500	2,500	0	5,000	5,000	7,500
M671.5	Electrical	11,320	2,500	(8,820)	16,060	15,000	(1,060)	30,000
M671.6	Concrete Repairs	0	2,000	2,000	0	4,000	4,000	8,000
M671.7	Siding Repairs	0	0	0	0	3,000	3,000	3,000
M671.8	Sewer/Plumbing	1,575	7,500	5,925	8,825	45,000	36,175	90,000
M672	Door Repair	0	1,000	1,000	2,666	6,000	3,334	12,000
M680	Radio Communications	249	130	(119)	663	780	117	1,560
M683	Repairs - Equipment	70	300	230	907	1,800	893	3,600
M684	Supplies - Misc	3,355	600	(2,755)	16,159	3,600	(12,559)	7,200
M684.1	HVAC/Plumbing	16,987	8,683	(8,304)	82,070	52,098	(29,972)	104,196
M684.2	Electrical	2,167	3,700	1,533	14,077	22,200	8,123	44,400
M684.3	Hardware/Fasteners	251	350	99	1,805	2,100	295	4,200
M684.4	Safety Equipment	215	2,000	1,785	1,902	4,000	2,098	4,000
M684.5	Doors & Door Hardware	4,439	2,083	(2,355)	23,979	12,500	(11,479)	25,000
M684.6	Roof & Sealant Materials	83	2,000	1,917	644	4,000	3,356	10,000
M684.7	Chemicals	13,100	4,350	(8,750)	33,153	32,580	(573)	58,680
M684.8	Tools	373	900	527	3,749	5,400	1,651	10,800
M684.9	Billable Supplies	(4,322)	0	4,322	(23,185)	0	23,185	0
M685	TV Repairs	0	300	300	0	1,800	1,800	3,600
M691	Licenses	0	500	500	19,556	28,000	8,444	47,000
M694	Trash Removal	8,532	7,833	(699)	50,829	47,000	(3,829)	94,000
TOTAL OPERATING EXPENSES		86,010	78,513	(7,498)	416,949	461,696	44,746	889,842
TOTAL MAINTENANCE EXPENSE		207,133	199,514	(7,619)	1,135,504	1,228,462	92,959	2,445,823

2888 So Heather Gardens Way
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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
ADMINISTRATION								
WAGES/BENEFITS								
O500	Salaries - FTP	66,294	74,662	8,368	401,291	450,451	49,160	919,003
O520	Salaries - Overtime	237	950	713	3,600	5,700	2,100	11,400
O540	Taxes - Payroll	4,399	6,049	1,650	34,003	42,516	8,513	80,456
O545	Temporary Outside Labor	0	0	0	1,134	0	(1,134)	0
O550	Retirement Expense	2,215	2,646	431	14,881	15,965	1,084	32,196
O553	Insurance - Personnel	5,212	5,326	115	26,988	31,957	4,969	67,110
O574	Recruit/Train/Services	563	800	238	6,919	4,800	(2,119)	9,600
O575	Employee Incentive	0	0	0	948	1,000	52	2,000
O580	PEO Administration	436	410	(26)	2,793	2,460	(333)	4,920
O588	Workers Comp Insurance	644	730	86	3,668	4,380	712	8,979
	TOTAL WAGES/BENEFITS	80,000	91,573	11,573	496,227	559,230	63,003	1,135,664
O675.2	Salary Charge Out	111	0	(111)	702	0	(702)	0
	NET WAGES/BENEFITS	80,111	91,573	11,462	496,928	559,230	62,302	1,135,664
OPERATING EXPENSES								
O621.1	Mileage Reimbursement	0	10	10	0	60	60	120
O639	Software and Internet Fee	4,585	3,079	(1,506)	13,633	11,206	(2,427)	22,320
O639.5	IT Services	3,217	2,600	(617)	18,582	15,600	(2,982)	31,200
O656	Professional Services	0	4,700	4,700	60,425	58,200	(2,225)	59,700
O659	Miscellaneous	0	215	215	1,053	1,290	237	2,580
O661	Administrative Expense	51	163	112	431	2,488	2,057	6,185
O662	Office Supplies & Postage	1,859	2,650	791	19,444	17,100	(2,344)	36,250
O663	Publications	0	0	0	6,659	5,650	(1,009)	5,650
O689	Telephone Expense	2,562	3,589	1,027	14,925	21,536	6,611	43,072
O690	Equipment Leases	247	245	(2)	492	580	88	1,070
O695	Marketing	0	0	0	3,150	3,250	100	3,250
	TOTAL OPERATING EXPENSES	12,521	17,251	4,730	138,794	136,960	(1,834)	211,397
	TOTAL ADMINISTRATIVE EXPE	92,632	108,825	16,192	635,722	696,190	60,468	1,347,061

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET
PAINTING							
WAGES/BENEFITS							
P500 Salaries - FTP	15,212	19,811	4,599	109,713	119,517	9,804	241,146
P520 Salaries - Overtime	18	0	(18)	182	0	(182)	0
P540 Taxes - Payroll	1,151	1,617	465	9,919	11,626	1,707	21,596
P550 Retirement Expense	294	303	9	1,684	1,838	154	3,707
P553 Insurance - Personnel	1,301	1,083	(218)	9,649	6,497	(3,152)	13,644
P574 Recruit/Train/Services	94	160	66	94	960	866	1,920
P575 Employee Incentive	0	0	0	608	600	(8)	1,200
P580 PEO Administration	207	200	(7)	1,273	1,200	(73)	2,400
P588 Workers Comp Insurance	256	250	(6)	1,754	1,500	(254)	3,023
TOTAL WAGES/BENEFITS	18,534	23,424	4,890	134,876	143,738	8,862	288,636
NET WAGES/BENEFITS	18,534	23,424	4,890	134,876	143,738	8,862	288,636
OPERATING EXPENSES							
P621 Fuel Expense	303	173	(130)	1,277	1,038	(239)	2,076
P621.1 Mileage Reimbursement	0	35	35	0	210	210	420
P639 Software & IT	68	65	(3)	481	390	(91)	780
P645 Uniforms	0	400	400	1,476	3,200	1,724	3,600
P680 Radio Communications	0	0	0	72	0	(72)	800
P683 Repairs - Equipment	3	500	497	115	1,000	885	4,000
P684 Supplies	1,661	3,888	2,227	22,572	23,328	756	46,656
P689 Telephone Expense	0	24	24	0	144	144	288
P691 Licenses	0	59	59	400	354	(46)	708
TOTAL OPERATING EXPENSES	2,035	5,144	3,109	26,392	29,664	3,272	59,328
TOTAL PAINTING EXPENSES	20,568	28,568	8,000	161,268	173,402	12,133	347,964

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
ROADS & GROUNDS								
WAGES/BENEFITS								
R500	Salaries - FTP	58,573	57,960	(613)	323,559	349,671	26,112	706,878
R510	Salaries - Part Time	7,340	6,747	(593)	12,744	12,595	(150)	31,765
R520	Salaries - Overtime	2,335	270	(2,065)	13,794	4,758	(9,035)	10,231
R540	Taxes - Payroll	5,488	5,185	(303)	31,169	34,584	3,415	65,149
R550	Retirement Expense	1,191	1,523	332	7,277	8,752	1,475	17,730
R553	Insurance - Personnel	6,528	6,253	(276)	34,754	37,517	2,763	78,785
R574	Recruit/Train/Services	772	250	(522)	1,337	1,500	163	3,000
R575	Employee Incentive	0	0	0	950	1,200	250	2,400
R580	PEO Administration	719	545	(174)	3,624	3,270	(354)	6,540
R588	Workers Comp Insurance	528	565	37	3,014	3,390	376	6,950
	TOTAL WAGES/BENEFITS	83,474	79,297	(4,177)	432,223	457,236	25,014	929,428
R675.2	Salary Charge Out-Operati	(88)	(300)	(213)	(6,755)	(1,800)	4,955	(3,600)
	NET WAGES/BENEFITS	83,387	78,997	(4,389)	425,468	455,436	29,969	925,828
OPERATING EXPENSES								
R621	Fuel Expense	3,431	2,000	(1,431)	13,151	10,050	(3,101)	20,650
R621.1	Mileage Reimbursement	0	30	30	0	70	70	160
R635	Tree & Shrub Replacement	0	0	0	0	2,000	2,000	5,500
R639	Software & IT	263	300	37	1,499	1,800	301	3,600
R640	Electric	225	250	25	1,466	1,350	(116)	2,850
R643	Gas	15	150	135	725	600	(125)	1,150
R645	Uniforms	175	200	25	1,648	4,200	2,552	8,450
R647	Extermination	1,000	1,000	0	6,000	5,500	(500)	11,000
R665	Rent - Equipment	2,386	0	(2,386)	2,718	0	(2,718)	1,000
R670	Asphalt Repairs	0	1,000	1,000	0	3,000	3,000	3,000
R671	Outside - Contractors	10,493	5,000	(5,493)	17,996	16,000	(1,996)	30,000
R680	Radio Communications	0	0	0	0	750	750	750
R682	Snow Removal Supplies	0	0	0	20,855	7,500	(13,355)	15,000
R683	Repairs - Equipment	1,103	3,000	1,897	14,868	10,000	(4,868)	24,500
R684	Supplies	3,035	7,000	3,965	27,398	26,500	(898)	57,500
R684.1	Irrigation - Supplies	1,458	3,000	1,542	10,346	10,000	(346)	20,000
R689	Telephone Expense	89	70	(19)	425	420	(5)	840
R691	Licenses	0	250	250	2,544	1,500	(1,044)	3,000
R694	Trash Removal	2,235	2,200	(35)	10,325	13,200	2,875	26,400
	TOTAL OPERATING EXPENSES	25,907	25,450	(457)	131,965	114,440	(17,525)	235,350
	TOTAL ROADS & GROUNDS EXP	109,293	104,447	(4,846)	557,432	569,876	12,444	1,161,178

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE	ANNUAL BUDGET	
SECURITY								
WAGES/BENEFITS								
S500	Salaries - FTP	32,253	31,437	(817)	187,470	189,666	2,195	383,706
S520	Salaries - Overtime	233	617	384	5,565	5,667	102	10,766
S540	Taxes - Payroll	2,697	2,564	(133)	17,578	18,056	478	34,083
S550	Retirement Expense	664	641	(23)	3,960	3,931	(29)	7,913
S553	Insurance - Personnel	5,023	4,662	(360)	24,878	27,974	3,096	58,745
S560	Employee Incentive	1,036	850	(186)	4,609	5,100	491	10,200
S574	Recruit/Train/Services	281	167	(115)	1,919	3,575	1,656	7,500
S575	Employee Incentive	0	0	0	304	1,200	896	2,400
S580	PEO Administration	340	285	(55)	2,030	1,710	(320)	3,420
S588	Workers Comp Insurance	256	290	34	1,459	1,740	281	3,480
	TOTAL WAGES/BENEFITS	42,783	41,513	(1,270)	249,772	258,619	8,847	522,213
OPERATING EXPENSES								
S621	Fuel Expense	1,150	475	(675)	4,314	2,850	(1,464)	5,700
S639	Software & IT	641	5,500	4,859	6,583	33,000	26,417	66,000
S645	Uniforms	1,128	100	(1,028)	4,222	3,500	(722)	7,000
S659	Miscellaneous	0	141	141	130	846	716	1,692
S680	Radio Communications	0	125	125	0	2,625	2,625	3,375
S683	Repairs - Equipment	523	391	(132)	1,750	2,346	596	4,692
S684	Supplies	51	300	249	1,286	1,800	514	3,600
S689	Telephone Expense	277	165	(112)	1,584	990	(594)	1,980
S691	Licenses	0	94	94	192	564	372	1,128
	TOTAL OPERATING EXPENSES	3,770	7,291	3,521	20,062	48,521	28,459	95,167
	TOTAL SECURITY EXPEN	46,554	48,804	2,250	269,834	307,140	37,306	617,380

HEATHER GARDENS METROPOLITAN DISTRICT

Budget Exceptions Report

Through: 06/30/22

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% of Budget	Annual Budget	% of Annual Budget Spent
Total Revenue	\$ 1,714,131	\$ 1,723,999	\$ (9,868)	-0.6%	\$ 3,283,566	52%
Cost of Goods Sold	\$ 90,087	\$ 98,047	\$ 7,960	8.1%	\$ 205,724	44%
Gross Profit	\$ 1,624,044	\$ 1,625,952	\$ (1,908)		\$ 3,077,842	
Operating Expenses	\$ 1,165,150	\$ 1,249,654	\$ 84,504	6.8%	\$ 2,721,539	43%
Net Operating Income/(Loss)	\$ 458,894	\$ 376,298	\$ 82,596		\$ 356,303	
Capital Improvements Exp	\$ 54,375	\$ 68,310	\$ 13,935		\$ 473,807	
Net Surplus/(Loss)	\$ 404,519	\$ 307,988	\$ 96,531		\$ (117,504)	

Executive Summary

Club House

Revenue	\$ 81,510	\$ 84,770	\$ (3,260)	-3.8%	\$ 170,750	48%
Expenses	\$ 377,482	\$ 416,873	\$ 39,391	9.4%	\$ 808,976	47%
Net Subsidy	\$ (295,972)	\$ (332,102)	\$ 36,131		\$ (638,226)	

Golf

Revenue	\$ 182,462	\$ 169,409	\$ 13,053	7.7%	\$ 426,008	43%
Expenses	\$ 305,725	\$ 341,602	\$ 35,877	10.5%	\$ 687,742	44%
Net Subsidy	\$ (123,263)	\$ (172,193)	\$ 48,930		\$ (261,734)	

Restaurant

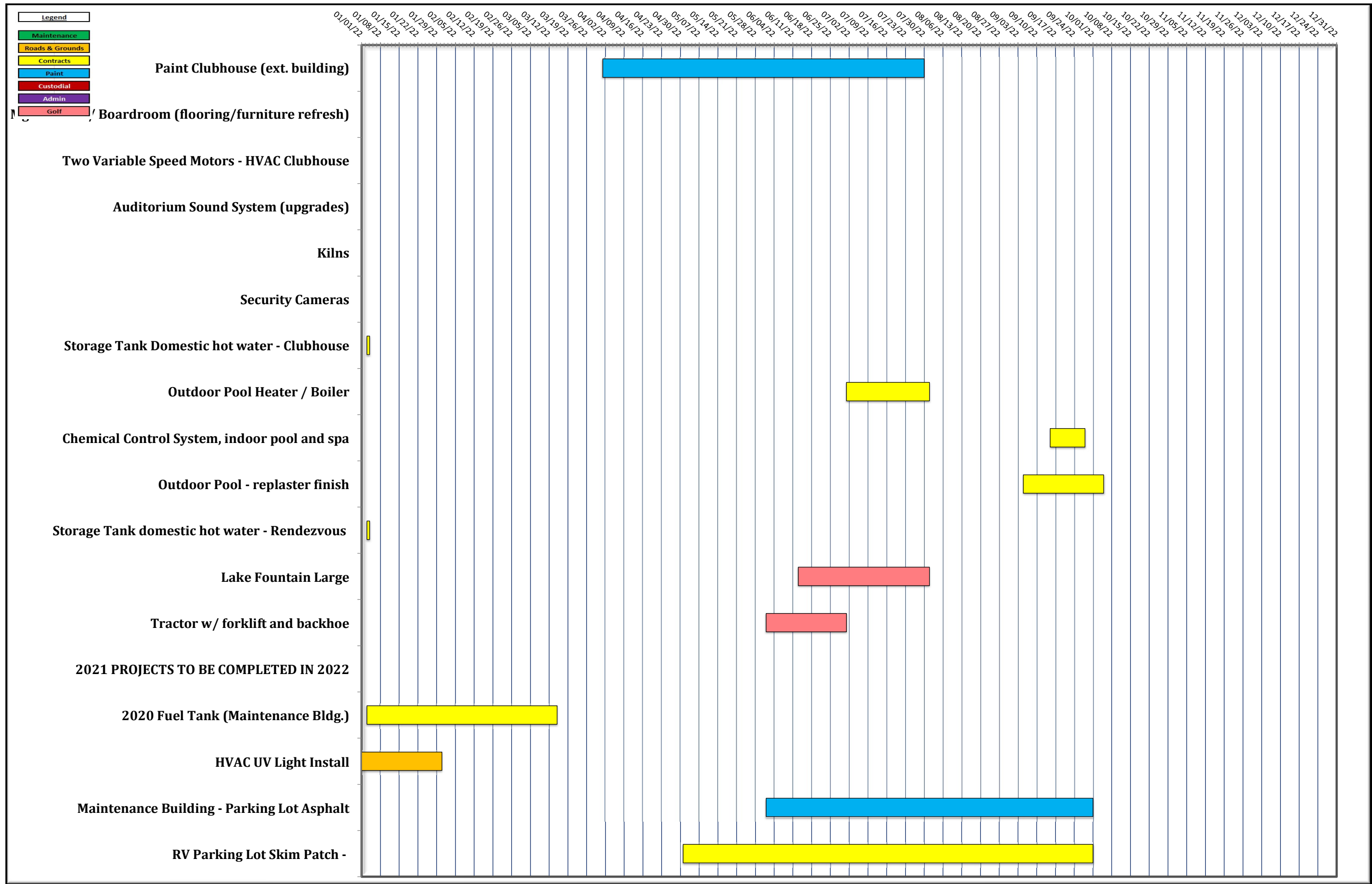
Revenue	\$ 259,594	\$ 289,745	\$ (30,153)	-10.4%	\$ 603,015	43%
Cost of Goods Sold	\$ 83,412	\$ 93,106	\$ 9,696	10.4%	\$ 193,106	43%
Gross Profit	\$ 176,182	\$ 196,639	\$ (20,457)	-10.4%	\$ 409,909	
Expenses	\$ 233,078	\$ 245,586	\$ 12,511	5.1%	\$ 498,106	47%
Net Subsidy	\$ (56,896)	\$ (48,947)	\$ (7,946)		\$ (88,197)	

Restricted Funds	Total		Net		Cash Balance
	Total Revenue	Expenses	Surplus/(Loss)		
Conservation Trust Fund	\$ 10,172	\$ 16,331	\$ (6,159)		\$ 162,960
Debt Service Fund	\$ 411,496	\$ 159,636	\$ 251,860		\$ 435,298
Foundation Fund	\$ 1,818	\$ 839	\$ 979		\$ 190,388

HGMD MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:

JUNE 2022

STATUS	PROJECT OWNER	DEPT.	2022 APPROVED PROJECTS	ACCT	2022	2022	% VAR	START DATE	FINISH DATE	#DAYS	2022	+/-	%	TOTAL	PROJECT
					APPROVED BUDGET AMOUNT	SIGNED CONTRACT AMOUNT					INVOICES PAID	SIGNED CONTRACT AMOUNT	VAR FROM CONTRACT	UNDER / (OVER) BUDGET	
					A	B						D	B-C-D	A-C-D	
In Process	Don	Clubhouse	Paint Clubhouse (ext. building)	D601	\$52,672	\$38,500	-27%	04/01/22	07/30/22	120		\$38,500	-100%	\$52,672	Work mostly completed in June. The final punch list is scheduled for July. Expenditure will be shown in July.
not-started	Jason	Admin.	Mgmt Office / Boardroom (flooring/furniture refresh)	D601	\$20,960		-100%			0		\$0	#DIV/0!	\$20,960	
not-started	Jon H	Clubhouse	Two Variable Speed Motors - HVAC Clubhouse	D601	\$11,285		-100%			0		\$0	#DIV/0!	\$11,285	Not needed at this time
not-started	Montrell	Clubhouse	Auditorium Sound System (upgrades)	D601	\$6,885		-100%			0		\$0	#DIV/0!	\$6,885	Auditorium Sound System is working as it should and does not need to be replaced at this time.
not-started	Montrell	Clubhouse	Kilns	D601	\$28,212		-100%			0		\$0	#DIV/0!	\$28,212	Kilns appear to be working properly and might not need replacement.
not-started	Montrell	Clubhouse	Security Cameras	D601	\$6,478		-100%			0		\$0	#DIV/0!	\$6,478	Researching what rooms in the clubhouse need cameras.
Completed	Jon H	Clubhouse	Storage Tank Domestic hot water - Clubhouse	D601	\$21,159		-100%	01/03/22	01/04/22	1	\$0	\$0	#DIV/0!	\$21,159	Tank actively leaking in Nov 2021, emergency fix completed (Nov '21).
not-started	Jon H	Pools	Outdoor Pool Heater / Boiler	D601	\$32,704		-100%	07/01/22	08/01/22	31		\$0	#DIV/0!	\$32,704	
not-started	Jon H	Pools	Chemical Control System, indoor pool and spa	D601	\$17,361		-100%	09/15/22	09/28/22	13		\$0	#DIV/0!	\$17,361	
not-started	Jon H	Pools	Outdoor Pool - replaster finish	D601	\$60,020		-100%	09/05/22	10/05/22	30		\$0	#DIV/0!	\$60,020	
Completed	Jon H	Restaurant	Storage Tank domestic hot water - Rendezvous	D601	\$21,159		-100%	01/03/22	01/04/22	1	\$0	\$0	#DIV/0!	\$21,159	Tank starting to leak in Nov 2021, emergency fix completed (Nov '21).
not-started	Brian/Greg	Golf	Lake Fountain Large	D601	\$11,355		-100%	06/13/22	08/01/22	49		\$0	#DIV/0!	\$11,355	
not-started	Brian/Greg	Golf	Tractor w/ forklift and backhoe	D601	\$48,873		-100%	06/01/22	07/01/22	30		\$0	#DIV/0!	\$48,873	
TOTAL 2022 FUNDED PROJECTS					\$339,123	\$38,500	-89%				\$0	\$38,500	-100%	\$339,123	
<i>Future event or circumstance which is possible, but cannot be predicted with certainty</i>															
2022 CONTINGENCY PROJECTS															
not-started	Management	Management	2022 Contribution to Reserves	D601	\$58,170							\$0	#DIV/0!	\$58,170	
not-started				D601								\$0	#DIV/0!	\$0	
not-started				D601								\$0	#DIV/0!	\$0	
TOTAL 2022 CONTINGENCY PROJECTS					\$58,170	\$0					\$0	\$0		\$58,170	
TOTAL CAPITAL RESERVE FUNDS					\$397,293	\$38,500					\$0	\$38,500		\$397,293	
2021 PROJECTS TO BE COMPLETED IN 2022															
Completed	Don		2020 Fuel Tank (Maintenance Bldg.)	D601.2	\$45,373	\$45,373	0%	01/03/22	03/15/22	71	\$44,078	\$1,295	-3%	\$ 1,295	Rolled over due to Permitting issue
Completed			HVAC UV Light Install	D601.2	\$22,937	\$10,297	-55%	01/01/22	01/31/22	30	\$10,297	\$0	0%	\$ 12,640	
In Process	Don		Maintenance Building - Parking Lot Asphalt	D601.2	\$59,282		-100%	06/01/22	10/01/22	122		\$0	#DIV/0!	\$ 59,282	Board Approved. Working with the Contractor to schedule the work.
In Process			RV Parking Lot Skim Patch -	D601.2	\$8,204	\$8,204		05/01/22	10/01/22	153		\$8,204	-100%	\$8,204	Per Forrest McClure E-mail on 5/6/22, requesting we spend the remaining budgeted funds on repairing the fence and new street lamps. B&F Committee said in the June meeting that the remaining funds could not be used for Lamp Poles and to repair the fence.
TOTAL PRIOR YEAR PROJECTS					\$135,796	\$63,874					\$54,375	\$9,499		\$81,421	
GRAND TOTAL PER BUDGET					\$533,089	\$102,374					\$54,375	\$47,999		\$478,714	
PROJECTS TARGETED FOR COMPLETION IN 2022 BUT NOT IN THE PUBLISHED BUDGET															
TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2022					\$0	\$0					\$0	\$0		\$0	
GRAND TOTAL					\$533,089	\$102,374					\$54,375	\$47,999		\$478,714	



**HEATHER GARDENS FOUNDATIONS
FOUNDATION DONATION SUMMARY
1/1/2022 - 6/30/2022**

Description	General	Roads & Grounds	Club House	Golf	Trees	Totals
Balance at beginning of January	174,610.21	324.50	375.70	40.00	14,042.59	189,393.00
Donations for Jan 2022	100.00					100.00
Donation for Feb 2022	75.00				75.00	150.00
Refund for Legend 6' Teak Bench w/back rest	594.25					594.25
Donation for Mar 2022						0.00
Expenses March - TV for Lobby Flyer Display	-486.83					-486.83
Donation for Apr 2022	25.00					25.00
April Fundraiser Revenue	1,320.00					1,320.00
April Fundraiser Costs - Band	-450.00					-450.00
Donations for May 2022	25.00					25.00
Expenses for May - Planter boxes for Rest.	-401.20					-401.20
Donations for June 2022	100.00				75.00	175.00
Donations for June 2022 - Golf Shop sale of shirt	22.50					22.50
Expenses for June - Herbs for Rest. Planter boxes	-95.32					-95.32
Balance at end of the month 6/30/2022	175,438.61	324.50	375.70	40.00	14,192.59	190,371.40

RECONCILIATION TO GL

D103.5 Foundation Checking Account - June 2022	\$ 140,519
D106.1 Foundation Investment Account - June 2022	\$ 49,869
D121 Owed to the Foundation from MD	
D121 Owed to MD from the Foundation	\$ (16.43)
	<u>\$ 190,371.40</u>

Heather Gardens Metropolitan District
 Summary of Investments
 06/30/22

Bank	Yield	Maturity	Interest Paid	Principal	Monthly Interest	Fund	Account
Key Bank - Foundation							
Bank of America							
Transportation Alliance BK	0.45%	1/26/2023	Maturity	\$ 49,869	\$ 18.87	Foundation	D106.1
Foundation - checking				\$ 140,519		Foundation	D103.5
				<u>\$ 190,388</u>	<u>\$ 18.87</u>		
Key Bank - Conservation Trust Fund/Lottery							
			Monthly	\$ 162,960	\$ 1.29	Conservation	D104
State BK India New York	0.10%	7/29/2022	Maturity	\$ 250,000	\$ 20.83	Enterprise	D106
Synchrony BK Retail CTF	0.10%	9/8/2022	Semi Annual	\$ 250,000	\$ 20.83	Enterprise	D106
Texas Capital Bank	0.25%	8/8/2022	Semi Annual	\$ 250,000	\$ 52.08	Enterprise	D106
				<u>\$ 750,000</u>	<u>\$ 93.75</u>		
Total Investment				<u>\$ 1,103,348</u>	<u>\$ 113.91</u>		

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
REVENUE							
D503 Conservation Trust (Lottery)	4,702	4,750	(48)	10,164	9,500	664	19,000
D504 Interest Income	132	135	(3)	786	810	(24)	1,620
D504.2 2010 Bond Restr Interest	113	8	105	135	48	87	100
D504.3 Interest Income Lottery	1	1	0	8	6	2	12
D505 Recreation Fee Income	124,705	124,728	(23)	748,217	748,368	(151)	1,496,736
Restaurant Income	53,687	53,939	(252)	259,593	289,745	(30,151)	603,015
D507 Golf Fees Daily	44,092	39,786	4,306	126,537	111,380	15,157	284,281
D507.1 Golf Simulator	0	10	(10)	882	1,221	(339)	1,578
D509.2 Golf Disc - 40 Play	5,851	4,543	1,307	8,355	14,737	(6,383)	25,211
D511 Golf Cart Rental Income	12,277	11,749	528	29,696	26,177	3,519	70,315
D511.1 Golf Merchandise	3,138	2,763	375	11,621	9,503	2,119	24,266
D511.2 Golf Lesson	950	1,679	(729)	3,360	4,671	(1,311)	8,900
D511.3 Golf Bag Storage	187	0	187	187	206	(19)	6,705
D511.4 Golf Pull Cart	594	569	25	1,824	1,514	310	4,752
D512 CH Building Rentals	1,920	1,300	620	13,319	7,800	5,519	15,600
D513 Events	1,509	3,085	(1,576)	8,732	15,230	(6,498)	31,670
D513.1 Trips Revenue	1,155	2,750	(1,595)	20,040	16,500	3,540	33,000
D514 RV Lot Income	(336)	0	(336)	14,404	14,760	(356)	29,520
D514.1 Garden Plot Income	35	0	35	2,640	2,520	120	2,520
D515 Classes	6,189	7,240	(1,051)	38,047	43,440	(5,393)	86,880
D515.1 Donation Revenue	198	0	198	1,818	0	1,818	0
D516 Miscellaneous Revenue	0	0	0	1,035	0	1,035	0
D516.1 Coffee Revenue	196	300	(104)	1,372	1,800	(428)	3,600
D517 Property Tax Revenue	32,499	30,263	2,236	395,668	387,311	8,357	500,785
D518 Specific Ownership Tax Revenue	2,331	2,792	(461)	15,693	16,752	(1,059)	33,500
TOTAL REVENUE	296,126	292,391	3,736	1,714,131	1,723,999	(9,868)	3,283,566
D590 Cost of Goods Sold	18,295	18,778	483	90,087	98,047	7,960	205,724
GROSS PROFIT	277,831	273,613	4,219	1,624,044	1,625,952	(1,908)	3,077,842
OPERATING EXPENSES							
D519 Zion Bank Payee Fee	0	0	0	1,000	1,400	400	1,400
D520 Debt Service Interest	25,617	25,617	0	153,700	153,702	2	306,470
D522 Services - Insurance	4,245	4,724	480	25,467	28,345	2,878	56,690
D523 Services - Audit	0	0	0	34,025	34,025	0	34,025
D524 Services - Professional	2,696	3,750	1,054	12,648	22,500	9,852	45,000
D525 County Collection Fee	488	483	(5)	5,936	6,172	237	7,915
D525.1 Election Expense	294	0	(294)	2,409	0	(2,409)	0
D526 Miscellaneous Expense	0	100	100	1,319	600	(719)	1,200
D526.1 SDA Membership Dues	0	0	0	1,238	1,500	263	1,500
D550 Club House Expenses	65,505	68,823	3,318	377,482	416,874	39,392	808,976
D555 Golf Course Expenses	72,281	60,641	(11,640)	299,050	336,661	37,611	675,123
D557 Restaurant Expenses	44,742	43,358	(1,384)	233,078	245,585	12,507	498,106
D560 RV Lot Expenses	104	254	150	628	1,525	897	3,050
D565 Garden Plot Expenses	0	257	257	0	765	765	2,084
D566 Conservation Expenses	0	0	0	16,331	0	(16,331)	0
D601 Capital Outlay	0	0	0	0	0	0	397,293
D601.2 2021 Cap Carry Foward Projects	0	0	0	54,375	68,310	13,935	76,514
D620 Foundation Expense	95	0	(95)	839	0	(839)	0
D700 Bond Principal Payment	0	0	0	0	0	0	280,000
TOTAL OPERATING EXPENSES	216,067	208,006	(8,060)	1,219,525	1,317,964	98,439	3,195,346
NET OPERATING REVENUE/EXPENSE	61,765	65,606	(3,841)	404,519	307,988	96,531	(117,504)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	0	0	0	(84)	0	84	0
TOTAL NON OPERATING EXPENSE	0	0	0	(84)	0	84	0
NET REVENUE EXPENSE	61,765	65,606	(3,841)	404,603	307,988	96,615	(117,504)

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
ENTERPRISE FUND							
REVENUE							
D504 Bnk Intrst Rsv Acct	132	135	(3)	786	810	(24)	1,620
D505 Rec Fee Income	124,705	124,728	(23)	748,217	748,368	(151)	1,496,736
Restaurant Income	53,687	53,939	(252)	259,593	289,745	(30,151)	603,015
D507 Golf Fees Daily	44,092	39,786	4,306	126,537	111,380	15,157	284,281
D507.1 Golf Simulator	0	10	(10)	882	1,221	(339)	1,578
D509.2 Golf Disc - 40 Play	5,851	4,543	1,307	8,355	14,737	(6,383)	25,211
D511 Golf Cart Rental Income	12,277	11,749	528	29,696	26,177	3,519	70,315
D511.1 Golf Merchandise	3,138	2,763	375	11,621	9,503	2,119	24,266
D511.2 Golf Lesson	950	1,679	(729)	3,360	4,671	(1,311)	8,900
D511.3 Golf Bag Storage	187	0	187	187	206	(19)	6,705
D511.4 Golf Pull Cart	594	569	25	1,824	1,514	310	4,752
D512 CH Building Rentals	1,920	1,300	620	13,319	7,800	5,519	15,600
D513 Events	1,509	3,085	(1,576)	8,732	15,230	(6,498)	31,670
D513.1 Trips Revenue	1,155	2,750	(1,595)	20,040	16,500	3,540	33,000
D514 RV Lot Income	(336)	0	(336)	14,404	14,760	(356)	29,520
D514.1 Garden Plot Income	35	0	35	2,640	2,520	120	2,520
D515 Classes	6,189	7,240	(1,051)	38,047	43,440	(5,393)	86,880
D516 Miscellaneous Revenue	0	0	0	1,035	0	1,035	0
D516.1 Coffee Revenue	196	300	(104)	1,372	1,800	(428)	3,600
TOTAL ENTERPRISE REVENUE	256,281	254,577	1,704	1,290,647	1,310,382	(19,735)	2,730,169
D590 Cost of Goods Sold	18,295	18,778	483	90,087	98,047	7,960	205,724
GROSS PROFIT	237,986	235,799	2,187	1,200,560	1,212,335	(11,775)	2,524,445
OPERATING EXPENSES							
D550 Club House Expenses	65,505	68,823	3,318	377,482	416,874	39,392	808,976
D555 Golf Course Expenses	72,281	60,641	(11,640)	299,050	336,661	37,611	675,123
D557 Restaurant Expenses	44,742	43,358	(1,384)	233,078	245,585	12,507	498,106
D560 RV Lot Expenses	104	254	150	628	1,525	897	3,050
D522 Services - Insurance	4,245	4,724	480	25,467	28,345	2,878	56,690
D523 Services - Audit	0	0	0	34,025	34,025	0	34,025
D524 Services - Professional	2,696	3,750	1,054	12,648	22,500	9,852	45,000
D525.1 Election Expense	294	0	(294)	2,409	0	(2,409)	0
D526 Miscellaneous Expense	0	100	100	1,319	600	(719)	1,200
D526.1 SDA Membership Dues	0	0	0	1,238	1,500	263	1,500
D519 Zion Bank Payee Fee	0	0	0	1,000	1,400	400	1,400
D565 Garden Plot Expenses	0	257	257	0	765	765	2,084
D601 Capital Outlay	0	0	0	0	0	0	397,293
D601.2 2021 Cap Carry Foward Projects	0	0	0	54,375	68,310	13,935	76,514
TOTAL OPERATING EXPENSES	189,866	181,907	(7,960)	1,042,720	1,158,090	115,371	2,600,961
NET OPERATING REVENUE/EXPEN	48,120	53,892	(5,772)	157,840	54,245	103,595	(76,516)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	0	0	0	(84)	0	84	0
TOTAL NON OPERATIN EXPENSE	0	0	0	(84)	0	84	0
NET ENTERPRISE FUND REVENUE/EX	0	0	0	84	0	84	0

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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
RESTRICTED FUNDS							
CONSERVATION TRUST FUND (Lottery)							
REVENUE							
D503 Conservation Trust (Lottery Ac	4,702	4,750	(48)	10,164	9,500	664	19,000
D504.3 Interest Inc Lottery	<u>1</u>	<u>1</u>	<u>0</u>	<u>8</u>	<u>6</u>	<u>2</u>	<u>12</u>
TOTAL LOTTERY REVENUE	4,704	4,751	(47)	10,172	9,506	666	19,012
EXPENSES							
D566 Conservation Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,331</u>	<u>0</u>	<u>(16,331)</u>	<u>0</u>
TOTAL LOTTERY EXPENSES	0	0	0	16,331	0	(16,331)	0
REVENUE OVER(UNDER) EXPENSES	<u>4,704</u>	<u>4,751</u>	<u>47</u>	<u>(6,160)</u>	<u>9,506</u>	<u>15,666</u>	<u>19,012</u>
FOUNDATION FUND							
REVENUE							
D515.1 Donation Revenue	<u>198</u>	<u>0</u>	<u>198</u>	<u>1,818</u>	<u>0</u>	<u>1,818</u>	<u>0</u>
TOTAL FOUNDATION REVENUE	198	0	198	1,818	0	1,818	0
EXPENSES							
D620 Foundation Expense	<u>95</u>	<u>0</u>	<u>(95)</u>	<u>839</u>	<u>0</u>	<u>(839)</u>	<u>0</u>
TOTAL FOUNDATION EXPENSES	95	0	(95)	839	0	(839)	0
REVENUE OVER(UNDER) EXPENSES	<u>102</u>	<u>0</u>	<u>102</u>	<u>978</u>	<u>0</u>	<u>978</u>	<u>0</u>
DEBT SERVICE FUND 2010 BOND ISSUE							
REVENUE							
D517 Property Tax Revenue	32,499	30,263	2,236	395,668	387,311	8,357	500,785
D518 Specific Ownership Tax	2,331	2,792	(461)	15,693	16,752	(1,059)	33,500
Bond Restricted Interest	<u>113</u>	<u>8</u>	<u>105</u>	<u>135</u>	<u>48</u>	<u>87</u>	<u>100</u>
TOTAL DEBT SERVICE REVENUE	34,944	33,063	1,881	411,495	404,111	7,384	534,385
EXPENSES							
D520 Debt Serv Interest	25,617	25,617	0	153,700	153,702	2	306,470
D525 Cnty Collection Fee	488	483	(5)	5,936	6,172	237	7,915
D700 Bond Principal Pymnt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>280,000</u>
TOTAL DEBT SERVICE EXPENSES	26,105	26,100	(5)	159,636	159,874	239	594,385
REVENUE OVER (UNDER) EXPENSES	<u>8,839</u>	<u>6,963</u>	<u>1,876</u>	<u>251,860</u>	<u>244,237</u>	<u>7,623</u>	<u>(60,000)</u>

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Cash - Operating	442,526
Capital Projects - Savings	693,670
Conservation (Lottery) Bank Acct	162,960
Investments	750,000
Investments - Foundation	49,869
Zion Debt Service	435,298
Foundation Account	140,519
Accounts Receivable Net of Allowance	12,590
Inventory	41,522
Prepaid Expenses	25,468
Prop Tax Receivable	500,779
TOTAL CURRENT ASSETS	<u>3,255,201</u>
BUILDING, LAND & EQUIPMENT (Net of Depr)	
CIP Asset	32,195
Restaurant Equipment	144,891
Equipment	281,468
Property	8,406,712
Land At Cost	1,725,000
Intangible Assets	133,190
TOTAL BUILDING, LAND & EQUIPMENT	<u>10,723,456</u>
TOTAL ASSETS & OTHER DEBITS	<u><u>13,978,658</u></u>
CURRENT LIABILITIES	
Accounts & Interest Payable	26,259
Due To/From HGA	85,873
Bonds Payable - Short Term	280,000
Unearned Revenue	61,145
Prepaid Rec Fees	29,391
Gift Cards	11,200
Sales Tax Payable	7,400
Server Tips Payable	5,561
Deferred Property Tax	500,779
Deferred Insurance Claims	22,964
Deferred Revenue - PARQ	7,204
TOTAL CURRENT LIABILITIES	<u>1,037,776</u>
LONG TERM DEBT	
Bond Issue	7,405,000
Deferred Loss Series 2017 Refunding Bond	(614,585)
Original Issue Premium 2017 Bonds	634,207
RV Lot Gate Opener Deposit	1,540
TOTAL CURRENT & LONG TERM LIABILITIES	<u>8,463,938</u>
FUND EQUITY	
Investment In Property	3,007,866
Debt Service Fund	183,438
Conservation Trust Fund (Lottery)	152,789
Heather Gardens Foundation	189,393
Unrestricted Net Assets	1,560,801
Tabor Reserve	15,831
Net Income/(Loss)	404,603
Total Equity	<u>5,514,720</u>

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TOTAL LIABILITIES AND EQUITY

13,978,658

**Heather Gardens Metropolitan District
Club House P&L
6/30/2022**

7/7/2022
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	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET	
REVENUE								
D512	CH Building Rentals	1,920	1,300	620	13,319	7,800	5,519	15,600
D515	Classes	6,189	7,240	(1,051)	38,047	43,440	(5,393)	86,880
D513	Events	1,509	3,085	(1,576)	8,732	15,230	(6,498)	31,670
D516.1	Coffee Revenue	196	300	(104)	1,372	1,800	(428)	3,600
D513.1	Trips Revenue	1,155	2,750	(1,595)	20,040	16,500	3,540	33,000
	TOTAL REVENUE	10,969	14,675	(3,706)	81,510	84,770	(3,260)	170,750
WAGES/BENEFITS								
C500	Salaries - FTP	10,833	8,805	(2,029)	52,578	53,114	536	108,305
C510	Salaries - Part Time	6,404	6,701	297	36,811	37,059	248	75,376
C520	Salaries - Overtime	0	0	0	186	0	(186)	0
C530	Salaries - Teachers	4,348	6,972	2,623	43,029	46,013	2,985	89,935
C540	Taxes - Payroll	2,110	2,132	22	13,003	13,997	995	26,803
C550	Retirement Expense	0	430	430	0	2,596	2,596	5,234
C553	Insurance - Personnel	975	1,195	220	5,790	7,169	1,379	14,338
C574	Recruit/Train/Services	94	110	16	203	660	457	1,320
C575	Employee Incentive	0	0	0	456	300	(156)	600
C588	Workers Comp Insurance	206	230	24	1,172	1,380	208	2,829
	TOTAL WAGES/BENEFITS	24,970	26,575	1,603	153,228	162,288	9,062	324,740
OPERATING EXPENSES								
C675.2	Salaries-Charge Out	0	0	0	0	0	0	0
C673	Maintenance Hours	8,410	4,849	(3,560)	34,380	12,305	(22,075)	27,043
C676	Golf Hours	0	0	0	0	0	0	0
C677	R & G Hours	18	0	(18)	4,813	0	(4,813)	0
C678	Custodial Hours	6,927	9,548	2,621	45,666	57,290	11,624	114,579
	CHARGE-OUT SUBTOTALS	15,355	14,397	(957)	84,859	69,595	-15,264	141,622
C621.1	Mileage Reimbursement	0	8	8	0	48	48	96
C627	Pool Care & Supplies	1,791	1,439	(352)	8,402	10,234	1,832	19,738
C639	Software & IT	491	340	(151)	2,431	2,040	(391)	4,080
C640	Electric	7,381	7,564	183	44,880	45,258	378	93,261
C643	Gas	1,499	1,430	(69)	10,043	11,078	1,035	20,077
C662	Office Supplies & Postage	489	600	111	3,768	3,600	(168)	7,200
C662.1	CC & ActiveNet	1,438	1,050	(388)	5,087	6,300	1,213	12,600
C671	Outside Contractors	486	1,846	1,360	4,189	9,756	5,567	19,662
C683	Repairs - Equipment	0	513	513	323	4,668	4,345	9,246
C684	Supplies	958	1,000	42	11,195	13,350	2,155	18,750
C684.1	Custodial Supplies	1,959	2,000	41	11,495	12,000	505	24,000
C684.2	Coffee Supplies	0	230	230	993	1,380	387	2,760
C686.1	Special Event Supplies	488	1,610	1,122	3,770	7,580	3,810	14,420
C686.2	Special Event Contractors	359	1,475	1,116	1,709	7,650	5,941	17,250
C687	Trips Expense	3,646	2,750	(896)	16,897	16,500	(397)	33,000
C688	Non Capital Equipment	44	970	926	1,951	22,740	20,789	22,740
C689	Phone & Internet	454	370	(84)	2,268	2,220	(48)	4,440
C698	Water & Sewer	3,699	2,656	(1,043)	9,994	8,587	(1,407)	19,294
	TOTAL OPERATING EXPENSES	40,537	42,248	1,712	224,254	254,584	30,330	484,236
	NET REVENUE & EXPENSE	(54,538)	(54,148)	(391)	(295,972)	(332,102)	36,132	(638,226)

**Heather Gardens Metropolitan District
Golf P&L
6/30/2022**

7/7/2022
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		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
REVENUE								
D507	Golf Fees Daily	44,092	39,786	4,306	126,537	111,380	15,157	284,281
D507.1	Golf Simulator	0	10	(10)	882	1,221	(339)	1,578
D509.2	Golf Disc - 40 Play	5,851	4,543	1,307	8,355	14,737	(6,383)	25,211
D511	Golf Cart Rental Income	12,277	11,749	528	29,696	26,177	3,519	70,315
D511.1	Golf Merchandise	3,138	2,763	375	11,621	9,503	2,119	24,266
D511.2	Golf Lesson	950	1,679	(729)	3,360	4,671	(1,311)	8,900
D511.3	Golf Bag Storage	187	0	187	187	206	(19)	6,705
D511.4	Golf Pull Cart	594	569	25	1,824	1,514	310	4,752
TOTAL REVENUE		67,089	61,099	5,989	182,462	169,409	13,053	426,008
WAGES/BENEFITS								
G500	Salaries - FTP	29,474	24,675	(4,799)	158,749	149,341	(9,407)	302,068
G510	Salaries - Part Time	10,938	12,824	1,885	27,463	43,970	16,507	91,736
G520	Salaries - Overtime	528	270	(258)	2,558	2,143	(415)	4,479
G540	Taxes - Payroll	3,615	3,048	(567)	17,255	17,516	260	33,787
G550	Retirement Expense	941	1,257	316	5,805	6,488	683	13,200
G553	Insurance - Personnel	1,808	2,499	691	12,087	14,994	2,907	31,487
G574	Recruit / Train / Service	597	573	(24)	3,962	5,577	1,615	5,997
G575	Employee Incentive	0	0	0	0	1,000	1,000	2,000
G588	Workers Comp Insurance	349	290	(59)	2,018	1,740	(278)	3,567
TOTAL WAGES/BENEFITS		48,250	45,436	(2,815)	229,897	242,769	12,872	488,321
OPERATING EXPENSES								
G675.2	Salaries-Charged Out	0	0	0	(2,084)	(1,000)	1,084	(1,500)
G450	COGS - Merchandise	1,943	1,437	(506)	6,675	4,941	(1,733)	12,618
G621	Fuel Expense	1,690	713	(977)	3,946	2,720	(1,226)	6,375
G621.1	Mileage Reimbursement	12	21	9	74	103	29	165
G624	Contingency-Water	39	0	(39)	235	0	(235)	10,300
G635	Tree & Shrub Replacement	0	0	0	0	714	714	714
G639	Software & IT	285	258	(28)	1,110	1,545	435	3,090
G640	Electric	712	858	146	3,737	4,182	445	9,312
G640.1	Electric - Pump	7,067	6,577	(490)	18,526	16,572	(1,954)	46,243
G643	Gas	15	23	8	725	755	30	1,198
G645	Uniforms	0	61	61	0	1,668	1,668	2,035
G662	Office Supplies & Postage	0	0	0	104	0	(104)	52
G662.1	Credit Card Expense	2,407	1,316	(1,091)	7,094	7,897	803	15,794
G665	Rent - Equipment	2,386	0	(2,386)	2,386	0	(2,386)	1,442
G670	Asphalt Repairs	0	0	0	0	0	0	4,896
G671	Outside Contractors	631	1,100	469	1,309	14,770	13,461	19,511
G676.1	Golf Shop Supplies	0	160	160	729	960	231	1,920
G680	Radio Communications	0	0	0	160	206	46	206
G683	Repairs - Equipment	3,060	600	(2,460)	8,862	9,000	138	14,400
G684	Supplies	5,026	2,800	(2,226)	19,227	29,500	10,273	42,050
G689	Telephone	251	300	49	1,495	1,800	305	3,600
G697	Marketing	448	420	(28)	1,518	2,500	982	5,000
TOTAL OPERATING EXPENSES		25,972	16,644	(9,329)	75,828	98,833	23,006	199,421
NET REVENUE & EXPENSE		(7,133)	(981)	(6,155)	(123,263)	(172,193)	48,931	(261,734)

JUNE 2022

HGMD Golf Usage Report

Revenue	Current Year					Prior Year				
	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue	Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
Daily Rates										
85+	\$ 9.00	78	\$ 702	188	\$ 1,692	\$ 9.00	68	\$ 612	186	\$ 1,674
Resident	\$ 9.95	0	\$ -	61	\$ 607	\$ 8.00		\$ -	737	\$ 5,896
Resident Everyday	\$ 9.99	771	\$ 7,700	2,060	\$ 20,590	\$ 10.00	703	\$ 7,030	1,885	\$ 18,850
Guest of Resident- weekday	\$ 13.00	121	\$ 1,573	326	\$ 4,238	\$ 13.04	103	\$ 1,343	320	\$ 4,207
Guest of Resident- weekend	\$ 17.00	62	\$ 1,054	191	\$ 3,245	\$ 17.00	65	\$ 1,105	261	\$ 4,437
Non-Resident Sr. - No Timeframe	\$ 18.33	(6)	\$ (110)	(14)	\$ (242)					
Non-Resident Sr. - Weekday	\$ 14.99	647	\$ 9,700	1,488	\$ 22,299	\$ 14.02	514	\$ 7,204	989	\$ 13,854
Non-Resident Sr. - Weekend	\$ 19.17	256	\$ 4,908	781	\$ 14,810	\$ 18.00	220	\$ 3,960	732	\$ 13,176
Non-Resident - Weekday	\$ 18.00	240	\$ 4,320	605	\$ 10,882	\$ 17.07	213	\$ 3,635	511	\$ 8,689
Non-Resident - Weekend	\$ 23.06	301	\$ 6,940	779	\$ 17,954	\$ 22.00	206	\$ 4,532	592	\$ 13,058
Junior- weekday	\$ 9.00	22	\$ 198	197	\$ 1,773	\$ 9.00	31	\$ 279	109	\$ 981
Junior- weekend	\$ 12.00	11	\$ 132	25	\$ 300	\$ 12.00	12	\$ 144	44	\$ 528
Twilight	\$ 14.00	54	\$ 756	59	\$ 826	\$ 12.00	134	\$ 1,608	157	\$ 1,884
2 for 20 Special	\$ -		\$ -			\$ -	0	\$ -	9	\$ 99
2 for 24 Special	\$ 12.00	478	\$ 5,738	1,424	\$ 17,099	\$ 11.00	222	\$ 2,442	656	\$ 7,216
2 for 1	\$ 18.00		\$ -			\$ 18.00	0	\$ -	0	\$ -
2 for 1 (free player)	\$ -		\$ -			\$ -	0	\$ -	0	\$ -
League - Weekend	\$ 18.00	8	\$ 144	51	\$ 918	\$ 18.00	40	\$ 720	143	\$ 2,574
League - Weekday	\$ 15.00	0	\$ -	942	\$ 14,130	\$ 14.00	216	\$ 3,024	1,144	\$ 16,016
40 Play Punches	\$ 9.00	266	\$ 2,394	779	\$ 6,998	\$ 8.28	536	\$ 4,436	1,707	\$ 13,899
Complimentary Round-Employee	\$ -		\$ -			\$ -	0	\$ -	0	\$ -
Complimentary Round	\$ -		\$ -			\$ -	0	\$ -	0	\$ -
Adjustment to Income	\$ -		\$ 3,276		\$ (4,774)	\$ -	0	\$ 992	0	\$ (4,765)
Golf Daily Fee		3,309	\$ 49,425	9,942	\$ 133,345	\$ -	3,283	\$ 43,066	10,182	\$ 122,273

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	64	\$ 518	191	\$ 1,547					
Rider Carts	\$ 8.68	1,414	\$ 12,277	3,428	\$ 29,696	\$ 8.61	1,325	\$ 11,407	2,961	\$ 25,416
Pull Cart	\$ 6.00	78	\$ 468	241	\$ 1,446	\$ 6.00	90	\$ 540	243	\$ 1,458
Golf Simulator	\$ 13.50	0	\$ -	45	\$ 882	\$ 10.00	1	\$ 10	61	\$ 1,185
Golf Merchandise D511.1			\$ 3,138		\$ 11,622			\$ 2,683		\$ 9,226
Golf Lessons		7	\$ 950	28	\$ 3,360		15	\$ 1,630	44	\$ 4,535
Golf Bag Storage	\$ 93.50	2	\$ 187	2	\$ 187			\$ -	4	\$ 400
Golf Club Rentals	\$ 14.00	9	\$ 126	27	\$ 378					

Total Revenue		\$ 67,089		\$ 182,462		\$ 59,336		\$ 164,493
Golf Course Expenses		\$ 74,222		\$ 305,725		\$ 62,769		\$ 305,531
Profit/(Loss)		\$ (7,133)		\$ (123,263)		\$ (3,433)		\$ (141,038)

# of Days Golf Course Closed	0	69	0	59
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**Heather Gardens Metropolitan District
Restaurant P&L
6/30/2022**

7/7/2022
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	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET	
SUMMARY								
Sales	53,688	53,939	(252)	259,594	289,745	(30,152)	603,015	
Cost of Goods Sold	16,351	17,341	991	83,412	93,106	9,693	193,106	
Gross Profit	37,337	36,598	739	176,182	196,639	(20,457)	409,909	
Wages & Benefits	32,891	31,303	(1,589)	176,888	183,813	6,926	375,186	
Operating Expense	11,851	12,054	204	56,190	61,773	5,583	122,919	
Net Income/(Loss)	(7,405)	(6,759)	(646)	(56,896)	(48,947)	(7,949)	(88,196)	
SALES								
D506 Restaurant Food	43,801	46,006	(2,205)	215,304	248,222	(32,919)	511,205	
D506.1 Restaurant Beer	4,136	2,487	1,648	16,937	11,274	5,663	25,580	
D506.2 Restaurant Wine	2,505	2,721	(216)	13,876	15,808	(1,932)	33,752	
D506.3 Restaurant Liquor	3,246	2,725	521	13,477	14,441	(964)	32,478	
TOTAL SALES	53,688	53,939	(252)	259,594	289,745	(30,152)	603,015	
COST OF GOODS SOLD								
H450 COGS - Food	14,496	15,642	1,147	74,310	84,396	10,085	173,810	COGS Percentages
H455 COGS - Beer	898	746	(152)	4,211	3,382	(829)	7,674	Current YTD
H455.1 COGS - Wine	526	544	18	3,343	3,162	(182)	6,750	21.7% 24.9%
H455.2 COGS - Liquor	431	409	(22)	1,548	2,166	619	4,872	13.3% 11.5%
TOTAL COST OF GOODS	16,351	17,341	991	83,412	93,106	9,693	193,106	30.5% 32.1%
GROSS PROFIT	37,337	36,598	739	176,182	196,639	(20,457)	409,909	
	70%	68%		68%	68%			
WAGES/BENEFITS								
H500 Salaries - Full Time	17,112	13,503	(3,609)	107,133	81,468	(25,666)	165,849	
H510 Salaries - Part Time	7,859	12,406	4,547	27,726	66,641	38,916	138,694	
H520 Salaries - Overtime	1,575	0	(1,575)	4,559	0	(4,559)	0	
H540 Taxes - Payroll	2,773	2,366	(407)	17,446	16,715	(731)	31,329	
H550 Retirement Expense	292	675	383	1,752	4,073	2,322	8,214	
H553 Insurance Emp Health	2,396	1,808	(589)	13,296	10,846	(2,450)	22,776	
H574 Recruiting/Training	573	265	(308)	2,531	1,590	(941)	3,280	
H575 Employee Incentive	0	0	0	658	800	142	1,600	
H588 Workers Com Insurance	311	280	(31)	1,787	1,680	(107)	3,444	
TOTAL WAGES/BENEFITS	32,891	31,303	(1,589)	176,888	183,813	6,926	375,186	
OPERATING EXPENSES								
H673 Maintenance Hours	418	613	195	2,041	1,485	(557)	2,551	
H674 Custodial Hours	140	525	385	882	3,150	2,268	6,300	
CHARGE-OUTS SUBTOTAL	558	1,138	580	2,923	4,635	1,711	8,851	

**Heather Gardens Metropolitan District
Restaurant P&L
6/30/2022**

7/7/2022
2:24 PM

		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
H639	Software & IT	2,632	500	(2,132)	3,175	3,000	(175)	6,000
H640	Electric	1,845	1,891	46	11,220	11,315	95	23,315
H643	Gas	375	357	(17)	2,511	2,769	259	5,019
H644	Water	383	268	(115)	955	802	(153)	1,858
H645	Phone & TV	329	300	(29)	1,962	1,800	(162)	3,600
H646	Trash Removal	400	400	0	2,332	2,400	68	4,800
H651	Uniforms	0	0	0	132	450	318	900
H652	Discounts & Comps	535	500	(35)	2,632	3,000	368	6,000
H655	Linen Service	498	0	(498)	498	0	(498)	0
H662	Office Supplies	121	0	(121)	458	200	(258)	500
H671	Outside Contractors	995	800	(195)	3,385	3,002	(383)	6,000
H681	Credit Card Fees	(306)	1,100	1,406	7,355	6,600	(755)	13,200
H683	Repairs - Equipment	0	300	300	461	1,800	1,339	3,600
H684	China/Glass/Flatware	0	200	200	53	1,200	1,147	2,400
H684.1	Kitchen Supplies	1,516	1,500	(16)	5,795	9,000	3,205	18,000
H685	Cleaning Supplies	483	300	(183)	2,971	1,800	(1,171)	3,600
H688	Non Capital Equipment	0	500	500	4,551	3,000	(1,551)	6,000
H689	Marketing	50	500	450	872	3,000	2,128	6,000
H690	Licenses	1,437	1,500	63	1,949	2,000	51	3,276
	TOTAL OPERATING EXPENSES	11,851	12,054	204	56,190	61,773	5,583	122,919
	NET REVENUE & EXPENSE	(7,405)	(6,759)	(646)	(56,896)	(48,947)	(7,948)	(88,196)

Monthly Data from
SPOTON POS

June						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	9:00 AM	\$423.30		1687	3385	\$15.71
	10:00 AM	\$2,415.85				
	11:00 AM	\$7,425.05				
	12:00 PM	\$10,418.45				
	1:00 PM	\$5,660.00				
	2:00 PM	\$4,884.15				
	3:00 PM	\$2,787.30				
	4:00 PM	\$5,724.25				
	5:00 PM	\$9,726.20				
	6:00 PM	\$2,016.35				
	7:00 PM	\$969.55				
	8:00 PM	\$635.05				
	9:00 PM	\$82.10				
	11:00 PM	\$35.50				
	Grand total	\$53,203.10				
Top selling items						
	Sunday Brunch	448				
	Lunch Special \$10.50	274				
	Fish"n Chips	155				
	H. Gardens Cheeseburger	191				
	Turkey Club	118				
	Coconut Shrimp	116				
	Dinner Special	98				
	Chef Cobb Salad	94				
	Reuben Sandwich	88				
	Chicken Croissant Sand.	92				
	Fried Chicken Basket	97				
	Thai Chicken Salad	67				
	BBQ Pulled Pork Sand.	80				
	Shrimp Louis	71				
	House Salad	96				
	Open Food	128				
	Bowl of Soup	128				
	Beet Salad	48				
	BBQ Bacon Cheeseburger	50				
	Chili Rellanos	62				
	Meatloaf Dinner	37				

Monthly Data from
SPOTON POS

Fried Chicken Sand.	42			
Brat & Chips with Kraut	59			
Black and Bleu Burger	38			
Chicken Caesar Salad	30			
French Fries	299			
Steak of the Day	20			
Impossible Veg. Burger	22			
Cup of Soup	65			
Mozzarella Sticks	36			
Half Chicken Dinner	20			
Sweet Potato Fries	148			
Salmon Dinner \$15	16			
Cauliflower Bites	21			
Pie of the week	32			
Gouda bites	17			
BLT	33			
Warm Lattice Cherry Pie	27			
Stanley Deal	31			
Ice Cream Sundae	21			
Golf Ladies Special	9			
Fries	27			
Side Salad	12			
Homemade Chips	527			
Scoop Of Ice Cream	22			
Tortilla Chips	6			
Plain Burger	2			
Caesar Salad	7			
Lunch Special Turkey	1			
Salad Bar	1			
Coleslaw	5			
Pepper cheese bites	1			
Bratwurst & Chips	1			
Cheesecake of the week	1			
Cottage Cheese	3			
Dinner Roll	3			
Side Bacon	1			

Monthly Data from
SPOTON POS

Jan thru June						
Sales per hour						
	Hour	Net Sales per hour		# Checks	# Guests	GCA
	6:00 AM	\$329.25		7491	16058	\$16.00
	8:00 AM	\$7.00				
	9:00 AM	\$529.30				
	10:00 AM	\$12,174.50				
	11:00 AM	\$35,969.44				
	12:00 PM	\$49,027.85				
	1:00 PM	\$28,158.46				
	2:00 PM	\$21,372.75				
	3:00 PM	\$20,491.85				
	4:00 PM	\$32,938.78				
	5:00 PM	\$45,727.45				
	6:00 PM	\$8,435.35				
	7:00 PM	\$1,066.15				
	8:00 PM	\$635.05				
	9:00 PM	\$82.10				
	11:00 PM	\$35.50				
	Grand Totals	\$256,980.78				
	Top selling items					
	Sunday Brunch	2,301.00				
	Lunch Special \$10.50	1,350.00				
	Fish"n Chips	854				
	Dinner Special	732				
	H. Gardens Cheeseburger	728				
	Reuben Sandwich	503				
	Chef Cobb Salad	444				
	Coconut Shrimp	546				
	Chicken Croissant Sand.	458				
	Turkey Club	403				
	Thai Chicken Salad	278				
	Fried Chicken Basket	397				
	BBQ Pulled Pork Sand.	323				
	Bowl of Soup	661				
	Baja Style Fish Tacos	281				
	Shrimp Louis	255				
	Meatloaf Dinner	214				
	BBQ Bacon Cheeseburger	261				
	Open Food	426				

Monthly Data from
SPOTON POS

Black and Bleu Burger	220			
House Salad	372			
Cheese Ravioli Dinner	162			
Steak of the Day	152			
Cup of Soup	485			
Fried Chicken Sand.	179			
Beet Salad	182			
Brat & Chips with Kraut	212			
Impossible Veg. Burger	135			
Chicken Caesar Salad	125			
French Fries	1,389.00			
Half Chicken Dinner	106			
Chili Rellanos	158			
Pie of the week	207.5			
Sweet Potato Fries	663			
Mozzarella Sticks	143			
Cauliflower Bites	118			
Gouda bites	102			
Warm Lattice Cherry Pie	139			
Lunch Memorial \$12.50	67			
Stanley Deal	108			
BLT	58			
Fries	143			
Ice Cream Sundae	77			
Side Salad	45			
Lunch Memorial \$10	31			
Salmon Dinner \$15	16			
Plain Burger	16			
Scoop Of Ice Cream	119			
Caesar Salad	55			
Grilled Cheese	14			
Homemade Chips	2,322.50			
Brunch	9			
Salad Bar	10			
Golf Ladies Special	9			
Turkey Club Sandwich	7			
Cheesecake of the week	12			
Tortilla Chips	13			
Coleslaw	27			
Bratwurst & Chips	7			
Boston Cream Pie	8			
Dinner Salad Bar	4			
Cottage Cheese	9			
Mashed Potatoes	5			
Dinner Roll	11			

BUDGET AND FINANCE COMMITTEE

AUDIT SUB-COMMITTEE

June 27, 2022

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

From: Harry Laubach, Chair, Audit Sub-Committee

Committee Members: Karen Gold, Karen Kasprzak, Karen McClaury, Karen Simon

Absent: Rita Lusk, Barbara Schneller

The Audit Sub-Committee met on June 27, 2022 at 9:00 AM to review Many 2022 invoices. The review was based on the nine steps outlined in the Joint Procedure Memorandum JPM B-3.

Total Checks written and validated: 115. Total check disbursements: \$521,980.60.

Total ACH transfers validated: 34. Total ACH disbursements: \$93,330.18.

Each page of the check register for May 2022 was initialed by the Chair, Harry Laubach. 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.

Our next meeting will be on Monday, July 25, 2022 at 9:00 AM.

Harry Laubach, Chair

CC:

Jon Rea , CEO

Jerry Counts, CFO

Evelyn Ybarra

HGA INSURANCE

For the year 2021 the total insurance premium for HGA insurance was \$1,584,569 of which \$1,191,970 was for property. For the year 2022 the total insurance premium for HGA insurance was \$1,715,501 of which \$1,305,103 was for property. The increase in property premium was \$113,133 or 9.45%. This increase is partly due to the increase in property value from \$419,954,750 to \$441,882,038 or 5.22% and 4.45% increase was property rate variance. The premium for the first \$200,000,000 of coverage is \$1,165,790. For the remaining property value of \$241,882,038 the premium is \$139,313. The carriers are assuming there is little risk that the total property would be destroyed at one time.

When renewing insurance coverage the insurance carriers have made a strong push to require undervalued property values to report appropriate valuation and the recent uptick in inflation has added an additional urgency. Insurance carriers have become more aggressive in their demand for valuations to increase. Certain insurance carriers are declining quotes if under valued. At time of renewal if the property value is increased little or none at all and the carrier estimates that the property value is less than their value estimate they can charge a higher premium reflecting the greater value but keeping your insurance coverage at the current level. If the property value is low and it is determined that the value has increased significantly most carriers will work with you and increase the value in segments so you are not faced with a huge premium increase.

The broker recommends that we get an appraisal for HGA property. They recommend two appraisal companies which I have contacted. Kroll company has responded with a desktop appraisal that is limited in scope. They would look at 7 unique structures and the cost is \$1,500 per structure plus expenses for a person to come out and review the property. The total cost would be \$10,500 plus expenses. The company is located in North Carolina. Industrial Appraisal has also sent an estimate. The appraisal is a Cost Approach and considers common elements and the shell units include interior and perimeter walls, floors, ceilings, doors, and windows. The total discount fee is \$26,280 plus expenses for two individuals for a two week period. They also have an annual review service to keep the property value updated. HGMD has a desktop appraisal in 2021. I do not believe HGA has had an appraisal done.

Currently we have 2,426 units being insured for \$441,882,038 which equates to \$182,000 per unit. We have 35 multi story buildings, 252 Patio Homes, and 64 Townhouses. Each of these structures are unique. The risk of multi story buildings being destroyed by fire is minimal but an earthquake would destroy a concrete block structure. The patio homes and townhouses are more susceptible to fire, especially the units that have gas. The property is located in a floodplain which could cause damage from flooding. Also the State of Colorado is located in a hail zone which could damage roofs of multistory buildings, patio homes, and townhomes.

The HGA property is also experiencing water damage because of aging plumbing water pipes and drains. Our insurance premiums have gone up very little because we have had few claims. If we get additional insurance to cover water damage in the unit and hail damage on the roofs it could be very costly in insurance premiums in the future if we have too many claims. Our current deductible is \$100,000 for water damage.

I have done an estimate of property value assuming square footage. The cost per square foot is an estimate from the broker. There are 12 multi story alpha buildings which are 4 stories and I estimate 12 units per story and 1200sf per unit which would equal 14,400 sf per floor plus 1,000 sf for common areas. Total square footage per building is 61,600 sf. The estimated cost for joint masonry is \$150 per sf. The total estimated cost would be \$9,240,000 per building. This does not include elevators, water heaters, and boilers. $\$9,240,000 \times 12$ buildings is \$110,880,000 plus \$28,000,000 for parking garages. There are 22 six story buildings. I estimate 12 units per floor, 1,200 sf per unit and 1,500sf for common areas, the total sf is 15,900 X 6 floors equal 95,400 sf X \$150 = \$14,331,000 per building X22 = \$315,282,000 without including underground parking, elevators, water heaters, and boilers. The 3 story building total sf would be 43,200 X \$150= \$6,480,000. There are 252 patio homes and 64 Townhomes and the estimated framing is \$125 per square foot.

We need to have an appraisal in order to ensure we have reasonable insurance coverage for the owners. If we are under insured the carriers will want us to increase property value which will require us to pay a larger premium.

Because the property value increased 5.22% from 2021 to 2022 our insurance premium went up 5.22%. The broker has estimated the insurance premium for property this year will increase 20% without increasing property value.

I recommend we get an appraisal next year before July 2023. It would be less expensive if we could find a local appraiser. This year we should consider increasing the property value taking into consideration inflation for 2022. We should also take into consideration what the insurance broker recommends.

I am very pleased with the broker we currently have and their quick response to questions asked.

Randy Lane insurance subcommittee

Randy,



Remind me of your timing for this appraisal project, in other words, when is your property renewal date? We could get to a desktop appraisal pretty quickly but we're fairly booked out for the next few months for on-site appraisals.

Considering 7 unique structures to be appraised, we estimate \$1500 per structure for a desktop approach; if we are asked to make a site visit, we would add "plus" expenses to the contract.

Best regards,
Lori

Lori Flemming
Managing Director
T +1 704 958 9780

KROLL

From: rclane8 <rclane8@gmail.com>
Sent: Tuesday, June 21, 2022 3:11 PM
To: Flemming, Lori <Lori.Flemming@kroll.com>
Subject: [EXTERNAL] RE: Heather gardens association property aurora colo

They are full stories with parking in the basement for six stories only. Cottages have basement.

Sent from my iPhone 5G Device

----- Original message -----

From: "Flemming, Lori" < >
Date: 6/21/22 10:38 (GMT-07:00)
To: rclane8 < >
Subject: Heather gardens association property aurora colo

Randy,

There appears to be seven unique properties to be appraised. Please provide answers to these two questions, then I will send you a quote:

HEATHER GARDENS ASSOCIATION

APPRAISAL AGREEMENT

June 22, 2022



Industrial Appraisal

Two Gateway Center
603 Stanwix Street, Suite 1450
Pittsburgh, Pennsylvania 15222
800-245-2718 / 412-471-1758 FAX
www.indappr.com

John Pfeffer, National Sales Manager
Phone 412-208-1730, Fax 412-471-1758, Email jpfeffer@indappr.com



Industrial Appraisal

TWO GATEWAY CENTER, 603 Stanwix St., Suite 1450, Pittsburgh, Pennsylvania 15222
Phone 800-245-2718 Fax 412-471-1758 www.indappr.com

June 22, 2022

Email to: rclane8@gmail.com

Mr. Randy Lane
Heather Gardens Association
2888 S. Heather Gardens Way
Aurora, Colorado 80014

Dear Mr. Lane:

We welcome the opportunity to submit our proposal to provide an appraisal for the Heather Gardens Association for insurance valuation purposes.

Under the terms of our agreement, we will conduct an on-site inspection and appraisal of the *buildings* associated with the property locations listed in the Addendum of our agreement.

Our completed certified appraisal report will set forth the cost of reproduction new and sound value (actual cash value) of the properties appraised.

When our proposal is accepted, please sign and date the Acceptance Page (Page 4 of the Agreement), Initial the Verification of Property Listing as shown in the Addendum (Page 5 of the Agreement) and return the signed, dated and initialed Agreement to me. Upon receipt, we will proceed promptly in making arrangements to schedule the on-site inspection.

If you wish to have us furnish your insurance agent or broker with a copy of the appraisal summary, please complete and return the attached Form 311, agent authorization (Page 6). Due to the confidential nature of these figures, they will be released only with your written consent.

Should you have any questions, concerns, or if I can be of assistance in any way, do not hesitate to contact me at 412-208-1730 or email jpfeffer@indappr.com.

Thank you for considering the professional appraisal services of Industrial Appraisal Company. We look forward to being of service to you in these important valuation requirements.

Very truly yours,

INDUSTRIAL APPRAISAL COMPANY

John Pfeffer
National Sales Manager

JP/mg



Industrial Appraisal

TWO GATEWAY CENTER, 603 Stanwix St., Suite 1450, Pittsburgh, Pennsylvania 15222
Phone 800-245-2718 Fax 412-471-1758 www.indappr.com

APPRAISAL AGREEMENT

The Industrial Appraisal Company hereby proposes to provide professional appraisal services for the:

Heather Gardens Association
2888 S. Heather Gardens Way
Aurora, Colorado 80014

Properties to be Appraised

The properties to be appraised under this agreement will include the **Buildings** associated with the property locations listed in the Addendum to this agreement.

Provisions and Scope of Appraisal

The appraisal services and report are to consist of an on-site inspection and certified appraisal of the properties for the purpose of establishing current insurance valuation.

The *buildings* under appraisement will receive an investigation which will record, as of the date of the appraisal, description and location of the property as well as a depreciation study based upon observed condition and other pertinent influencing factors.

We will provide an impartial statement of **Cost of Reproduction New** and **Sound Value** based upon the following:

Cost of Reproduction New is defined as the cost to reproduce the entire property at one time, in new condition of like kind and quality at current market prices for material, labor, cost of freight and installation, contractor's overhead and profit, but without provision for overtime, bonuses and premiums of any kind.

Sound Value is defined as the Cost of Reproduction New less Accrued Depreciation resulting from observed conditions involving age, utility and remaining serviceable life. Sound Value is often referred to as Actual Cash Value within the insurance industry.

Report

The appraisal of the Buildings will be rendered in condensed form providing description of the components of construction and valuation for the overall structure. The building items excluded in the insurance policy will be segregated for the building appraised. A plat plan of the building outline and general location as well as color photographs will be included.

It is understood and agreed that the appraisal will include the Buildings/Shell only. No Common Area Buildings or PITO will be included in the appraisal.

We care about the environment. All Industrial Appraisal Company reports are provided in electronic format. An additional charge will apply for hard copy reports. Please contact Industrial Appraisal Company if a hard copy is required.

Professional Fee

The total (discounted) fee for the appraisal services outlined herein is:

Total Fee.....	\$29,200.00
<i>Less 10% McGriff Discount</i>	
Discounted Fee.....	\$26,280.00
FEE IS INCLUSIVE OF ALL EXPENSES	

This fee covers work under this contract only, and such items as legal conferences, depositions, court testimony or expansion of the appraisal for purposes not specified in this agreement will be billed at a per diem rate to be determined.

Billing Procedure

The fee quoted for services to be provided currently will be progressively billed as follows:

- 60% of Appraisal Service Fee due upon completion of the on-site fieldwork
- Balance due upon delivery of the completed appraisal report

Unless special arrangements have been made all progressive payments must be in hand before the appraisal results are released for delivery.

This agreement may be terminated by either party at any time given 10 days written notice, however, accumulated fees and costs incurred to the point of termination will be billed through the active period.

Annual Revaluation Service

The Industrial Appraisal Company will maintain an Annual Revaluation Service for the original appraisal to keep current from year to year the statement of insurable values. This service will provide summary office repricing, redepresiasiion and revaluation once each year for the property covered by the original appraisal to keep current additions, deletions and transfers that have been reported to the Industrial Appraisal Company. The Industrial Appraisal Company will prepare a new certified appraisal summary containing its opinion of the current Cost of Reproduction New and Sound Insurable Value.

The fee for the Annual Revaluation and Maintenance Service is \$1,500.00. This charge will due on the first anniversary of the completed appraisal and annually thereafter at the beginning of each appraisal protection service year.

Proof of Loss Service

In the event of a loss covered by insurance, provided immediate written notice is given to our Corporate Office, and our Annual Revaluation Service is in effect, the Industrial Appraisal Company will provide updated values, for preparation of proof of loss, of the appraised property as of the date of the loss.

Terms and Conditions

General

In the event Industrial Appraisal Company's services are requested to include items not covered by this agreement, these services shall be negotiated between the Heather Gardens Association and Industrial Appraisal Company.

Fee stated in this agreement are predicated on property as indicated to us without benefit of independent verification. Should the results of our investigation indicate that the scope of the project or the amount of assets to be appraised is greater than indicated, we reserve the right to adjust our fee based on the additional work effort. Correspondingly, if we are requested to include other properties not listed in the information provided, we will identify the cost to provide those additional services in a separate notification.

Performance of this contract and fees developed hereunder are predicated upon reasonable free access to the property and required information and available data to be provided promptly as requested. When formulating our conclusions, we may rely on information provided by the Heather Gardens Association or others. Should new information become available after a draft or final report has been submitted, we reserve the right to amend or modify our report and the conclusions therein. The fee quoted is contingent upon the on-site inspection being conducted during normal business hours, Monday through Friday. Should it be necessary to conduct the on-site inspection other than during normal business hours, an additional fee may apply.

Limitation on Damages

The Heather Gardens Association agrees that the Industrial Appraisal Company officers, directors, employees, shareholders, agents and subsidiary or related entities shall not be liable to the Heather Gardens Association for any claims, liabilities, causes of action, losses, damages (whether compensatory, consequential, special, direct, indirect, incidental, punitive, exemplary, or of any other type), costs and expenses (including, but not limited to reasonable attorneys' fees and expert witness fees and the reasonable time and expenses of Industrial Appraisal Company's personnel involved) in any way arising out of this engagement in any amount greater than the total amount of fees paid by the Heather Gardens Association to the Industrial Appraisal Company, except to the extent finally and judicially determined to have been the result of bad faith, gross negligence, or intentional or willful misconduct of the Industrial Appraisal Company. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, statute, tort, strict liability or otherwise.

Force Majeure

Neither Party shall be liable for or deemed to be in default for any delay or failure to perform any act under this Agreement (other than the payment of money) resulting, directly or indirectly, from Acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquake, flood, failure of transportation, strikes or other work stoppages by either Party's employees, or any other cause beyond the reasonable control of such Party.

Confidentiality

To the extent Industrial Appraisal Company, its employees or agents is provided, has access to or comes into possession of, any protected proprietary and/or confidential information of the Heather Gardens Association (collectively, "Confidential Information"), the Industrial Appraisal Company, its employees and agents shall not, directly or indirectly, acting alone, or with others: (i) disclose to any other person or entity any Confidential Information (unless required by law); or (ii) use any Confidential Information other than for performance of this contract.

Industrial Appraisal Company agrees that upon completion and delivery of the appraisal reports, whether physically or electronically, the appraisals shall be the property of the Heather Gardens Association. Industrial Appraisal Company agrees to maintain the confidentiality of this Agreement and the information contained in the appraisals unless compelled to disclose such information by judicial process from a court of competent jurisdiction. Industrial Appraisal Company agrees that prior to any disclosure pursuant to judicial process, Industrial Appraisal Company shall notify, and provide a copy of such process to, the Heather Gardens Association.

Property Exclusions

The appraisal will not include land, landscaping, common area buildings, licensed vehicles, equipment/contents, property in the open, consumable supplies, valuable papers, intangible assets, property of third parties, or properties other than those indicated in this agreement.

Acceptance and Authorization to Proceed

Neither party to this agreement is bound by any promise, term nor condition, either oral or written, not incorporated in this instrument. Acceptance of this Appraisal Agreement indicates acceptance of the Addendum. This offer for appraisal services expires after ninety (90) days at which time it may be renegotiated.

SUBMITTED this 22nd day of June 2022

**INDUSTRIAL APPRAISAL COMPANY
TWO GATEWAY CENTER
603 STANWIX STREET, SUITE 1450
PITTSBURGH, PENNSYLVANIA 15222**

John Pfeffer

John Pfeffer
National Sales Manager

ACCEPTED:

**HEATHER GARDENS ASSOCIATION
2888 S. HEATHER GARDENS WAY
AURORA, COLORADO 80014**

Signature

Date

Print Name

ADDENDUM

PROPERTIES TO BE APPRAISED

APPRAISAL AGREEMENT

Heather Gardens Association
2888 S. Heather Gardens Way
Aurora, Colorado 80014

Appraisal Notes: It is understood and agreed that the appraisal will include the Buildings/Shell only. **No** Common Area Buildings or PITO will be included in the appraisal. Please review the following Property Listing (PDF) provided by the Heather Gardens Association. Upon acceptance, please initial below if the Property Listing is accurate.

THE FEE QUOTED IN THIS AGREEMENT IS FOR THE APPRAISAL OF THE LOCATIONS AS INDICATED ON THIS ADDENDUM (PROPERTY LISTING PROVIDED) ONLY. LOCATIONS NOT LISTED ON THIS ADDENDUM WILL RESULT IN ADDITIONAL CHARGES.

Please Initial Verification of Property Listing _____




Industrial Appraisal

FORM 311

Corporate Office
Two Gateway Center
603 Stanwix Street, Suite 1450
Pittsburgh, PA 15222
800-245-2718
412-471-2566
Fax: 412-471-1758
www.indappr.com

Please forward a copy of the Appraisal Summary to our Advisor Listed Below:

Advisor's Email:			
	Please indicate if you wish to have a copy forwarded to your advisor electronically each year: Yes <input type="checkbox"/> No <input type="checkbox"/>		
Name:			
Company:			
Address:			
Name of Appraised Property:			
Signature:			
Print Name:		Date:	
Telephone:			
 Industrial Appraisal Form 311			

Subject: Suggested Insurance Guidelines for Unit Owners

Unit owners should obtain insurance for the following at minimum:

- ÷ Coverage for any improvements or betterments installed by the unit owner.
- ÷ Coverage for interior furnishings and contents. Include endorsement for personal property replacement cost.
- ÷ Personal liability insurance. Recommended to maintain no less than \$500,000 limit.
- ÷ Loss assessment coverage. At minimum obtain the maximum limit available from the insurance provider, not to exceed \$100,000.
 - Include loss assessment coverage for Earthquake if available (earthquake coverage may be required to purchase).

Additional optional coverages for unit owners to consider:

- ÷ Special coverage for dwelling
- ÷ Special coverage for contents
- ÷ Water & Sewage backup
- ÷ Flood insurance coverage for lower level units



McGriff Insurance Services, Inc.

Family Risk Manager

101 N. Cherry St., Suite 500

Winston-Salem, NC 27101

Office: 336-733-0480

Email: lnphillips@mcgriff.com

Extra! Extra! Information for you –

HG Insurance — the rest of the story

Contrary to our worst fears, the Insurance Subcommittee was able to negotiate a significant reduction in the premiums that HG expected to pay, beginning on Oct. 1, 2019 through Sept. 30, 2020. This decrease effectively reduced projected Heather Gardens Association (HGA) dues by \$7.36 per month. The expected increase in premium was reduced from \$634,501 to \$413,677, or a decrease of \$220,824.

For those residents who have mortgages, the information you may need for your lender about our insurance coverage is available on the www.HeatherGardens.org website on the "Resource" page, under "Insurance." You may refer your lender to this location to obtain the information they need, or print the page for them.

Many residents have asked about the increase in the deductible on HG property insurance. As many of you already know, the deductible has increased from \$25,000 per occurrence to \$100,000 per occurrence. What does this mean for you as a homeowner? As was the case in prior years, if you, as a homeowner, or if your renter causes damage to your unit or a neighbor's unit, you will be held responsible for the deductible that HGA has to pay. That deductible is now \$100,000.

Examples of damage you might be responsible for are things like: 1) a leak in your dishwasher that floods

your kitchen and the unit below; 2) you let your pipes freeze in your townhome by turning the heat off when you go away on holiday; 3) you cause a fire in your unit, etc.

If the damage you cause results in costs of \$35,000 to repair, you will be held responsible for the total amount (\$35,000). If the damage you cause results in costs of \$110,000 to repair, HGA will bill you \$100,000 (the total amount of the deductible). HGA will be reimbursed by its insurance company for the remainder of the costs. If the damage was the responsibility of HGA or its employees, HGA will be responsible for all of the costs and will work with the insurance company to be reimbursed under the terms of the policy.

Your personal homeowners insurance policy may be able to help you recover part or all of what you might be billed by HG. In some cases, it may be covered under the liability provision of your homeowner's policy. In other cases, it may be covered by your special assessment coverage. Every insurance company handles these situations differently. Therefore, I strongly recommend that you contact your insurance broker/company to determine what your coverage needs to be.

– Susan Lambert
Chair, Insurance Subcommittee
B223

Highlights of District Operations:

Month of September 2019

	Budget	Actual
Clubhouse Profit (loss)	(\$32,987)	(\$17,683)
Golf Profit (loss)	(\$18,902)	\$ 517
Restaurant Profit (loss)	(\$11,908)	(\$16,953)

Year to Date through September 2019

	Budget	Actual
Clubhouse Profit (loss)	(\$476,358)	(\$414,440)
Golf Profit (loss)	(\$133,922)	(\$130,434)
Restaurant Profit (loss)	(\$99,556)	(\$126,329)

Enterprise Fund

Through September, Enterprise Fund revenue has been \$2,033,500, which is about \$16,000 more than expected. Expenses have been \$1,965,600, which is about \$53,000 less than expected. Year-to-date revenue from events, classes, trips and the RV Lot have been more than budgeted. Clubhouse, Golf Course expenses and Capital outlay expenses have been less than expected.

Restricted Funds

- **Conservation Trust Fund (Lottery).** Year-to-date, HGMD has received \$15,100 from the Colorado Lottery. There has been no expenditure of Lottery money this year. As of Sept. 30, the Lottery bank account had a balance of \$126,200.

- **Foundation Fund.** The Foundation Fund has received \$6,633 in donations so far this year and \$4,161 has been spent on HGMD projects. As of Sept. 30, the Foundation bank account had a balance of \$40,801; \$150,000 is invested in CDs.

- **Debt Service Fund.** Through September, the Debt Service Fund has received \$553,400 in property tax revenue, \$31,567 in Specific Ownership taxes and \$6,422 interest income. At Sept. 30, the bank held \$618,990 in the bond account. On Dec. 1, a principal of \$225,000 and interest payment of \$206,808 will be due to bond holders.

– Bill Archambault
HGMD Treasurer

Extra! Extra! Information for you —

Most of us go to the doctor at least once a year to have our health evaluated. But we probably forget to get other things, like insurance, checked-up on a regular basis. Many aspects of insurance are changing — terms and rates are going up, the cost to replace treasured items are going up, and even Heather Gardens (HG) condominium documents (“the Declarations”) have changed.

Property Coverage

When the HG Declaration was amended in 2015, the extent to which the Association (HGA) is responsible for repairing our units after fire, flood, wind, hail, etc., changed. Most of us know that condominiums are covered with what is called a HO-6 insurance policy. Typically, these policies covered everything from the walls of our units inward. Things like cabinets, plumbing, flooring, furniture, draperies, etc., were covered by our HO-6. Everything else (the walls outward) was covered by the HGA's insurance policy.

The amended “Declaration” made HG's insurance policy responsible for just about everything in your unit, with the exception of anything not attached to the walls of your unit. Think of it in this way: if you were to pick up your unit, turn it upside down and shake it, everything that falls out is your (or your insurance policy's) responsibility. Appliances, furniture, draperies, etc., are your responsibility. Plumbing, electricity, ceilings, walls, flooring (carpet, tile, laminate, etc.), air conditioner units, kitchen cabinets, etc., are usually the responsibility of HG. We are speaking generally here, so keep in mind that with any insurance claim, terms may be subject to interpretation and will involve negotiation between the parties to the claim.

One final note. It is a good idea to take and keep pictures of your unit's rooms, furniture and special possessions such as artwork, sterling silver, fine china, jewelry, antiques, etc., so that you have the documentation to share with the insurance adjuster in the event of a dispute about what they will pay for.

Liability and Umbrella Coverage

You need to know, however, that if you cause a fire, flood, or other event that damages your neighbors' condos, HG's insurance company can seek restitution from you for what they had to pay HG. In turn, HG can require the homeowner to pay the insurance deductible. The insurance term for this is called “subrogation.” Make sure that you have adequate liability and umbrella coverage. Please check your water valves, fire extinguishers, etc. regularly! The deductibles that HG must pay for such damages have gone up this year from \$10,000 to \$25,000!

Personal Property Coverage

As the people in B217 learned only too well after the fire in their building, the cost of storing, repairing, clean-

ing, or replacing your personal possessions is going up. The cost of cleaning their possessions alone cost them thousands of dollars. Moving and storage cost them tens of thousands.

Talk to your insurance agent to make sure that your personal-property coverage is adequate to protect your precious possessions. Agents will typically ask you how much it would cost to replace everything in your condo, and use that value as the coverage level. However, services of a restoration company are often much higher.

Loss of Use Coverage

Again, as B217 residents learned when they had to move, the cost of alternative housing is getting more and more expensive. Your cost to rent a place to live while your home is being restored could cost \$2,000 to \$3,000 a month. Ask your agent if the amount to rent a similar property is limited monthly, and how long is your displacement coverage. Some B217 residents had eight months of coverage, with the average being one year. A single-unit incident will take a much shorter time to repair than if an entire floor that is damaged. B217 residents were displaced from one year to almost two years with 1½ years being the average.

Special Assessment Coverage

Do you know that you can get coverage to pay for some types of special assessments as part of your insurance policy? Believe it or not, it isn't all that expensive — only a few dollars a year! I have found that each policy is a little different, so it is important to talk it through with your agent. Most insurance policies will cover only special assessments that result from an Act of God (wind, fire, hail, etc.) that impacts the entire community.

Most will not cover things like replacing a parking structure (unless it is flattened by an earthquake!) or adding on to the Clubhouse. However, with deductibles in the HG insurance policy going up, a major event like a tornado, fire, or severe hail damage could result in a deductible that is high enough to result in a special assessment to all HG owners.

Finally, if Heather Gardens Association comes back to you to charge you for the deductible for an event that you caused (like a water leak that causes a flood in the units around you), your special assessment coverage may help.

The Bottom Line

Like your Momma used to tell you about seeing the doctor — talk to your insurance agent and get a regular checkup of your coverage! Things are changing. Forewarned is forearmed!

— Susan Lambert, B223
Chair, Insurance Subcommittee

The Heather Gardens

Portfolio Analysis

July 18, 2022

Presented by



Consolidated Report

THE NICE GROUP
303.200.1433 // nick.picucci@raymondjames.com

Report Listing

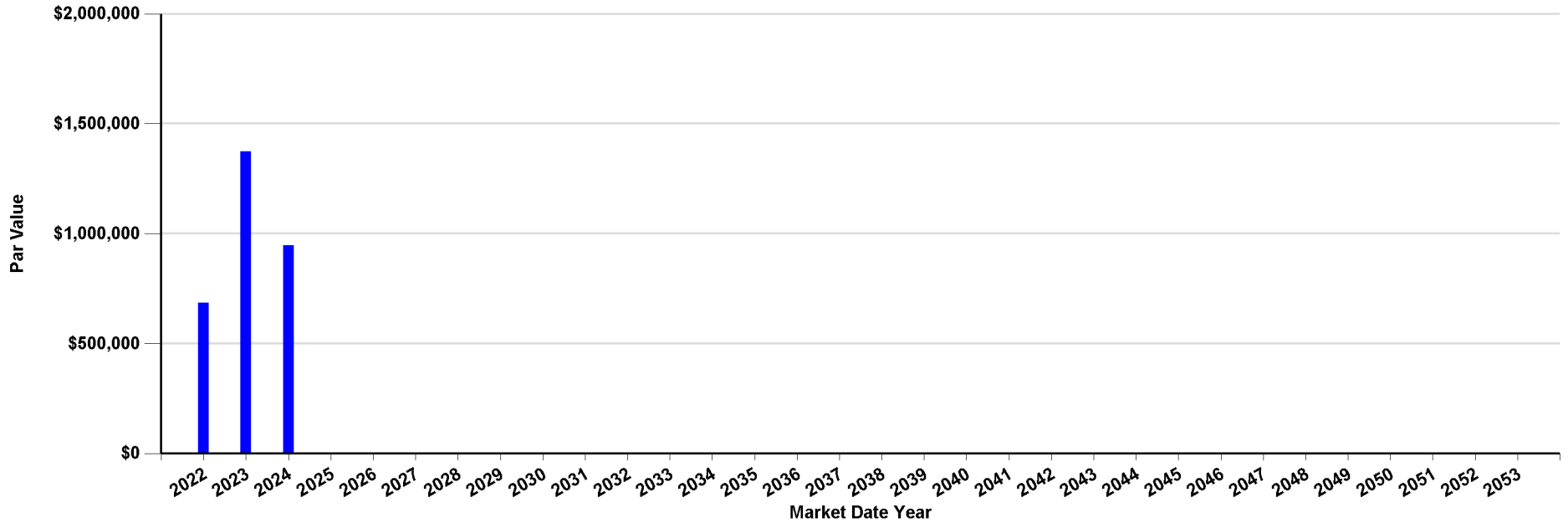
Report Name	Page
CD Maturity Schedule	3
Interest Rate Monitor	7
Interest Rate Information	9
Cash and Fixed Income	15
Projected Cash Flow	18
Additional Information	24

Account Listing

Raymond James	Account Number	Account Type	Market Value (\$)
Client Name	xxxxx380	Other	236,334.09
Client Name	xxxxx650	Other	2,795,793.58
Client Name	xxxxx502	Other	2,524,152.89
Client Name	xxxxx875	Other	13,829.95
Total Market Value			\$5,570,110.51

Total Portfolio **\$5,570,110.51**

Fixed Income Maturity Distribution - Par Value



Account Number	Account Name	Symbol / CUSIP	Description	Par Value	Effective Maturity Date	Coupon Rate	Rating	Product Type
2022								
328MC650	HGA Capital Reserve PM	02007GK W2	ALLY BANK MIDVALE, UT FDIC # 57803 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.15% DUE 07/25/2022	\$245,000.00	07/25/2022	2.150		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	02587DW 38	AMERICAN EXPRESS CENTURION BANK FDIC # 27471 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.35% DUE 08/15/2022	\$107,000.00	08/15/2022	2.350		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	36161T4X 0	GE CAPITAL RETAIL BANK (GE CAP FNCL INC) FDIC # 33778 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.95% DUE 10/17/2022	\$100,000.00	10/17/2022	2.950		Fixed Income Products - Certificates of Deposit

Effective Maturity: *PreRefund, †Full Call. Fixed Income positions/values are static.

Account Number	Account Name	Symbol / CUSIP	Description	Par Value	Effective Maturity Date	Coupon Rate	Rating	Product Type
288P8380	HGA Operating PM	90348JEG1	UBS BANK USA FDIC # 57565 CERTIFICATE OF DEPOSIT MONTHLY 3.25% DUE 10/17/2022	\$235,000.00	10/17/2022	3.250		Fixed Income Products - Certificates of Deposit
Subtotal:				\$687,000.00				
2023								
328MC650	HGA Capital Reserve PM	61747MF63	MORGAN STANLEY BANK NA SALT LAKE CITY, UT FDIC # 32992 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.65% DUE 01/11/2023	\$145,000.00	01/11/2023	2.650		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	36163CG53	GOLDMAN SACHS BK USA FDIC CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.55% DUE 01/23/2023	\$125,000.00	01/23/2023	2.550		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	7954506E0	SALLIE MAE BK FDIC # 58177 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 1.8% DUE 02/06/2023	\$100,000.00	02/06/2023	1.800		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	05580AWK6	BMW BANK OF NORTH AMERICA SALT LAKE CITY, UT FDIC # 35141 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 1.45% DUE 04/14/2023	\$245,000.00	04/14/2023	1.450		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	87165E2H9	SYNCHRONY BANK DRAPER, UT FDIC # 27314 CERTIFICATE OF DEPOSIT SEMI- ANNUAL 1.3% DUE 04/17/2023	\$245,000.00	04/17/2023	1.300		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	795450P66	SALLIE MAE BK FDIC # 58177 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.2% DUE 05/09/2023	\$114,000.00	05/09/2023	3.200		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	17312QR76	CITIBANK NA FDIC # 7213 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.3% DUE 08/24/2023	\$200,000.00	08/24/2023	3.300		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	20033AK47	COMENITY CAPITAL BANK SALT LAKE CITY, UT FDIC # 57570 CERTIFICATE OF DEPOSIT MONTHLY 3.35% DUE 10/17/2023	\$100,000.00	10/17/2023	3.350		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	61690UAU4	MORGAN STANLEY BANK, NA SALT LAKE CITY, UT FDIC # 32992 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.45% DUE 11/01/2023	\$100,000.00	11/01/2023	3.450		Fixed Income Products - Certificates of Deposit
Subtotal:				\$1,374,000.00				

Effective Maturity: *PreRefund, †Full Call. Fixed Income positions/values are static.

Account Number	Account Name	Symbol / CUSIP	Description	Par Value	Effective Maturity Date	Coupon Rate	Rating	Product Type
2024								
328MC650	HGA Capital Reserve PM	38148P4E4	GOLDMAN SACHS BANK USA FDIC # 33124 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.3% DUE 01/16/2024	\$100,000.00	01/16/2024	3.300		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	254671E71	DISCOVER BK FDIC # 5649 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.2% DUE 01/16/2024	\$203,000.00	01/16/2024	3.200		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	61760AV9	MORGAN STANLEY PRIVATE BANK NA PURCHASE, NY FDIC # 34221 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.1% DUE 01/24/2024	\$158,000.00	01/24/2024	3.100		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	949763XQ4	WELLS FARGO BANK NA SIOUX FALLS, SD FDIC # 3511 CERTIFICATE OF DEPOSIT MONTHLY 3.1% DUE 02/13/2024	\$200,000.00	02/13/2024	3.100		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	36160KG25	GE MONEY BANK FDIC # 27314 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 3.3% DUE 04/11/2024	\$145,000.00	04/11/2024	3.300		Fixed Income Products - Certificates of Deposit
328MC650	HGA Capital Reserve PM	38148P6M4	GOLDMAN SACHS BANK USA FDIC # 33124 CERTIFICATE OF DEPOSIT SEMI-ANNUAL 2.8% DUE 04/24/2024	\$140,000.00	04/24/2024	2.800		Fixed Income Products - Certificates of Deposit
Subtotal:				\$946,000.00				
Total:				\$3,007,000.00				

Effective Maturity: *PreRefund, †Full Call. Fixed Income positions/values are static.

Disclaimers

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Market valuations are based on information we believe to be accurate, but accuracy cannot be guaranteed. Projected Annual Income is an estimate only based on year-to-date information. This schedule is not intended for tax, lending, legal or other non-financial planning purposes and should not be relied upon by third parties. The Fair Market Value for qualified accounts holding annuities excludes the required minimum distribution basis value.

Effective January 1, 2011, Raymond James reports adjusted cost basis for tax lots of securities covered by the Emergency Economic Stabilization Act of 2008 to the IRS on Form 1099-B. These tax lots are indicated by a "C" in the 'Cov/Uncov' column.

Raymond James will default to the first-in, first-out (FIFO) cost basis accounting method for trades and transfers unless a different method has been selected. Average cost is bifurcated and therefore you may see separate cost calculations for covered and uncovered shares. Lot level information for a position can be viewed by selecting the link in the TD Quantity field.

For tax lots or securities that are not covered by the Emergency Economic Stabilization Act of 2008, cost basis information may not be available, may have been estimated by the client or the advisor, or may have been obtained from third-party sources and, in these instances, Raymond James cannot guarantee its accuracy. Information for uncovered positions will not be reported to the IRS.

Gain or loss will only be calculated for tax lots that have cost basis. Gain or loss information may or may not reflect adjusted cost for return of principal/capital or accretion/amortization. Tax lots where the cost basis is displayed as 0.00 are included in cost calculations. Missing basis displayed as N/A, is not included in cost calculations, and can be provided and updated in an account at any time.

The cost basis, proceeds, or gain/loss information reported has been adjusted to account for a disallowed loss from a wash sale. These adjustments are indicated by a "w" on the affected tax lots. A wash sale is triggered by a repurchase of a security within 30 days of the sale of the same security. Cost basis information for uncovered securities or tax lots is displayed for information only and should not be relied upon for tax reporting purposes. Past performance is not a guarantee of future results. Market valuations may have been obtained from third-party sources and Raymond James cannot guarantee its accuracy or completeness.

Unrealized gains or losses for depreciated gift are indicated by a "d". Current market value was used to estimate the cost basis and gain/loss until the position has been sold. Once sold, the true cost and gain/loss will be established.

Adjustments made to cost basis throughout the year may cause the information displayed to differ from what is reported on the client statement and the 1099-B which is provided to the IRS at the end of the year.

For Non US Dollar Denominated Holdings:

Projected Annual Income is an estimate only based on year-to-date information, potential income derived from Non US Dollar denominated assets is not included.

For Non US Dollar Denominated Future:

Future information regarding Non US Dollar denominated assets reflects only pending trades.

For Alternative Investments, investments comprising the Alternative Investments portion of your asset allocation and the total value reported are based on information from the funds, may not be currently priced, are for informational purposes only and may not be realized if you seek to liquidate your investment. Please review the additional disclosure included in the Alternative Investments section of the statement for additional information.

Weekly Interest Rate Monitor

Fixed Income Solutions

TREASURY - AGENCY - MBS - CD

Item	Friday	Prev.	Change	1-yr Ago
Treasuries (YTW)				
1 yr	2.960	2.790	▲ 0.170	0.070
2 yr	3.120	2.840	▲ 0.280	0.190
5 yr	3.130	2.880	▲ 0.250	0.740
7 yr	3.160	2.920	▲ 0.240	1.060
10 yr	3.090	2.880	▲ 0.210	1.300
30 yr	3.270	3.110	▲ 0.160	1.910
Treasury Inflation-Protected Securities (TIPS)(YTW)				
5 yr	0.501	0.255	▲ 0.246	-1.693
10 yr	0.707	0.525	▲ 0.182	-0.948
30 yr	1.028	0.893	▲ 0.135	-0.238
Agencies (YTW)				
1 yr	3.020	2.793	▲ 0.226	0.097
2 yr	3.172	2.903	▲ 0.269	0.187
5 yr	3.275	3.040	▲ 0.235	0.760
7 yr	3.318	3.094	▲ 0.223	1.072
10 yr	3.475	3.272	▲ 0.204	1.373
20 yr	3.865	3.693	▲ 0.172	1.933
MBS (Current Cpn 30-yr) (YTW)				
FNMA	4.506	4.248	▲ 0.258	1.702
GNMA	4.153	3.980	▲ 0.173	1.779
Brokered CDs (YTW)				
3 mo	1.850	1.800	▲ 0.050	0.050
6 mo	2.200	2.100	▲ 0.100	0.050
1 yr	2.850	2.900	▼ -0.050	0.070
2 yr	3.200	3.300	▼ -0.100	0.300
3 yr	3.250	3.400	▼ -0.150	0.550
5 yr	3.350	3.450	▼ -0.100	1.000
7 yr	N/A	N/A	N/A	1.000
10 yr	N/A	N/A	N/A	1.850

CORPORATE - CREDIT

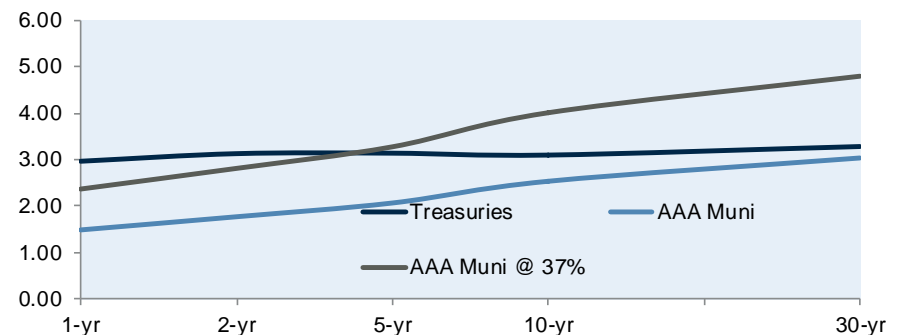
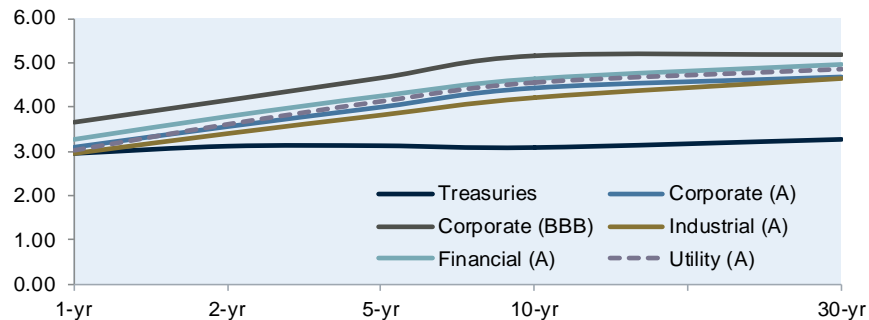
Item	Friday	Prev.	Change	1-yr Ago
Corporate CDX Index (CDS Index)				
5 yr	90.500	100.500	▼ -10.000	48.050
10 yr	123.875	132.750	▼ -8.875	88.750
Corporate Index (A) (YTW)				
1 yr	3.087	2.950	▲ 0.136	0.240
2 yr	3.551	3.409	▲ 0.142	0.347
5 yr	3.990	3.844	▲ 0.146	1.097
10 yr	4.420	4.292	▲ 0.129	1.998
30 yr	4.668	4.602	▲ 0.067	2.806
Corporate Index (BBB) (YTW)				
1 yr	3.645	3.508	▲ 0.137	0.444
2 yr	4.147	3.988	▲ 0.159	0.579
5 yr	4.659	4.489	▲ 0.170	1.373
10 yr	5.162	5.023	▲ 0.139	2.369
30 yr	5.188	5.120	▲ 0.068	3.152
Industrial (A) (YTW)				
2 yr	3.402	3.239	▲ 0.163	0.312
5 yr	3.813	3.670	▲ 0.143	1.037
10 yr	4.201	4.078	▲ 0.123	1.929
30 yr	4.628	4.546	▲ 0.083	2.782
Financial (A) (YTW)				
2 yr	3.786	3.647	▲ 0.139	0.386
5 yr	4.253	4.087	▲ 0.166	1.138
10 yr	4.643	4.482	▲ 0.161	2.037
30 yr	4.972	4.873	▲ 0.098	2.873
Utility (A) (YTW)				
2 yr	3.613	3.455	▲ 0.158	0.420
5 yr	4.122	3.968	▲ 0.154	1.177
10 yr	4.540	4.392	▲ 0.148	2.112
30 yr	4.838	4.741	▲ 0.097	2.892

MUNICIPAL

Item	Friday	Prev.	Change	1-yr Ago
Municipal (AAA) (YTW)				
1 yr	1.495	1.587	▼ -0.093	0.097
2 yr	1.776	1.872	▼ -0.096	0.116
5 yr	2.070	2.184	▼ -0.114	0.404
10 yr	2.535	2.681	▼ -0.146	0.851
15 yr	2.755	2.875	▼ -0.119	1.031
20 yr	2.875	2.982	▼ -0.107	1.176
25 yr	2.982	3.088	▼ -0.106	1.303
30 yr	3.032	3.138	▼ -0.106	1.349
Municipal (AAA) TEY 37%				
1 yr	2.372	2.519	▼ -0.147	0.153
2 yr	2.819	2.971	▼ -0.152	0.183
5 yr	3.286	3.467	▼ -0.181	0.641
10 yr	4.023	4.255	▼ -0.232	1.350
15 yr	4.374	4.563	▼ -0.190	1.637
20 yr	4.563	4.733	▼ -0.170	1.867
25 yr	4.733	4.902	▼ -0.169	2.069
30 yr	4.813	4.981	▼ -0.168	2.141

EQUITIES - COMMODITIES - OTHER RATES

Equities (Price Appreciation)				
DJIA	31338.15	31097.26	▲ 240.89	34421.93
S&P 500	3899.38	3825.33	▲ 74.05	4320.82
Nasdaq	11635.31	11127.84	▲ 507.47	14559.79
Commodities				
Gold	1742.48	1811.43	▼ -68.95	1802.83
Oil	104.79	108.43	▼ -3.64	64.43
Other Rates				
3m LIBOR	2.423	2.293	▲ 0.130	0.12
Eur/USD	1.019	1.041	▼ -0.023	1.18
USD/Yen	136.100	135.210	▲ 0.890	109.72



Weekly Interest Rate Monitor

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Investors should discuss the risks inherent in bonds with their Raymond James Financial Advisor. Risks include, but are not limited to, changes in interest rates, liquidity, credit quality, volatility, and duration. Past performance is no assurance of future results.

CDs offer FDIC insurance and a fixed rate of return whereas both principal and yield of investment securities will fluctuate with changes in market conditions. CDs are insured by the Federal Deposit Insurance Corporation (FDIC), an independent agency of the United States government, for up to \$250,000 per depositor. The coverage limit refers to the total of all deposits that an account holder(s) has at each FDIC-insured bank.

The DJIA (Dow Jones Industrial Average) is a price-weighted index of 30 significant stocks. The S&P 500 is an index of 500 widely held securities meant to reflect the risk/return characteristics of the large cap universe. The NASDAQ Composite Index is an index of all stocks traded on the NASDAQ over-the-counter market. The Bloomberg U.S. Corporate Bond Indexes are comprised of the "active" (most frequently traded) fixed coupon bonds represented by FINRA TRACE, FINRA's transaction reporting facility that disseminates all over-the-counter secondary market transactions in these public bonds.

The Markit CDX North America Investment Grade Index is composed of 125 equally weighted credit default swaps on investment grade entities, distributed among 6 sub-indices: High Volatility, Consumer, Energy, Financial, Industrial, and Technology, Media & Tele-communications. Markit CDX indices roll every 6 months in March & September.

A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency.

U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

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Taxable Equivalent Yield (TEY) is a method of comparing yields of tax-exempt bonds to those of taxable bonds on a pre-tax basis. TEY is the yield required on a taxable bond to equal the yield of a tax-free bond. It is calculated by dividing the tax-free yield by the reciprocal of the federal tax rate. The highest U.S. tax bracket of 37% is used in this material. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, or state or local taxes. In addition, certain municipal bonds, such as Build America Bonds (BAB), are issued without a federal tax exemption, which subjects the related interest income to federal income tax.

Mortgage Backed securities (MBS) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market, interest rate, prepayment, and reinvestment risks. Unless issued by GNMA, MBS's are not backed or guaranteed by any government agency.

The Bloomberg U.S. municipal curve is populated with high quality US municipal bonds with an average rating of AAA from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues, and other proprietary contributed prices. The curve represents 5% couponing. The 3 month to 10 year points are bullet yields, and the 11 year to 30 year points are yields to worst for a 10-year call.

Yield-to-worst (YTW) is the lowest bond yield generated, given the potential stated calls prior to maturity. An investment cannot be made in the unmanaged indexes mentioned in this material.

Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value.

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Ref. M20-2943461 until 2/7/2023

WORST OF THE BOND ROUT IS LIKELY BEHIND US

3 REASONS WHY WE THINK THE 10-YEAR TREASURY YIELD HAS PEAKED

- Tighter financial conditions are slowing the economy and inflation pressures are starting to ease.

2.85%

Year-End
Target

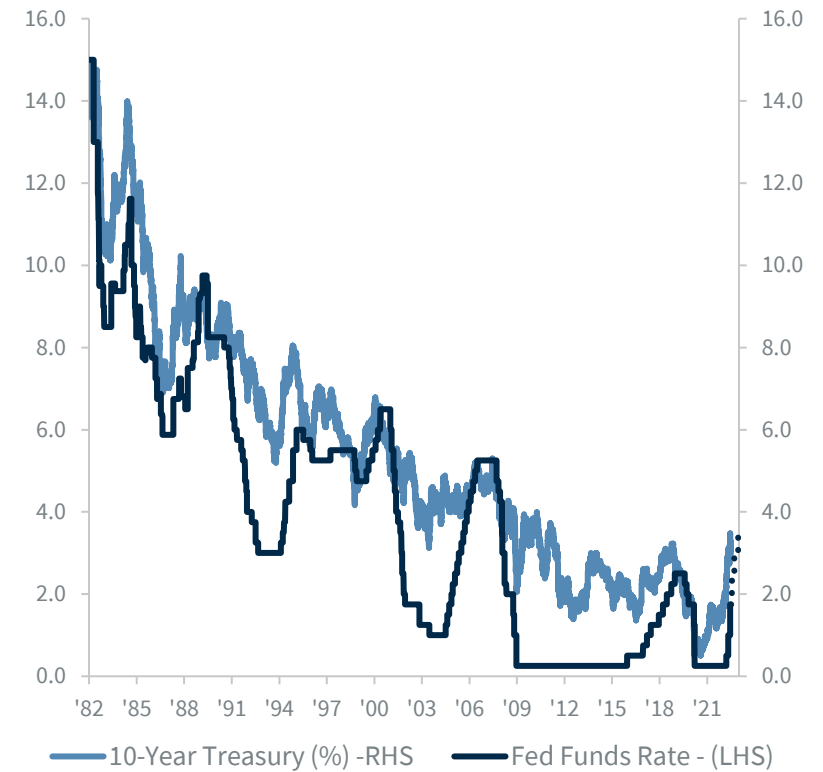
Growth Expectations are Decelerating



Inflation Expectations are Rolling Over



10-Year Peaks Near Peak Fed Funds Rate



Source: FactSet, Data as of 6/30/2022.

RATE RESET BOOSTS THE APPEAL OF BONDS

THE MASSIVE INTEREST RATE RESET HAS MADE BONDS CONSIDERABLY MORE ATTRACTIVE

- The sharp rise in yields has provided a long-awaited opportunity to generate reasonable income.

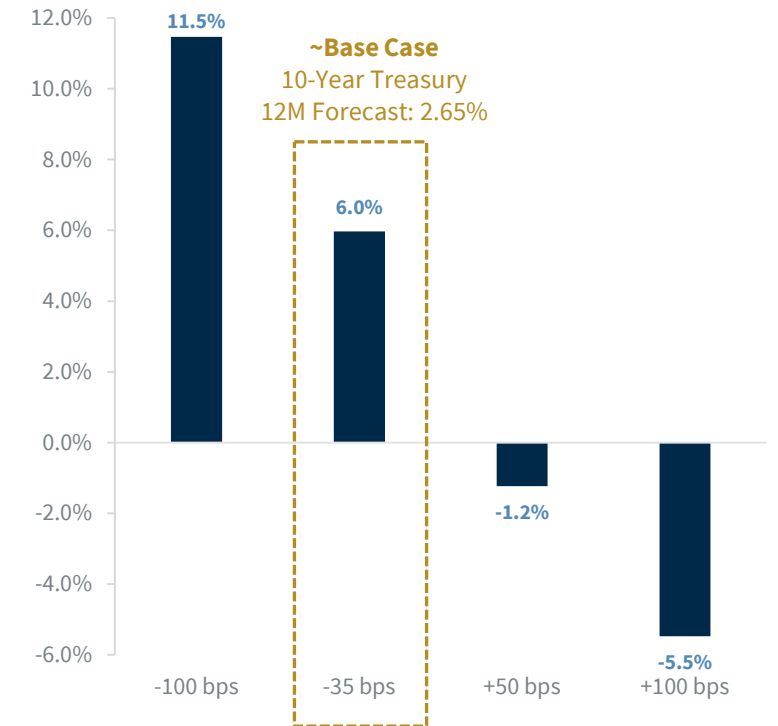
Treasury Yields Were Unattractive at Year End

10-Year Treasury Yield	Instantaneous BPS Move From 12/31 Yield	Total Return
1.0%	-50	5.7%
1.5%	0	1.5%
2.0%	50	-2.7%
2.5%	100	-7.0%
3.0%	150	-11.2%
3.5%	200	-15.4%
4.0%	250	-19.7%

Most Generous Yields in Over a Decade



Potential Total Return* Over Next 12 Months



* Assumes 3.0% Starting Yield on 10-Year Treasury and Parallel Shift in Yield Curve

Source: FactSet, Data as of 6/27/22.

DISCLOSURES

The views expressed in this commentary are the current opinion of the Chief Investment Office, but not necessarily those of Raymond James & Associates, and are subject to change. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Past performance is not indicative of future results. No investment strategy can guarantee success. There is no assurance any of the trends mentioned will continue or that any of the forecasts mentioned will occur. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital. Material is provided for informational purposes only and does not constitute a recommendation. Asset allocation do not ensure a profit or protect against a loss. Diversification and asset allocation do not ensure a profit or protect against a loss. Dollar-cost averaging cannot guarantee a profit or protect against a loss, and you should consider your financial ability to continue purchases through periods of low -price levels.

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets. Investing in emerging markets can be riskier than investing in well-established foreign markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

WEST TEXAS INTERMEDIATE | West Texas Intermediate can refer to a grade or a mix of crude oil, and/or the spot price, the futures price, or the assessed price for that oil; colloquially WTI usually refers to the price of the New York Mercantile Exchange WTI Crude Oil futures contract or the contract itself.

CURRENCIES | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

CAPEX | CAPEX Capital Expenditures are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

FIXED INCOME DEFINITION

AGGREGATE BOND | **Bloomberg US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | **Bloomberg US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | **Bloomberg US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

US DOLLAR | The U.S. Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the US dollar gains "strength" (value) when compared to other currencies.

200-DAY MOVING AVERAGE | The 200-day moving average is a popular technical indicator which investors use to analyze price trends. It is simply a security's average closing price over the last 200 days.

US INDEXES AND EQUITY SECTORS DEFINITION

S&P 500 | The **S&P 500 Total Return Index**: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

RUSSELL 2000 | **Russell 2000 Total Return Index**: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | **MSCI EM Eastern Europe Net Return Index**: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | **MSCI Emerging Markets Net Return Index**: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

MSCI EAFE | The **MSCI EAFE** (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

GERMAN BUND | A bund is a debt security issued by Germany's federal government, and it is the German equivalent of a U.S. Treasury bond.

SMALL CAP | Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

LARGE-CAP STOCK | also known as big caps are shares that trade for corporations with a market capitalization of \$10 billion or more. Large-cap stocks tend to be less volatile during rough markets as investors fly to quality and stability and become more risk-averse

MSCI AC WORLD EX-US | **The MSCI AC ex USA** Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 26 Emerging Markets (EM) countries*. With 2,215 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

LATAM | **MSCI EM Latin America Net Return Index**: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

ASIA EX-JAPAN | **MSCI Pacific Ex Japan Net Return Index**: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | **MSCI Japan Net Return Index**: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

COMMODITIES DEFINITION

BLOOMBERG COMMODITY INDEX | Bloomberg Commodity Index is a commodity group sub index of the Bloomberg CTR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

WTI | West Texas Intermediate can refer to a grade or a mix of crude oil, and/or the spot price, the futures price, or the assessed price for that oil; colloquially WTI usually refers to the price of the New York Mercantile Exchange WTI Crude Oil futures contract or the contract itself.

BLOOMBERG EMERGING MARKETS AGGREGATE BOND INDEX | The Bloomberg s Emerging Markets Aggregate Bond Index is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

BLOOMBERG INDUSTRIAL METALS SUBINDEX | The Index is composed of future contracts on aluminum, copper, nickel, and zinc. The index reflect the return of the underlying commodity future price movements only and is quoted in USD.

[Manheim Index](#) | The Manheim Index is increasingly recognized by both financial and economic analysts as the premier indicator of pricing trends in the used vehicle market, but should not be considered indicative or predictive of any individual remarketer's results

[North America Fertilizer Price](#) | The Green Markets Weekly North America Fertilizer Price Index is constructed using the fertilizer benchmark prices of US Gulf Coast Urea, US Cornbelt Potash and NOLA Barge DAP. The index is value weighted based on the annual global demand of each nutrient.

[Consumer Sentiment Index](#) | The US Index of Consumer Sentiment (ICS), as provided by University of Michigan, tracks consumer sentiment in the US, based on surveys on random samples of US households. The index aids in measuring consumer sentiments in personal finances, business conditions, among other topics.

[Lipper Municipal Fund Flows](#) | Lipper U.S. Fund Flows is the premiere source of information relating to weekly investor demand in the fund market.

[Misery Index](#) | The misery index is an economic indicator, created by economist Arthur Okun. The index helps determining how the average citizen is doing economically and it is calculated by adding the seasonally adjusted unemployment rate to the annual inflation rate.

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DATA SOURCES:

FactSet.

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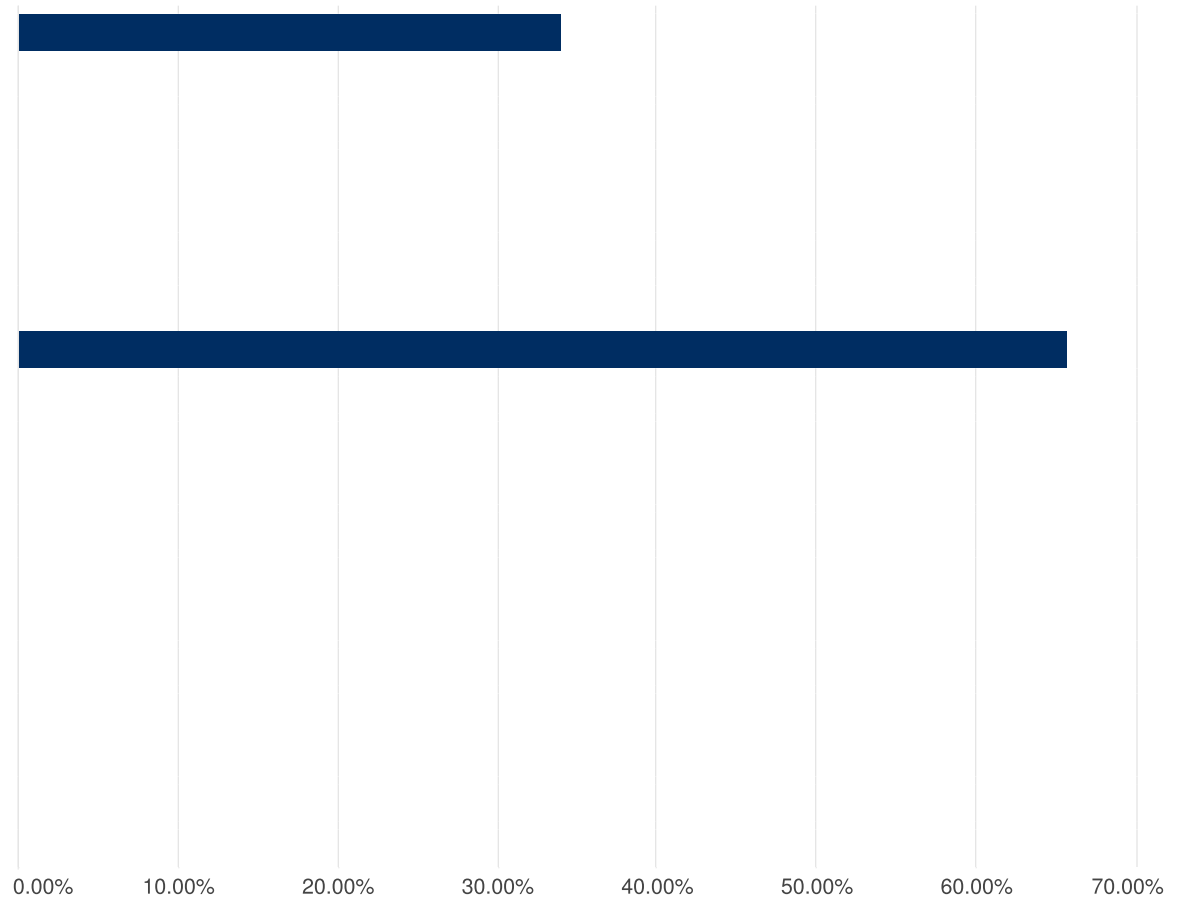
Cash and Fixed Income as of Jul 11, 2022

Consolidated Report

THE NICE GROUP
303.200.1433 // nick.picucci@raymondjames.com

Cash and Fixed Income Summary

	Market Value (\$)	% of Cash & Fixed Income
Cash*	1,557,001.35	34.11%
Cash Alternatives	0.00	0.00%
Market-Linked Notes	0.00	0.00%
Market-Linked CD's	0.00	0.00%
Preferred	0.00	0.00%
Municipal Bonds	0.00	0.00%
Corporate Bonds	0.00	0.00%
Certificates of Deposit	3,008,273.45	65.89%
Asset-Backed Securities	0.00	0.00%
Collateralized Mortgage Obligations	0.00	0.00%
Pass-Throughs	0.00	0.00%
TBA's	0.00	0.00%
Government	0.00	0.00%
Government Agency	0.00	0.00%
Government Sponsored Entity	0.00	0.00%
Sovereign	0.00	0.00%
Sovereign Agency	0.00	0.00%
Supranational Agency	0.00	0.00%
Other Products	0.00	0.00%
Total Cash and Fixed Income	\$4,565,274.80	100%



* \$1,535,052.59 is held in cash and cash sweep products.

Cash and Fixed Income as of Jul 11, 2022



Consolidated Report

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Cash and Fixed Income Detail

Cash	Symbol/ CUSIP	Price on 7/11/22(\$)	Market Value (\$)	% of Cash & Fixed Income
Accrued Income/Principal		1.000	21,948.76	0.48%
Client Interest Program (CIP)		1.000	187,895.71	4.12%
RJ Bank Deposit Program		1.000	1,347,156.88	29.51%
Total Cash			\$1,557,001.35	34.11%

Certificates of Deposit	Symbol/ CUSIP	Price on 7/11/22(\$)	Market Value (\$)	% of Cash & Fixed Income
ALLY BK SANDY UTAH CD 2.15%22	02007GKW2	100.013	245,031.85	5.36%
AMERICAN EXPRESS NATL BK BROK CD 2.35%22	02587DW38	100.051	107,054.57	2.34%
BMW BK NORTH AMER UTAH CD 1.45%23	05580AWK6	99.217	243,081.65	5.32%
CITIBANK N A CD 3.3%23	17312QR76	100.519	201,038.00	4.40%
COMENITY CAP BK UTAH CD 3.35%23	20033AK47	100.587	100,587.00	2.20%
DISCOVER BK CD 3.2%24	254671E71	100.079	203,160.37	4.45%
GOLDMAN SACHS BK USA 2.8%24	38148P6M4	99.545	139,363.00	3.05%
GOLDMAN SACHS BK USA CD 2.55%23	36163CG53	100.347	125,433.75	2.75%
GOLDMAN SACHS BK USA CD 2.95%22	36161T4X0	100.262	100,262.00	2.20%
GOLDMAN SACHS BK USA CD 3.3%24	38148P4E4	100.491	100,491.00	2.20%
MORGAN STANLEY BK N A CD 2.65%23	61747MF63	100.260	145,377.00	3.18%
MORGAN STANLEY BK N A CD 3.45%23	61690UAU4	100.711	100,711.00	2.21%
MORGAN STANLEY PRIVATE BK NATL CD 3.1%24	61760AUV9	100.188	158,297.04	3.47%
SALLIE MAE BK MURRAY UTAH CD 1.8%23	7954506E0	99.753	99,753.00	2.19%
SALLIE MAE BK MURRAY UTAH CD 3.2%23	795450P66	100.513	114,584.82	2.51%

Cash and Fixed Income as of Jul 11, 2022



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Cash and Fixed Income Detail *(continued)*

<i>Certificates of Deposit (continued)</i>	Symbol/ CUSIP	Price on 7/11/22(\$)	Market Value (\$)	% of Cash & Fixed Income
SYNCHRONY BANK CD 1.3%23	87165E2H9	99.087	242,763.15	5.32%
SYNCHRONY BANK CD 3.3%24	36160KG25	100.083	145,120.35	3.18%
UBS BK USA SALT LAKE CITY UT CD 3.25%22	90348JEG1	100.354	235,831.90	5.17%
WELLS FARGO BANK NATL ASSN CD 3.1%24	949763XQ4	100.166	200,332.00	4.39%
Total Certificates of Deposit			\$3,008,273.45	65.89%
Total Cash and Fixed Income			\$4,565,274.80	100.00%

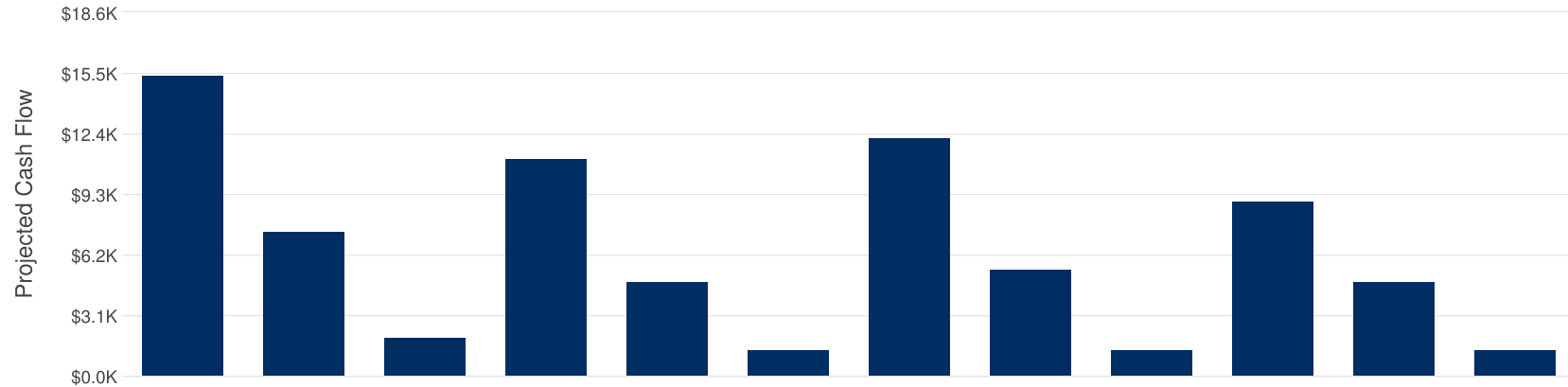
Projected Cash Flow as of Jul 11, 2022



Consolidated Report

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Projected Cash Flow Summary



	Jul	Aug	Sep	Oct	Nov	Dec	2023 Jan	Feb	Mar	Apr	May	Jun	Projected Total
Cash and Cash Alternatives: Cash	576	576	576	576	576	576	576	576	576	576	576	576	\$6,908
Fixed Income Products: Certificates of Deposit	14,928	6,890	1,432	10,629	4,345	796	11,658	4,996	796	8,517	4,345	796	\$70,126
Total Portfolio	\$15,504	\$7,465	\$2,008	\$11,204	\$4,920	\$1,371	\$12,233	\$5,571	\$1,371	\$9,093	\$4,920	\$1,371	\$77,034

Projected Cash Flow as of Jul 11, 2022



Consolidated Report

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Projected Cash Flow Detail

Cash and Cash Alternatives: Cash

	Jul Income	Aug Income	Sep Income	Oct Income	Nov Income	Dec Income	2023 Jan Income	Feb Income	Mar Income	Apr Income	May Income	Jun Income	Projected Total / Yield
Client Interest Program (CIP) Quantity: 187,895.710	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	\$845.52 0.45%
RJ Bank Deposit Program Quantity: 1,347,156.880	505.18	505.18	505.18	505.18	505.18	505.18	505.18	505.18	505.18	505.18	505.18	505.18	\$6,062.16 0.45%
Total Cash and Cash Alternatives: Cash	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$575.64	\$6,907.68 0.45%

Fixed Income Products: Certificates of Deposit

	Jul Income	Aug Income	Sep Income	Oct Income	Nov Income	Dec Income	2023 Jan Income	Feb Income	Mar Income	Apr Income	May Income	Jun Income	Projected Total / Yield
ALLY BK SANDY UTAH CD 2.15%22 Quantity: 245,000.000 CUSIP: 02007GKW2	2,633.75												\$2,633.75 1.07%
AMERICAN EXPRESS NATL BK BROK CD 2.35%22 Quantity: 107,000.000 CUSIP: 02587DW38		1,257.25											\$1,257.25 1.17%

Projected Cash Flow as of Jul 11, 2022



Consolidated Report

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Projected Cash Flow Detail *(continued)*

Fixed Income Products: Certificates of Deposit *(continued)*

	Jul Income	Aug Income	Sep Income	Oct Income	Nov Income	Dec Income	2023 Jan Income	Feb Income	Mar Income	Apr Income	May Income	Jun Income	Projected Total / Yield
BMW BK NORTH AMER UTAH CD 1.45%23 Quantity: 245,000.000 CUSIP: 05580AWK6				1,776.25						1,776.25			\$3,552.50 1.46%
CITIBANK N A CD 3.3%23 Quantity: 200,000.000 CUSIP: 17312QR76		3,300.00						3,300.00					\$6,600.00 3.28%
COMENITY CAP BK UTAH CD 3.35%23 Quantity: 100,000.000 CUSIP: 20033AK47	279.17	279.17	279.17	279.17	279.17	279.17	279.17	279.17	279.17	279.17	279.17	279.17	\$3,350.04 3.33%
DISCOVER BK CD 3.2%24 Quantity: 203,000.000 CUSIP: 254671E71	3,248.00						3,248.00						\$6,496.00 3.20%
GOLDMAN SACHS BK USA 2.8%24 Quantity: 140,000.000 CUSIP: 38148P6M4				1,960.00						1,960.00			\$3,920.00 2.81%
GOLDMAN SACHS BK USA CD 2.55%23 Quantity: 125,000.000 CUSIP: 36163CG53	1,593.75						1,593.75						\$3,187.50 2.54%

Projected Cash Flow as of Jul 11, 2022



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Projected Cash Flow Detail *(continued)*

Fixed Income Products: Certificates of Deposit *(continued)*

	Jul Income	Aug Income	Sep Income	Oct Income	Nov Income	Dec Income	2023 Jan Income	Feb Income	Mar Income	Apr Income	May Income	Jun Income	Projected Total / Yield
GOLDMAN SACHS BK USA CD 2.95%22 Quantity: 100,000.000 CUSIP: 36161T4X0				1,475.00									\$1,475.00 1.47%
GOLDMAN SACHS BK USA CD 3.3%24 Quantity: 100,000.000 CUSIP: 38148P4E4	1,650.00						1,650.00						\$3,300.00 3.28%
MORGAN STANLEY BK N A CD 2.65%23 Quantity: 145,000.000 CUSIP: 61747MF63	1,921.25						1,921.25						\$3,842.50 2.64%
MORGAN STANLEY BK N A CD 3.45%23 Quantity: 100,000.000 CUSIP: 61690UAU4					1,725.00						1,725.00		\$3,450.00 3.43%
MORGAN STANLEY PRIVATE BK NATL CD 3.1%24 Quantity: 158,000.000 CUSIP: 61760AUV9	2,449.00						2,449.00						\$4,898.00 3.09%
SALLIE MAE BK MURRAY UTAH CD 1.8%23 Quantity: 100,000.000 CUSIP: 7954506E0		900.00						900.00					\$1,800.00 1.80%

Projected Cash Flow as of Jul 11, 2022



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Projected Cash Flow Detail *(continued)*

Fixed Income Products: Certificates of Deposit *(continued)*

	Jul Income	Aug Income	Sep Income	Oct Income	Nov Income	Dec Income	2023 Jan Income	Feb Income	Mar Income	Apr Income	May Income	Jun Income	Projected Total / Yield
SALLIE MAE BK MURRAY UTAH CD 3.2% ²³ Quantity: 114,000.000 CUSIP: 795450P66					1,824.00						1,824.00		\$3,648.00 3.18%
SYNCHRONY BANK CD 1.3% ²³ Quantity: 245,000.000 CUSIP: 87165E2H9				1,592.50						1,592.50			\$3,185.00 1.31%
SYNCHRONY BANK CD 3.3% ²⁴ Quantity: 145,000.000 CUSIP: 36160KG25				2,392.50						2,392.50			\$4,785.00 3.30%
UBS BK USA SALT LAKE CITY UT CD 3.25% ²² Quantity: 235,000.000 CUSIP: 90348JEG1	636.46	636.46	636.46	636.46									\$2,545.84 1.08%
WELLS FARGO BANK NATL ASSN CD 3.1% ²⁴ Quantity: 200,000.000 CUSIP: 949763XQ4	516.67	516.67	516.67	516.67	516.67	516.67	516.67	516.67	516.67	516.67	516.67	516.67	\$6,200.04 3.09%
Total Fixed Income Products: Certificates of Deposit	\$14,928.05	\$6,889.55	\$1,432.30	\$10,628.55	\$4,344.84	\$795.84	\$11,657.84	\$4,995.84	\$795.84	\$8,517.09	\$4,344.84	\$795.84	\$70,126.42 2.33%

Projected Cash Flow as of Jul 11, 2022



Consolidated Report

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Projected Cash Flow Detail *(continued)*

Total Portfolio	\$15,503.69	\$7,465.19	\$2,007.94	\$11,204.19	\$4,920.48	\$1,371.48	\$12,233.48	\$5,571.48	\$1,371.48	\$9,092.73	\$4,920.48	\$1,371.48	\$77,034.10 1.70%
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Annual Yield calculation is inclusive of all client holdings.

Additional Information Regarding This Report

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Report ID: a_610826_1657598400000_1657665330000_00001of00001

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Raymond James Certificates of Deposit values will show as contributions on the date they became available to the Portfolio Performance system. They are included through the selected calculation ending date. Prior inclusion of these values in the rate of return calculation is not available.

Values include accrued income. Values are based on trade date accounting method.

Morningstar equity information as of (July 11, 2022)

Morningstar mutual fund and annuity information as of (July 07, 2022)

Morningstar 529 information as of (June 17, 2022)

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The sum of the income values may not equal total value due to rounding.

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risks, including without limitation: interest rate risk - a rise (fall) in interest rates may reduce (increase) the value of your investment, default or credit risk - the issuers ability to make interest and principal payments, and illiquidity risk - the inability to sell bonds promptly prior to maturity with minimal loss of principal. An overview of these and other risks is available at raymondjames.com, finra.org, emma.msrb.org, and investinginbonds.com.

Investors interested in regular updates about individual municipal securities can sign up on EMMA (emma.msrb.org) to receive e-mail alerts when disclosure documents are posted on the website. Investors who track particular bonds identified by their unique "CUSIP" numbers can receive an e-mail notification from EMMA every time a new disclosure document is posted for that security. These documents can include annual and other periodic financial filings, operating data and other types of material events. To sign up for an alert, enter a nine-digit CUSIP number into the "Muni Search" function of EMMA.

Securities ratings, provided by independent nationally recognized statistical organizations, also called Ratings Agencies, are appraisals of the financial stability of a particular issuer and its ability to pay income and return principal on your investment. Although they can assist investors in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A Rating Agency may also place an issuer under review or credit watch which may be another indicator of a future rating change. Generally, higher yields and/or lower ratings reflect higher perceived credit risk. News events relating to a particular issuer may generally impact the market price, and consequently the yield, of that issuer's securities, even if their rating has not yet changed. Securities with the same rating can actually trade at significantly different prices. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied or removed. Non-rated securities are speculative in nature and are less liquid. Raymond James trade confirmations, online accounts and monthly statements display only the ratings of those Rating Agencies to which Raymond James subscribes. For more information on ratings, please visit moody.com, standardandpoors.com and fitchratings.com. Individual investors may request Moody's and/or S&P credit reports from their financial advisors. Additionally, Fitch reports are available for municipal bonds.

Certificates of Deposit (CDs) purchased through a securities broker and held in a brokerage account are considered deposits with the issuing institution and are insured by the Federal Deposit Insurance Company (FDIC), an independent agency of the U.S. government. FDIC insurance covers up to \$250,000 (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts, per issuer. If you purchased this CD at a premium to par, the premium is not FDIC insured. Certificate of Deposit Disclosure Statement is available at raymondjames.com/liquid.htm. For more information, please visit fdic.gov.

Mortgage-backed securities and Collateralized Mortgage Obligations (CMOs) are priced based on average life. The actual maturity date may be shorter than stated. For more information, please

Additional Information Regarding This Report



Consolidated Report

THE NICE GROUP
303.200.1433 // nick.picucci@raymondjames.com

review FINRA's Investor's Guide to Mortgage Securities and CMOs at finra.org.

Foreign bonds are subject to additional risks, including without limitation, currency fluctuations, differing accounting standards, political and economic instability, and changes in tax laws. The cost basis for Original Issue Discount (OID) bonds and municipal bonds purchased at a premium may or may not have been adjusted using the constant yield method, providing an approximation of the adjusted cost basis and unrealized gains or losses. Cost basis information is displayed for your information only and should not be relied upon for tax reporting purposes. You should consult your tax advisor to ensure proper tax reporting.

Heather Gardens Budget & Finance Committee

Date: July 18, 2022

Motion: Move to recommend approval to the Heather Gardens Association Board of Directors and Heather Gardens Metropolitan District Board of Directors to approve the revisions and update to the FINANCE - 4 EXTERNAL AUDIT POLICY, last updated on June 18, 2019.

Project Cost: N/A

I move that the Budget and Finance Committee recommends that the Heather Gardens Association and Heather Gardens Metropolitan District Board of Directors approve the revisions and update to the **FINANCE - 4 EXTERNAL AUDIT POLICY, last updated on June 18, 2019.**

Motion made by:	
Seconded by:	

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

Rationale/Notes: The revision and update to the **FINANCE - 4 EXTERNAL AUDIT POLICY, last updated on June 18, 2019** is being done, given that the subject policy is to be reviewed every three years.

FINANCE – 4
EXTERNAL AUDIT POLICY

Date Adopted:	June 18, 2019 <u>July 19, 2022</u>
Document Type:	Association Policy
Requirements:	N/A
Review Policy:	This policy will be reviewed every three years
Notes:	

The following procedures have been adopted by the Heather Gardens Association (“Association”) pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: The Heather Gardens Association (“Association”) Board of Directors and the Heather Gardens Metropolitan District (“District”) shall ~~cause~~ arrange for annual audits of Association and District financial statements to be conducted and for tax returns to be prepared by a firm of Certified Public Accountants (“CPA”).

WHEREAS, the Association and District signed an interagency agreement, known as the Management Agreement, whereby the Association serves as the agent for the District in carrying out its programs, such as managing the District finances and operating the golf program, restaurant, clubhouse, and other activities following District Board of Directors policies;

WHEREAS, the District has authorized the Association to secure a CPA firm to perform an audit of the District’s financial records in accordance with requirements for a Colorado Metropolitan District;

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy regarding external audits of the Association and District financial records:

The Association Board of Directors will select a CPA firm based on the following criteria:

1. An acceptable knowledge of and experience with homeowners’ associations, Metropolitan Districts, and/or similar type entities and of the accounting and tax policies and procedures related thereto;
2. The audit will be conducted under the direction of one of the firm’s partners, with day-to-day management of the audit process by an experienced senior member of the firm. ~~Both individuals and as many members as possible of the audit team will have Certified Public Accountant (CPA) certification;~~
3. Audit experience of the team’s principal members; Cost of the Audit
4. Independence as guided by rules of the American Institute of Certified Public Accountants (AICPA) and Governmental Accounting Standards Board (GASB);
5. Responsiveness to the Board’s Request for Proposal;
6. Current licensure by the State of Colorado;



Heather Gardens

ASSOCIATION

- 7. A statement of adherence to the AICPA Code of Professional Conduct and meet the GASB requirements;
- 8. Professional references;
- 9. Agreement on scheduling of the audit field work; ~~and~~
- ~~10. Cost of the audit.~~

The Association and District Boards of Directors delegate oversight of the annual audit process to the Budget & Finance Committee. It will oversee the audit process, review the audit plan, review proposed audit fees, and makes its recommendation to the Boards in accordance with the Heather Gardens Budget & Finance Procedure Memorandum (PMB-1). The B&F will also evaluate and recommend to the Board replacement CPA firms should that need arise.

~~The audit firm, at the completion of the annual audit, shall prepare and make available to the Boards, Budget & Finance Committee, and management a confidential letter outlining the current strengths and weaknesses of the accounting process at Heather Gardens. In accordance with the responsibilities of the Treasurer that are outlined in the Association Bylaws, the Treasurer will offer recommendations to the Boards and management about any needed improvements in the accounting process. Any references to specific staff members will be redacted from the letter to protect their right to privacy and due process.~~

The auditing firm shall make all communications required by their professional auditing standards including but not limited to engagement letters, auditors' judgments concerning the quality of the organization's accounting principles, cooperation of Association management and staff during the audit any disagreements with management, weaknesses in procedures or controls and such other matters as may be relevant.

The Heather Gardens Association

By: _____
aco President

This Policy Regarding the External Audit Policy was adopted by the Board of Directors on the 19 day of July 2022 effective on the 19 day of July 2022 and is attested to by the Secretary of The Heather Gardens Association.

By: _____
a d a e Secretary

Budget and Finance Committee
Date: July 18, 2022

Motion: Recommend Replacing Parking Structure #3 Northside Stairs

Project Cost: \$43,253

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve the contracts with Custom Welding and Fabrication, and Sunny Day Concrete to furnish and install new metal stairs and the necessary concrete piers located on the north side of the Parking Structure #3. The project cost is \$39,321 with a change order of \$3,932 for a total cost of \$43,253.

Motion made by:	
Seconded by:	

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

Rationale/Notes: The project cost is comprised of \$33,840 for Custom Welding and Fabrication and \$5,481 for Sunny Day Concrete. This is part of a 2021 budgeted amount of \$168,252 that has been carried forward to 2022. See the attached request for Capital Expenditure.

HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Parking Structure #3 – North Stair Replacement (2021 Rollover Project)

F762

DEPT: Contracts

Date: 6/17/22

BUDGET	Budget Amount: \$168,252	Contract Amount: \$39,321	
Year: 2022	Expended YTD: \$ 0.00	Change Order Res.: \$3,932	
Tab:	Unexpended Balance: \$ 0.00	Total Project Cost: \$43,253	
Page:		Add. Funds Requested:	

DESCRIPTION: Furnish and Install new metal stairs and 6 necessary concrete piers on the Northside of Parking Structure #3 per BC&E's stair design for PS#3 dated 1/13/22.

JUSTIFICATION: (Attach backup material as required)

The North Stairs of Parking Structure #3 were removed during the Post Tension Cable Repair Project in 2021. During construction it was discovered that the two tendons supporting the North Stair Landing were damaged, causing the landings structural integrity to be compromised. Repairing and re-stressing the damaged tendons was not an option, considering the concrete landing was showing signs of cracking and deterioration. Repairing the broken tendons would cause additional cracking in the concrete landing.

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

Stairs:

- K&K Custom Fabrication: \$48,155.28
- Custom Welding & Fabrication, Inc: \$33,840
- Merritt Welding & Fabrication: \$19,820.24 (Does Not Include Permit Fees)

Concrete:

- Sunny Day Concrete: \$5,480.12
- Restruction Corp: Concrete Footing: \$12,785
- Denver Commercial Property Services: \$12,855

RECOMMENDATION: The recommendation is to contract with our preferred vendors Custom Welding and Fabrication and Sunny Day Concrete to furnish and install new metal stairs and necessary concrete piers located on the north side of Parking Structure #3. The contract amount for this project is \$39,321. A 10% Change Order Reserve has been added to cover the cost of unforeseen conditions to complete the project. This project is not to exceed \$43,253 to replace the North Stairs at Parking Structure #3 without prior board approval.

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



3497 S Zuni St
Sheridan, CO 80110

Estimate

~~GALVANIZED~~ COST: \$3,650
POWDER COAT COST: \$1,750.

Date	Estimate #
2/23/2022	5928

\$1,900 SAVINGS TO Move FORWARD w/ POWDER COAT OPTION

heather Gardens		Project	
		5928	
Description	Qty	Cost	Total
Heather Gardens North Stair	1	7,880.00	7,880.00T
Material Cost to Build Qty of 1 stair assembly with landing per drawings			
Shop Labor to build 1 stair with landing	1	8,250.00	8,250.00
Galvanizing Costs	1	1,550.00	1,550.00
Cost Brush blast and Primer	1	1,450.00	1,450.00
OPTION for Powder Coat Color coat over primer Please Add \$850.00			
Field Labor to Demo Existing Stair and Dispose of Debris	1	2,150.00	2,150.00
Field Labor to Install Stair and Landing	1	3,650.00	3,650.00
Rental Equipment Cost	1	2,650.00	2,650.00
Subtotal for Stair			27,580.00
Material Cost to Build 32 L.F. Of new Guardrail on Stairs and landing	32	60.00	1,920.00T
Shop Labor to Build Guardrails	32	115.00	3,680.00
Detail Drawings	1	850.00	850.00
Galvanizing Costs	1	1,750.00	1,750.00
Cost Brush blast and Primer	1	1,950.00	1,950.00
Option for Powder Coat Color Coat \$550.00			
Field Labor to Install Guardrails	32	75.00	2,400.00
Subtotal for Guardrails no Tax			12,550.00
Material Cost to Build Handrails on both sides of Stair 34 L.F.	34	14.00	476.00T
Shop Labor to Build Handrails	34	45.00	1,530.00
Detail Drawings for handrails	1	450.00	450.00
Galvanizing Costs	1	350.00	350.00
Cost for Brush Blast and primer	1	350.00	350.00
Option for Powder Coat Color Coat Please Add \$350.00			
Field Labor to install handrails	35	25.00	875.00
Subtotal for Handrails			4,031.00
Cost for permitting	1	3,500.00	3,500.00
Denver Sales Tax		4.81%	494.28

STAIRS

GUARD RAILS

HAND RAILS

PERMIT

Total GALVANIZED \$48,155.28

POWDER COAT \$46,255.28

Phone #	E-mail
303-789-3082	kirk@KKcustomwelding.com

Customer Signature

Estimate
6-16-2022

Custom Welding & Fabrication Inc.

43224 London Dr. Parker, CO. 80138
303-680-0817 phone

Welding and Fabrication Proposal

This proposal when signed by both parties, acceptance of consideration, and agreement to the terms and conditions shall constitute a contract for service by Customer Welding & Fabrication, Inc. and:

Customer: The Heather Gardens Association
2888 S. Heather Gardens Way
Aurora, Co 80014

Project: Parking Structure #3
Engineer: BC&E LLC

Scope of Work: Replace one existing concrete stair case with a new steel stair case on the north side of garage.

The following is an estimate to fabricate and install one new steel stair case:

New stringers and top landing C12 x 10.6 channels, welded on to channel 2x2 angles for mounting new 12" x 2" x 13ga traction treads, new stair rails for both sides set at 42" with an inside grab rail set at 36", rail design 1 1/2sq tube for the post, top 2 1/2 x 1 1/2 and bottom rails, infill pickets 1/2sq set vertical, grab rail 1 1/2 round pipe, landing will need 4 concrete piers for the post to set on, post size 4x4sq tube.

Note: All steel will be galvanized. Concrete piers done by others.

Consideration for Scheduling, Materials Purchase, Fabrication in Shop and other necessary work prior to installation: Down payment due upon execution of contract.

Down Payment: \$12,500.00
Cost for permit, review, taxes, elevations, egress, ADA: \$7050.00
Cost for one stair case: \$26,790.00

Terms and Conditions: Estimate valid for 30 days from today's date.

Exclusions: City permits, engineering, shop drawings/templates, additional insurance or weld certificates, bonds, 3rd party inspections, liquidated damages, hot work permits, rebar, concrete, delays from other trades and suppliers, underground obstructions and electrical. Core drilling, all light gage steel, aluminum and stainless products, special coatings

Estimate
6-16-2022

(unless otherwise noted). Demolition, temporary shoring. Delays due to weather, site readiness and delays in receipt of "approved for fabrication". Wood & shear wall anchors, design, and structural calculations. GPR if needed, elevations (By GC), CWF does not warranty any powder coating and/or paint defects, nicks, scratches, bends, damage from cleaning.

All applicable laws and ordinances will be complied with. Certificates of insurance available on request. Contractor will complete all work with promptness except for "Acts of God." Acts of God are defined as acts over which the company has no control. A 1½% / month service fee will be assessed on all balances unpaid after the 30th calendar day. A minimum \$45.00 rebilling fee will result. Any and all attorney's fees necessary for the collection of this contract amount shall be the responsibility of the buyer. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate.

Time and day to be designated by Contractor. This contract covers all transportation, equipment, labor, and materials for above service. Amount to be paid includes all charges applicable at time of execution unless otherwise specified.

ACCEPTANCE OF PROPOSAL

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

Date:

Customer Signature: _____ Title: _____

Phone#: _____

Custom Welding & Fabrication, Inc. Acceptance: _____
Donald L. Smith President

Please feel free to contact me with any questions.
Sincerely,

Donald L. Smith
303-680-0817

Please send signed estimate to email DonLSmith83@gmail.com

Don OGorman

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Thursday, June 16, 2022 9:40 AM
To: Don OGorman
Subject: Re: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

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

Jacob Long
Merritt Welding & Fabrication, Owner



720-934-9943
5340 Tennyson St Denver Co 80212
Denver, Colorado 80212
<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Sent: Wednesday, June 15, 2022 12:05 PM
To: Jacob Long <jacob.l@merrittwelding.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

Thanks Jacob!

Don

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Tuesday, June 14, 2022 11:12 AM
To: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Subject: Re: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

[External Content] This message is from an external source.
Hi Don, Its nice to hear from you. The material costs have gone up some so you would be looking at \$19,820.24 now for everything like we talked about before. Sorry for the delay i was repricing everything.

Jacob Long

Merritt Welding & Fabrication, Owner



720-934-9943
5340 Tennyson St Denver Co 80212
Denver, Colorado 80212
<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Sent: Tuesday, June 14, 2022 8:40 AM
To: Jacob Long <jacob.l@merrittwelding.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

Hi Jacob,

The Heather Gardens Board is looking to revisit the Parking Structure #3 Stair you priced for me back in February. Is your pricing below still valid or would you need to update it and re-submit it?

Thanks,

Don O'Gorman
Contracts Manager



2888 S Heather Gardens Way, Aurora, CO 80014
Direct: (720) 974-6906
Main: (303) 755-0652 ext.106
Cell: (410) 501-4940
Don.ogorman@heathergardensmail.com

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Tuesday, February 22, 2022 1:46 PM
To: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

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

Awesome, so the price I gave you is good. The only thing it didn't include was the demo work. Let me know if you would like to move forward with the project.

Jacob Long

Merritt Welding & Fabrication, Owner



720-934-9943
5340 Tennyson St
Denver, Colorado 80212
<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Sent: Tuesday, February 22, 2022 12:47 PM
To: Jacob Long <jacob.l@merrittwelding.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

Jacob,

The old stairs have been removed. No demo is necessary.

Don

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Tuesday, February 22, 2022 11:19 AM
To: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

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

Ok sounds good, The last thing is are you having another company remove the existing stairs? We don't do the demo and removal on fully concrete stairs like that.

So for the fabrication and installation of the new stairs and railings for the stairs and landing your looking at \$18,267.50 If you would like to move forward with the project we require 50% deposit for covering all materials and shop drawings and the remaining balance is due upon completion.

Price Includes:

- Fab Labor
- Install Labor
- Materials
- Galvanizing All Steel
- Primer Coat
- Shop Drawings

Jacob Long
Merritt Welding & Fabrication, Owner



720-934-9943
5340 Tennyson St

Denver, Colorado 80212
<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Sent: Tuesday, February 22, 2022 8:39 AM
To: Jacob Long <jacob.l@merrittwelding.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

For now, it will be different. We may be replacing the railings in the future. But for now, they will be different.

Don

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Tuesday, February 22, 2022 7:35 AM
To: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

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

OK Sounds good, The railings look different on the drawings from what is there now. Are we going to possibly be replacing the existing railing to match? Or is the landing and stair railing just going to be different?

Jacob Long
Merritt Welding & Fabrication, Owner



720-934-9943
5340 Tennyson St
Denver, Colorado 80212
<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>
Sent: Tuesday, February 22, 2022 7:32 AM
To: Jacob Long <jacob.l@merrittwelding.com>
Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

Jacob,

It will just be one flight of stairs, going from the ground to an upper-level parking deck. Attached is the only picture of the old stairs I have. The old stairs are concrete the new are to be metal.

Don O'Gorman
Contracts Manager
Heather Gardens
720-974-6906
410-501-4940

From: Jacob Long <jacob.l@merrittwelding.com>
Sent: Tuesday, February 22, 2022 6:52 AM

To: Don OGorman <Don.OGorman@HeatherGardensmail.com>

Subject: RE: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

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

Hi Don, For the stairs that are needing to be replaced are there more than one flight? If so how many? Also can you send me any pictures you may have of the existing stairs?

Jacob Long

Merritt Welding & Fabrication, Owner



720-934-9943

5340 Tennyson St

Denver, Colorado 80212

<http://merrittwelding.com>

From: Don OGorman <Don.OGorman@HeatherGardensmail.com>

Sent: Friday, February 11, 2022 8:35 AM

To: Jacob Long <jacob.l@merrittwelding.com>

Subject: Heather Gardens - Parking Structure #3 - New Metal Stair Drawings

Hi Jacob,

I received your voicemail about looking at the stairs we are looking to install at PS#3 here at Heather Gardens. Attached are the drawings. If interested in the project please provide pricing, including city of aurora permit fees. Please feel free to contact me with questions.

Thanks,

Don O'Gorman

Contracts Manager

Heather Gardens

720-974-6906

410-501-4940



PROPOSAL / CONTRACT

5801 Downing St.
 Denver, CO 80216
 720-495-8051 Office
 303-922-3919 Fax
 sunnydayconcrete.com

Job: **PS-3 North Stair - 3022 S. Wheeling Way**

Plans By: BC&E, LLC
 Plan Date: 1/13/2022
 Location: Aurora, CO

Bid#: 1562
 6/22/2022 8:54:21 AM
 "This Proposal Replaces All
 Previous Proposals for the
 Same Work."

TO: **Heather Gardens**
 2888 S. Heather Gardens Way
 Aurora, CO 80014

Attn: **Don O'Gorman - Contracts Manager**
 T: (720) 974-6906 F: () - 0 Don.OGorman@heathergardens.org

Specifications:

1. Pier Installation:
 - * Form and place (6) concrete piers per plan 1/R-1.
 - * Saw-cut and remove existing sidewalk as needed to accommodate pier layout.
 - * Drill 16" diameter piers to a finished depth of 36". Place Sono-tube form, extending 6" above grade.
 - * Reinforce each pier w/ (4) vertical #3 & 10" diameter #3 rings @ 6" O.C.
 - * Place 4500, air-entrained concrete mix design (E/G-1). Light broom finish for surface texture.
 - * All grouting and slab patch back to be determined at later date & priced accordingly.

NOTE: Top of pier elevations may vary w/ grade. Please notify SDC if consistent T.O.P is preferred. Pricing reflects two mobilization to allow for inspection day. All concrete to be placed utilizing line pump or buggy.

Plans Included in This Bid

Plan# / Desc.	Fnd/Walls/Etc.	Flat/Site/Misc.	Total
1. Pier Installation	\$5,480.12	\$0.00	\$5,480.12
	Fnd/Walls/Etc.	Site/Flat/Misc.	Grand Total:
Totals	\$5,480.12	\$0.00	\$5,480.12

Notes / Inclusions / Exclusions:

Includes:

Demo, hauling, drilling, concrete, reinforcement, labor, patch back, & misc. material / small tools as needed to complete job outlined above.

Excludes:

Testing, engineering, surveying, traffic control plans / permits, landscaping, irrigation/electrical relocates / or repairs, private locates, embeds, grouting, slab patch back. Change orders to be Completed in writing.

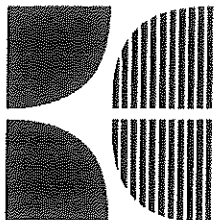
- * Excludes any items not specifically mentioned above!
- * Accessibility to job site and cost of concrete pumps and export of footing spoils are not a part of this proposal unless specifically mentioned above!
- * This is a non-prevailing wage and a non-public works job, unless otherwise noted.
- ** This proposal may be withdrawn by Sunny Day Concrete, LLC if the start of this project is in conflict with the availability of manpower and/or other resources and / or 30 days have passed from date of this proposal.
- * All grades are to be established to + or - 1/10 and brought to proper compaction.
- * Progress payments to be made as work is completed, unless other arrangements are made.
- * Interest will be added to over due invoices at 1.5% per month. If it becomes necessary to take legal action for nonpayment, the prevailing party will also be awarded reasonable attorney's fees.

VERY IMPORTANT PLEASE READ:

- * ICE MELTING CHEMICALS SHOULD NEVER BE USED ON CONCRETE
- * FERTILIZER CAN CAUSE RUST MARKS
- * POSSIBILITY OF CRACKS IN CONCRETE FLATWORK TO BE CONSIDERED NORMAL
- * CONCRETE IS HANDWORK, PUDDLES MAY OCCUR.
- * COLOR CAN VARY BY TEMPERATURE, HUMIDITY AND SUNLIGHT
- * DUE TO COLORADO SOIL CONDITIONS, SUNNY DAY CONCRETE IS NOT RESPONSIBLE FOR CONCRETE CRACKING OR BREAKING
- * TROWEL MARKS ARE NORMAL
- * BROOM FINISH CAN VARY DUE TO SHADE AND SUNLIGHT
- * NOT RESPONSIBLE FOR UNSEEN SPRINKLER OR UTILITIES UNDER CONCRETE
- * SUNNY DAY CONCRETE, LLC IS NOT RESPONSIBLE FOR VANDALISM OR WEATHER ONCE JOB IS COMPLETED AND FORMS ARE REMOVED

Sunny Day Concrete

CONCRETE PIERS FOR PS#3
STAIRS



Restruction®

a division of structural

Mike Wyman
3870 Platte Ave
Sedalia, CO 80135
Mobile(303) 688-8244
mwyman@structural.net
www.structural.net

Proposal No. FY22-Misc
Parking Structure 3 North Stair Foundation
March 17, 2022

Mr. Don O'Gorman
Contracts Manager
The Heather Gardens Association
2888 Heather Gardens Way
Aurora, CO 80014

Re: Parking Structure 3 North Stair Foundation

Dear Don:

Thank you for giving Restruction, a division of Structural Preservation Systems, LLC ("Restruction"), the opportunity to prepare a proposal for the placement of the foundation of the new stair at the North end of parking structure three.

Restruction trusts that we have provided adequate detail for your evaluation and that we have expressed our desire to work with your company on this project. The following outlines the project scope of services, working conditions, exclusions and support by others, safety considerations, estimated schedule, financials, suggested next step and attachments as they relate to this project.

SCOPE OF WORK

1. Installation of the new foundation system for the stairs at the North end of parking structure 3 as shown in the plans by BC&E, LLC dated January 13, 2022.
2. Pricing includes the traffic coating application at the top of the stairs, estimated 12 square feet. ?

GALVANIZED METAL Why Would NEED TRAFFIC COATING?

WORKING CONDITIONS

- 1) This proposal is based on performing work during a single mobilization and uninterrupted work schedule while on site.
- 2) This proposal is based on performing all work in a maximum of one phase.
- 3) This proposal is based on the following working hour assumptions:
 - a) Daytime work hours.
 - b) Four (4) day week MTWT.
- 4) This proposal is based on the following labor rate assumptions:

- a) Open shop labor without prevailing wages

SUPPORT BY OTHERS (at no cost to Restruction) SHALL INCLUDE THE FOLLOWING

- 1) Site utilities, including but not limited to:
 - a) 110V, 220V, and/or 480V, 60 amp power electric available at existing outlets/panels.
 - b) Toilet facilities.
 - c) Potable water.
 - d) Adequate Lighting per OSHA standards, i.e. 10 foot-candles of illumination.
 - e) Payment for all required utility costs.
- 2) General site support, including but not limited to:
 - a) Parking for employees, service vehicles and 2nd tier sub-contractors.
 - b) Storage area, including location for dumpster.
- 3) Active work support, including but not limited to:
 - a) Traffic control, barricades, signs, pedestrian protection, etc.
- 4) All permits, including but not limited to: Building, Construction, Public Space, Maintenance of Traffic, and Sidewalk.
- 5) Third Party testing, engineering, and inspection, including scheduling, communication and coordination.

SCOPE CLARIFICATIONS

- 1) Pricing is based on award of the full scope of work. Restruction reserves the right to modify pricing should a partial scope be awarded.
- 2) This proposal is based on the following documents prepared by BC&E, LLC:
 - a) Drawings Sheets G-1 – R-2, dated January 13, 2022.
 - b) Pricing includes traffic coating at the top of the stair, estimated 12 square feet.
 - c) Pricing **does not** include the steel stair or it's installation.
- 3) This proposal is based on a start date of Fall 2022.
- 4) This proposal is based on a schedule of approximately 1 week.
- 5) Pricing is based on site conditions and logistics as of the March 14, 2022. If site conditions change prior to or during the work schedule that may affect, access, ventilation, phasing, material handling, additional costs may apply.
- 6) Restruction will facilitate obtaining any necessary permits and will pass along the direct cost of the permits to the owner which will be in addition to the price outlined below. **→ Will A CONCRETE PERMIT BE REQUIRED. METAL STAIR CONTRACTOR TO PROVIDE PERMIT FOR STAIR**
- 7) Restruction is not responsible for damage to unknown embedded utilities.
- 8) Restruction is a Merit Shop contractor and as such does not have any agreements with labor organizations. Accordingly, Restruction will not be responsible or liable for any delays, damages or disruptions of any kind resulting from union interference with the progress of the work, strikes, picket lines, boycotting, jurisdictional disputes, or any other type of labor dispute of any kind or nature.

EXCLUSIONS

- 1. Sales tax. **- PLEASE ADD, CONSIDERING THIS AS AN HGA PROJECT.**
- 2. Permits and fees. **- STAIRS YES, CONCRETE TOO REQUIRED?**
- 3. Testing and inspections.
- 4. Special insurance such as OCP, railroad, marine / longshoreman workers comp, builder's risk, etc.
- 5. Prevailing wages.
- 6. Teamsters, Operating Engineers or any other union personnel.

Confidential: Any unauthorized use or distribution is prohibited.

7. Bonds and associated costs.
8. Design and any engineering.
9. Winter / temporary heating.
10. Asbestos and other hazardous waste removal.
11. Air quality monitoring.
12. Steel work, including grouting, drilling and doweling for steel installations. *Setting STEEL Anchors IN CONCRETE*
13. Repair and painting of minor damage to drywall and other interior finishes that may be caused during Restruction's work, including removal and replacement of the existing interior wall cove bases.
14. Any special safety requirements.
15. Any work specifically not included in this proposal.

PROJECT SAFETY CONSIDERATIONS

Safety is a core principle – there is nothing more important in what we do, 24/7. We owe it to our clients. We owe it to our employees. We owe it to the families of those that count on us. It's a moral and ethical requirement of our business.

Restruction's Frontline Safety Program in combination with a project-specific Safety Execution Plan will ensure that safety will be a primary measurement of success on this project.

SCHEDULE

As arranged between The Heather Gardens Association and Restruction. Restruction anticipates a schedule of approximately one week.

PRICE

PRICING OPTION 1 UNIT PRICE / BASE PRICE

All work shall be paid for in accordance with the following schedule of values:

Installation of drilled piers for new stair at the North end of parking structure 3 Lump sum	\$12,785.00
To perform work in the Spring of 2022 on a Friday/Saturday schedule ADD	\$2,860.00

PAYMENT TERMS

- 1) The mobilization charge will be invoiced upon arrival at the jobsite and will be payable in thirty (30) days.
- 2) Invoices shall be submitted monthly and are payable within thirty (30) days from date of invoice. One and one-half percent (1.5%) interest per month is due on any unpaid balance after thirty (30) days.

CONTRACT TERMS

Please find below our proposed general conditions (Attachment A) for this agreement. If these are not acceptable, we are open to considering another form of agreement such as an AIA contract or the terms can be customized and mutually agreed upon.

Confidential: Any unauthorized use or distribution is prohibited.

I:\JOBS\Heather Gardens PS3 stair foundation\Proposal-Contract-Change Orders\March 17, 2022 proposal.docx 03/17/22

EXPIRATION

This proposal may be withdrawn if not accepted within thirty (30) days of the date of this proposal.

Sincerely,

Restruction a division of STRUCTURAL PRESERVATION SYSTEMS, LLC.



Michael R. Wyman
Director of Estimating

ACCEPTANCE OF PROPOSAL:

The above Conditions, Specifications, Prices and General Conditions are hereby accepted. You are authorized to proceed to do this work and payment will be as stated above.

ACCEPTED BY:

Authorized Signature

Title

Date

Attachment A General Terms and Conditions

1. Beginning Work:

Restruction, a division of Structural Preservation Systems, LLC ("Contractor"), shall be allowed reasonable time for delivery of materials and labor for required performance. Client shall use its best efforts to assure that the work area is accessible and appropriate for Contractor's work.

2. Bonds & Insurance:

2.1. The cost of bonds is not included. If Performance and Payment Bonds are required, Client is responsible for all associated premiums and will satisfy Contractor's bonding company underwriting requirements including confirmation of funding and use of standard AIA A311/A312 bond forms.

2.2. Contractor shall maintain the insurance coverages described below during the performance of the Services:

2.2.1. Worker's Compensation as required by statute; Employer's Liability with a limit of liability of \$1,000,000.

2.2.2. Comprehensive General Liability including Completed Operations with the following limits:

2.2.2.1. Bodily Injury - \$2,000,000 each occurrence/\$4,000,000 Aggregate

2.2.2.2. Property Damage - \$2,000,000 each occurrence/\$4,000,000 Aggregate

2.2.2.3. Automobile Liability on all owned, leased and hired automobiles with the following limits:

2.2.2.4. Bodily Injury - \$2,000,000 Each Occurrence

2.2.2.5. Property Damage \$2,000,000 Each Occurrence.

Upon request, Contractor will provide a certificate of insurance which will include the Client as additional insured. Any other insurance required will be furnished at Client's sole cost, if available.

2.3. Client (and/or Owner, if other than Client) shall insure, for their full insurable value, the Project site, and the Project itself against all losses and damages including, but not limited to, those which might result from risks insurable by a combination of a fire and extended coverage policy, a boiler and machinery policy, a business interruption policy, an ocean (and air) transit policy, and a broad form "All-Risks" policy, whichever coverage(s) are applicable to the Project. Client hereby waives all recovery and subrogation rights that it or its insurers may have against Contractor and its subcontractors for any losses or damages to the property to be insured under this subparagraph (c). If Client is not the Owner of the Project, it shall obtain a similar waiver from Owner for Contractor's benefit.

3. Payment:

3.1. Payment is a material issue. Payment by Client for Contractor's performance is not subject to any contingencies or conditions. If payment is not made within thirty (30) days, Contractor may stop work after three (3) days' written notice to client without prejudice to any other remedy it may have including the right to file a lien, claim, or notice thereof. No back charges or claims shall be valid unless agreed to in writing by Contractor. Retainage shall not exceed 5% for the duration of the project.

3.2. Client shall not withhold payments due to third party general liability claims if the liability for such claim(s) has been accepted by Contractor's insurer.

4. Warranty:

4.1. Contractor warrants to the Client that the work described herein will be free from defects in material and workmanship. If within one (1) year from date of Substantial Completion of Contractor's Work, or as otherwise mutually agreed upon in writing between Contractor and Client, Contractor receives from the Client prompt written notice that the material or workmanship does not meet such warranties, Contractor will cure, within a reasonable amount of time, each such defect including nonconformance with the specifications, weather-permitting. THERE ARE NO OTHER REMEDIES, LIABILITIES (INCLUDING NEGLIGENCE) OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLICABLE TO THE MATERIAL AND/OR SERVICES. Contractor's sole responsibility and Client's exclusive remedy is limited to repair or replacement as above provided.

4.2. Any manufacturer's warranty provided for materials shall be provided as a direct warranty, which shall be enforceable only against the manufacturer. Client shall be solely responsible for enforcing any such warranty.

4.3. Restruction, a division of Structural Preservation Systems, LLC, does not provide a warranty for chemical grouting work.

5. Delays

5.1. Contractor is not responsible for, and is entitled to extensions of time for, weather delays and other delays out of its control, (including, without limitation, those caused by; the Client, Owner (if not the Client), General Contractor, other contractors and subcontractors, Architects, Engineers; terrorism, armed conflict or economic dislocation; embargoes of labor, unavailability of raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of civil or military authorities; vendor priorities and allocations; or fires, floods, accidents and acts of God). In addition, Contractor can stop work if it considers the jobsite conditions unsafe or if another contractor working at the Project site is being unsafe.

5.2. Contractor's liability for delay damages is limited to liquidated damages in an amount mutually agreed upon by Contractor and Client, if any, which shall be Client's sole and exclusive remedy for any damages resulting from Contractor's delay. In no event shall the aggregate amount of any liquidated damages exceed five percent (5%) of the contract price. Contractor shall not be liable for any other actual, punitive, indirect, incidental or consequential damages of any kind.

5.3. If Contractor is delayed in any manner by the acts, errors, or omissions of the Client or Owner (if not the Client), their separate contractors (of any tier), Architect, Engineer, or by an employee or agent of any of them, then, in addition to any applicable extension of time, Contractor shall be entitled to compensation for any reasonable damages caused by the delay.

6. Liability:

6.1. Contractor shall not be liable to any party for claims of any kind related to asbestos, lead paint or mold or any other hazardous materials. If Contractor encounters (1) hazardous materials, or (2) subsurface or latent physical conditions which differ from those disclosed to

Contractor in the Contract Documents or those ordinarily encountered at a site similar to the Project, then Contractor shall be entitled to an equitable price and schedule adjustment to compensate it for such conditions.

- 6.2. Liability or damages associated with water leakage shall be the responsibility of the Client unless caused by Contractor's sole negligence.
 - 6.3. Client shall be responsible for any and all property damage and/or bodily injuries (including but not limited to injuries to Contractor's employees) that result from damage to interior and/or exterior underground/overhead/surface mounted/embedded utilities or structures unless caused by Contractor's sole negligence.
 - 6.4. Contractor's responsibility for any claims, damages, losses or liabilities arising out of or related to its performance of this contract, including but not limited to any correction of defects under the Warranty, shall not exceed the contract price. Except to the limited extent provided in Section 5.b. above, in no event shall Contractor be liable for any special, indirect, incidental, consequential, delay or punitive damages of any character, including but not limited to: loss of use of productive facilities or equipment, lost profits, governmental fines or penalties, property damages, personal injuries or lost production, whether suffered by Client or any third party, irrespective of whether claims or actions for such damages are based upon contract, warranty, negligence, strict liability or otherwise.
7. **Indemnification:**
- 7.1. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless the Client, its Engineer, and agents and employees of either of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by negligent acts or omissions of Contractor, its subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable.
8. **Dispute Resolution & Governing Law:**
- 8.1. All claims, disputes, and other matters and questions arising out of, or relating to this Contract or any breach which cannot be resolved through negotiation, may be submitted to mediation before the American Arbitration Association. If the dispute is not resolved through mediation, the parties may elect to proceed to binding arbitration before the American Arbitration Association in accordance with the Construction Industry Arbitration Rules then in effect. The prevailing party shall be entitled to recover all costs and reasonable attorney's fees incurred (whether pre-litigation, at mediation, arbitration or trial level and in any appeals).
 - 8.2. Prior to exercising any remedies based on default, deficiency, delay or failure in the performance of the Work, the Client shall provide Contractor with prompt written notice and an opportunity to cure within a commercially reasonable time.
 - 8.3. This contract shall be governed by the law of the jurisdiction in which the project is located.
9. **Price Escalation:**
- 9.1. All pricing given in this proposal represents current market prices and conditions for labor and materials. Increased costs due to changes in material prices, project delays due to material shortages and unexpected lead times, and labor rates at the time of delivery or during performance will be brought to the Client's attention with the understanding that equitable adjustments to the contract price will be made. Pricing also represents the current availability of materials, equipment and supplies needed for the proposed project. Changes in supply chain availability, once known, will be communicated to the client within three (3) business days and potential alternates will be proposed, if available.
 - 9.2. If the pricing for the Work includes unit prices, the unit prices specified assume that the designated quantities will be provided. If more or less than the specified quantities are actually provided, Contractor shall be entitled to an equitable adjust to the contract price to reflect loss of production efficiency, increased unit costs of production and/or installation and other similar factors.
10. **Mock-ups (if applicable):**
- 10.1. Contractor will prepare a mock-up based on the specified work scope for each repair item to set the quality and aesthetic standards for repair. Should the desired results not be achieved, further investigation and continued work may necessitate additional costs for the specified repairs. If the Client does not approve the mock-up, Contractor reserves the right to terminate the contract and recover all actual, incurred costs in completing the mock-up.
11. **General Contractor Clients (if applicable):**
- 11.1. If Restruction is contracting as a Subcontractor to a General Contractor, a copy of the prime contract and an electronic copy of the overall project schedule will need to be provided for review prior to contract execution and commencement of work.

DENVER COMMERCIAL PROPERTY SERVICES

YOUR TRUSTED EXPERTS FOR ASPHALT & CONCRETE



Prepared For: Don O'Gorman

Prepared By: Andy Denker

Date: 3/23/2022

Project Address: 2888 S Heather Gardens Way



**ASPHALT
& CONCRETE**

Denver Commercial Property Services, Inc.
6245 N Clermont
Commerce City, CO 80022

Don O'Gorman
Heather Gardens
2888 S Heather Gardens Way
Aurora, Colorado

Proposal - 2888 S Heather Gardens Way
Project Name: Heather Gardens - Concrete Piers
Proposal #: 44643
Proposal Date: 3/23/2022

DESCRIPTION	QTY.	COST
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CONCRETE

16"x 3' Drilled Piers	Anchor bolt install and grouting by others. Location of piers by stair supplier	6	\$12,855
CONCRETE - TOTAL			\$12,855
		TOTAL	\$12,855

CONDITIONS & EXCLUSIONS

Conditions: 30 Day net terms upon project completion. Price includes one equipment mobilization.

Above quoted pricing is valid for 30 days. Pricing is based on acceptance of ALL quoted line items. Price is valid until: 4/22/22

Signature

Name

Title

Date

Exclusions: Bonding, permits, sales and use taxes, testing, engineering, surveying, compaction analysis, traffic control (unless specifically included in above quote), fencing, concrete pumping or conveying (mix to be delivered and placed directly out of ready mix truck), cold weather protection or cold weather additives in concrete mixes, correction of drainage issues, subgrade work, excavation, removing or replacing unsuitable material, removing existing waste, concrete reinforcement, concrete dowels, colored or decorative concrete, crack sealing at transition between asphalt and other hard surfaces, caulking/grouting, erosion control, cold weather protection, frost removal, soil sterilization, hoisting, waterproofing, sweeping, site water and water metering, railings, utility adjustments, vehicle towing, work site obstruction clearance, liquidated damages, Davis Bacon wages, oil spot priming.

Damage to: Electrical work, conduit, lighting, snow/ice melt systems, landscaping, irrigation, objects obscured from view. Liquidated damages, customer scope of work changes, liability of work performed by others. Delays caused by others parties and acts of nature. Sealcoat warranty does not include treatment for excessive alligator cracking of asphalt.

DCPS is not responsible for any damage due to others moving or crossing through barricades before proper curing time. Work areas are closed for 24 hours after completion.

All work areas, and areas required for equipment access, must be free from all debris and vegetation prior to work commencing. Any clean up or removal required to perform contacted work as scheduled and agreed to by customer will be charged to the customer.

Customer is responsible for removing from all work areas and areas required for equipment access, prior to work commencing, all vehicles, dumpsters, permanent or temporary structures, or any other object that would obstruct or delay contracted work from being performed as scheduled. Customer may be charged for crew wait times. If towing is required, DCPS will charge \$100 per vehicle towed which will be charged to the customer. Customer is responsible for providing on site water source.

Pricing includes one mobilization per service (e.g., mill & pave, paint & stripe, sealcoat & crack seal, concrete demo & pour) to complete the job on consecutive days. If customer has conditions, including work areas not being cleared of vehicles or other obstructions, that require more than one mobilization, additional mobilization fees shall be charged to customer.

Pricing for asphalt work based on Grade S & SX with 20% RAP.

Sealcoat warranty excludes areas of excessive alligator cracking.

DCPS does not guarantee proper drainage when existing ground slope is less than 2% for asphalt and 1% for concrete. Customer must provide an on-site water source.

Unless specified in the proposal, pricing does not include any costs or fees for government (federal, state, local) inspections, permits, rights of way, testing, or other costs required to legally perform the scope of work as per the proposal.

Customer is responsible for marking all underground utilities, hazards, and obstructions and making DCPS aware of their specific locations.

All work performed by DCPS is guaranteed against defects in materials and workmanship for a period of one (1) year from the date of installation. The guarantee does not cover deficiencies or failures caused in whole, or in part, by:

- Water damage or pooling from existing grade slopes less than 2% for asphalt or 1% for concrete
- Damage from snow plows, deicers, or excessive application of corrosive chemicals
- Vandalism
- Unstable or changing subgrade conditions not clearly identified by the property owner in the RFP
- Damage due to vegetation including tree roots
- Weight loads that exceed the asphalt rating or occur before asphalt curing period
- Cracks caused by wet subgrade soil, cracking from shifting subgrade soil
- Force Majeure

Americans with Disabilities Act: Customer is solely responsible for maintaining the property in full compliance with the ADA and agrees to indemnify and hold Denver Commercial Property Services (DCPS) harmless from and against any and all liability, claims, damages, or expenses, including attorneys' fees, relating in any way to ADA requirements or issues at the property. DCPS recommends that the customer hire a certified ADA consultant for property evaluation and recommendation to comply with Federal, State, or Local laws.

— Overview

— Our Proven Approach

— Our Team

— Case Studies

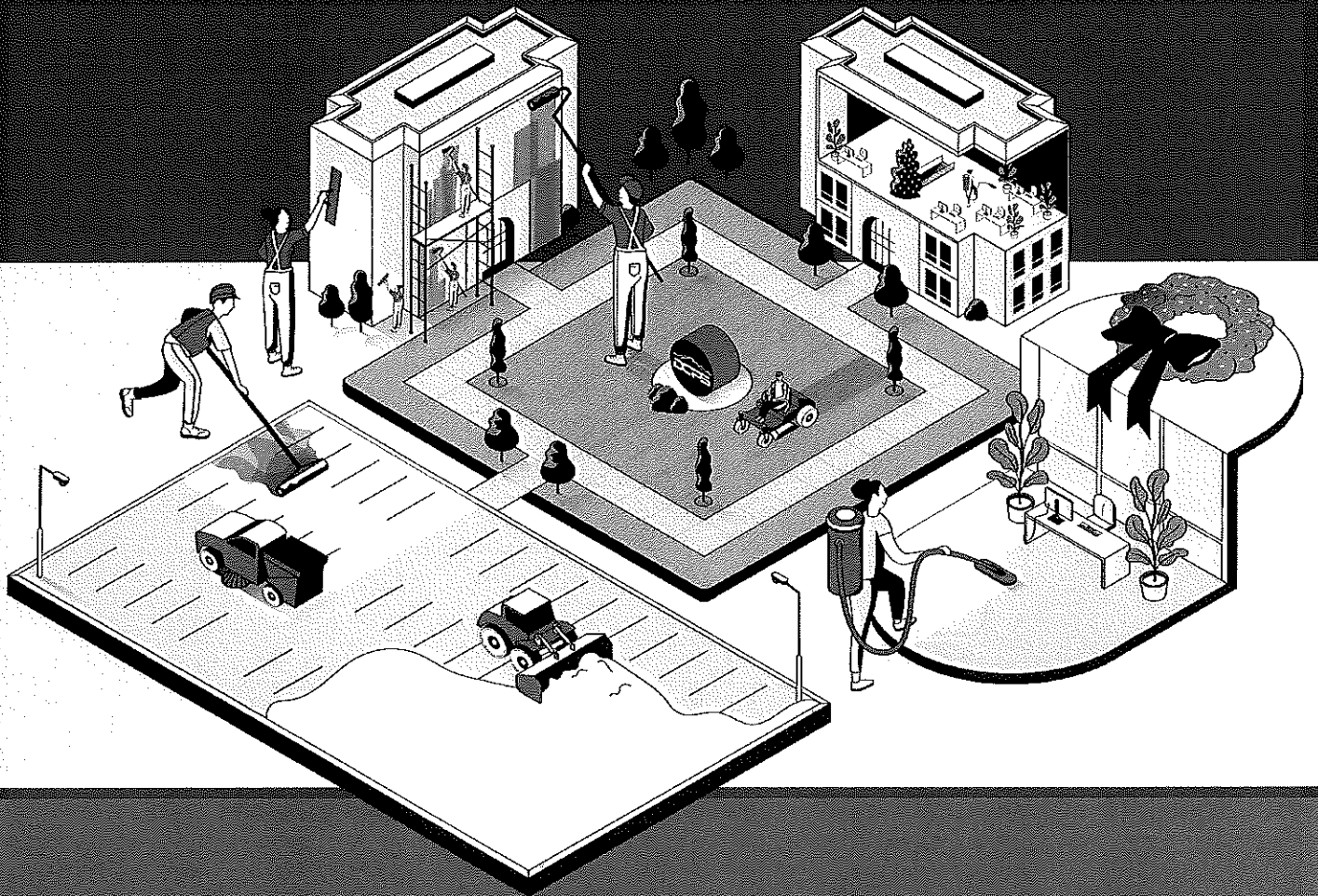
ASPHALT & CONCRETE





DENVER COMMERCIAL PROPERTY SERVICES

Denver Commercial Property Services has leveraged unparalleled customer service to become the largest, privately owned provider of services to commercial property owners and managers across Colorado.



OUR INDEPENDENTLY OPERATED DIVISIONS

Serving over 1,100 commercial properties across Colorado

ASPHALT & CONCRETE

Repairs
Maintenance
Installation

PAINT & CONSTRUCTION

Stucco & Stone
Siding
Painting & Drywall

SNOW & SWEEPING

Snow Removal
Ice Management
Sweeping

WATERPROOFING

Traffic Coatings
Specialty Coatings
Sealants & Restoration

FOLIAGE & HOLIDAY

Foliage Design
Holiday Décor
Botanical Art Forms

JANITORIAL

Commercial Cleaning
Carpet & Floor Care
LEED/Green Cleaning

LANDSCAPING

Maintenance
Plant Health Care
Irrigation



OVERVIEW

IMPROVE THE APPEARANCE OF YOUR PROPERTY, MAXIMIZE THE LIFE OF YOUR ASPHALT AND CONCRETE, AND REDUCE YOUR OPERATING AND CAPITAL SPEND OVER THE LONG-TERM

WHY US?



MANAGERIAL STRENGTH AND SUPPORT

- Tenured management.
- Properly incentivized team with compensation tied to customer satisfaction.



WE SELF-PERFORM ALL WORK

- We are better able to control quality and price because we self-perform all asphalt work. Our asphalt team members are employees of DCPS; we don't rely on subcontractors like many competitors do.



NEW STATE OF THE ART EQUIPMENT

- Our fleet is less than five years old. Our advanced equipment produces the highest quality and consistency of results. We invested in all new equipment including milling machines and pavers. Our pavers use Moba 2D digital leveling and grade slope controls that eliminate the human inconsistency factor.



RELIABLE COMMUNICATION

- We document each project with photos and descriptive reports. We can send daily reports that let you track progress and share the information with your key stakeholders (tenants, owners, residents, etc).

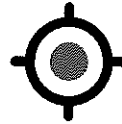
OVERVIEW

Proudly Serving Commercial Properties Across Colorado



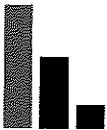
LOCALLY OWNED

Owners actively leading day-to-day operations.



CUSTOMIZED SITE-SPECIFIC STRATEGY

Advanced solutions based on our extensive experience.



PROJECT REPORTS

Extensive photographic reports documenting the work performed for the client's record.



GREAT PLACE TO WORK

We received the "Great Place to Work" award in 2020.



ALL NEW EQUIPMENT

With features that eliminate the human inconsistency factor.



SELF PERFORM ALL WORK

We don't use sub contractors and therefore can control quality of work.

Our Loyal Clients



OUR PROVEN APPROACH

ON SITE OBSERVATION

Our 20+ year industry veterans are available to accompany you on-site to discuss your key issues and concerns. We will perform a complete property walk through, taking photos and detailed notes to assess the condition and safety of the asphalt and concrete on your property.

GENERATE PROPOSAL

We will create a custom proposal for your property needs. This will include photos, detailed notes of our assessment, and comprehensive recommendations.

CUSTOMIZED WORK PLAN

Before we start your project, we develop a custom work schedule detailing what times work will be performed to minimize tenant and customer disruptions at your property. Once we begin, We will send a daily progress report detailing updates and the work performed on your property.

ALL SERVICES

- ADA Ramps
- Asphalt Patching
- Asphalt Paving
- Asphalt Striping
- Crack Sealing
- Curbs & Gutters
- Drain Pans
- Grading
- Installation
- Maintenance
- Sealcoating
- Sidewalks

DCPS OWNED EQUIPMENT

- Roadtec RX-600e Milling Machine (7' width)
- Roadtec 195e Paver with GPS grade control
- Carlson CP 100 Paver (8'6" to 15' wide)
- CASE skid-steers with 24" milling heads
- CAT PM312 Milling Machine
- 3 tandem smooth drum vibratory rollers
- Tymco Sweeper Truck
- Crack seal and sealcoating equipment
- Parking lot striping equipment

Asphalt

MILLING & OVERLAY

An asphalt Mill & Overlay can be ideal if the foundation of your existing pavement is in good condition. Our first step is to remove the top layer of asphalt (2 to 4") with our milling machine. After the top layer is removed, we clean the surface, apply tack and apply a new top layer of asphalt.

Benefits of Asphalt Overlays:

- Adds structural strength
- Can improve drainage
- Less expensive than complete Remove & Replace
- Re-establishes proper grade and smooth surface
- Returns damaged pavement to near original condition

CONVENTIONAL PATCHING

Large damaged areas require conventional patching or Removal & Replacement of asphalt.

DCPS Will:

- Mill 2-4" deep in the existing asphalt
- Clean the area of debris and applying tack coat to the existing surface to ensure proper adhesion
- Apply new asphalt over tack coat, compact it with a roller
- Blend the edges for a seamless surface

Benefits of Conventional Patching

- Process can be done mostly year round
- Long lasting solution
- Can restore proper drainage



CRACK SEALING

Sealing cracks as soon as they happen is crucial to extending the life of asphalt.

- When moisture seeps through cracks, it creates much bigger and deeper problems.
- Moisture, and freeze thaw cycles, will accelerate the failure of asphalt.
- Vegetation can grow in cracks and the plant's roots can heave and crack the pavement.
- The type of repair depends on the type of crack; naturally occurring cracks often require only basic asphalt crack sealer.
- Larger or wider cracks and potholes need to be assessed or repaired prior to crack sealing.

SEALCOATING

Left untreated, asphalt pavement will deteriorate rapidly.

- The asphalt binder that holds the pavement together begins to weather and oxidize soon after installation.
- The asphalt loses flexibility and small cracks start to develop.
- Moisture penetrates the asphalt causing damage and deterioration.
- Application should be done every 3 years as part of your maintenance program.
- Sealcoating fills surface voids, acts to help waterproof the asphalt, and minimize the rate that water can penetrate. This is important in places like Colorado where water can freeze and further harm pavement. It also increases your pavement's flexibility.

Concrete

NEW INSTALLATIONS AND REPAIR & REPLACE

- Concrete offers a longer life span and lower maintenance costs, however, the initial investment is significantly higher than asphalt. Proper maintenance requires regular joint sealing and annual cleaning.
- Concrete is used for high water flow areas such as drains, v-pans, gutters and curbs.
- High traffic areas such as truck docks and dumpster enclosures should be constructed with concrete due to weight requirements and heavy vehicle wear & tear.

Over 45 years
in combined asphalt
and concrete experience

Awarded the
**Colorado Asphalt
Paving Award in 2018**

Notable Projects:

- Nissan High-Speed Oval Testing facility
- Falcon Field Airport
- I-15



In a recent survey, nearly 90% of our employees called our company a "Great Place to Work"

OUR TEAM

Local Active Ownership

WE ARE LOCALLY OWNED AND OPERATED



CRAIG BEHNKE CONTROLLER | 25 YEARS OF EXPERIENCE

e. craig.behnke@denvercps.com p. 303-809-4875



ANDY DENKER DIVISION MANAGER | 25 YEARS OF EXPERIENCE

e. andy.denker@denvercps.com p. 303-656-1736



TRAVIS POWER DIVISION MANAGER | 20 YEARS OF EXPERIENCE

e. travis.power@denvercps.com p. 720-998-1893



BILL BAUER CONCRETE SUPERINTENDENT | 15 YEARS OF EXPERIENCE

e. bill.bauer@denvercps.com p. 720-682-3304



CHRIS BERVERT ESTIMATOR | 2 YEARS OF EXPERIENCE

e. chris.bervert@denvercps.com p. 785-213-1745



COLIN TAYLOR PROJECT MANAGER

e. colin.taylor@denvercps.com p. 303-249-0620

ADDITIONAL SERVICES

From cutting edge Snow and Ice Management, Asphalt Repair and Maintenance, to Sweeping Services, we have your parking lots and walkways covered

ASPHALT

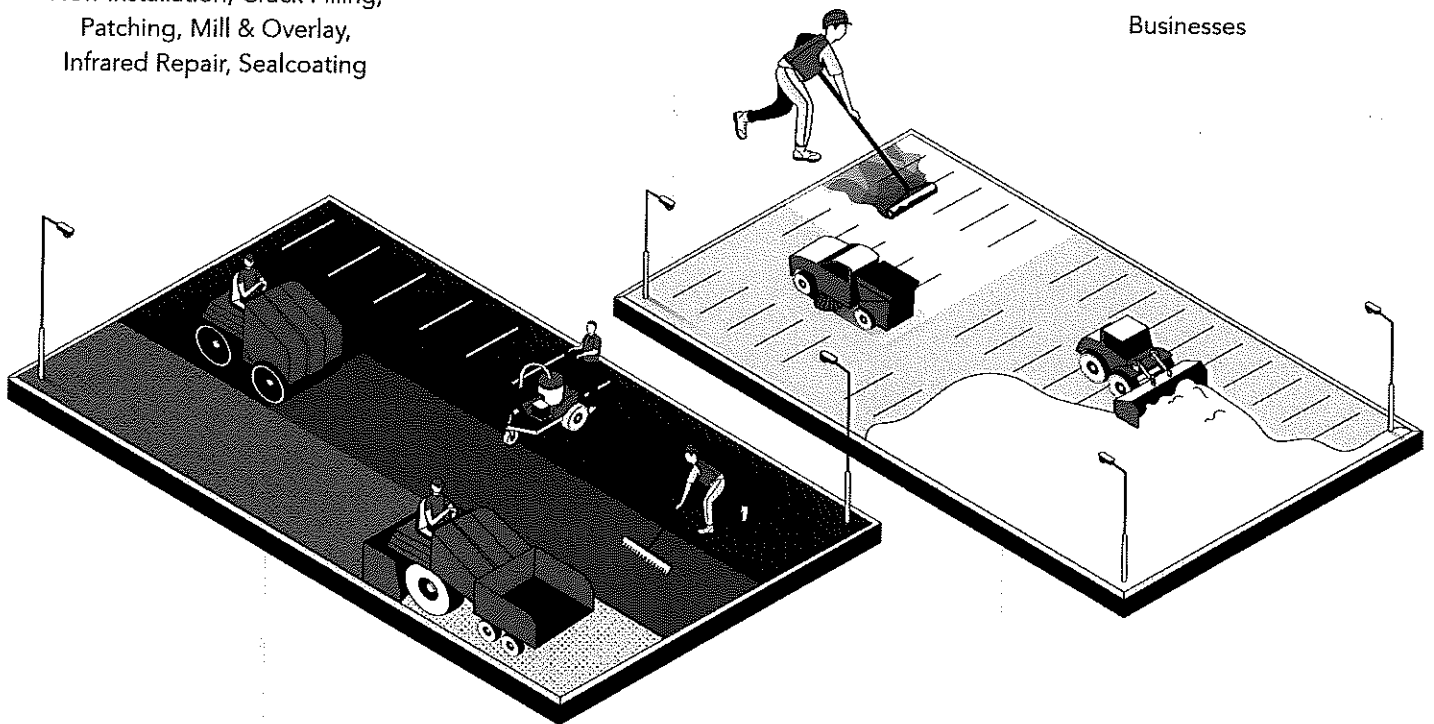
New Installation, Crack Filling,
Patching, Mill & Overlay,
Infrared Repair, Sealcoating

**WATERPROOFING
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**ASPHALT
& CONCRETE**

Budget and Finance Committee
Date: July 18, 2022

Motion: Recommend the Stairs Engineering and Design for Parking Structure 1-4

Project Cost: \$31,790

Based on the recommendation of the Maintenance Committee, I move that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve the contract with BC&E to provide design documents for the five remaining stairs needing to be replaced as a part of the Parking Structure Maintenance Plan for 2022 and to waive the three bids. The contract is for \$28,900 with a change order of \$2,890 for a total cost of \$31,790.

Motion made by:	
Seconded by:	

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

Rationale/Notes: The project total cost of \$31,790 is a part of the 2022 Parking Structure Maintenance budget of \$825,000. See the attached request for Capital Expenditure.

HEATHER GARDENS ASSOCIATION REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Parking Structure #1-4 Stair Engineering and Design (Remaining Five Stairs)

F801

DEPT: Contracts

DATE: 6/17/22

BUDGET Year: <u>2021</u> Tab: _____ Pg: _____	Budget Amount: \$ <u>825,000</u> Expended YTD: \$ _____ Unexp. Balance: \$ _____	Contract Amount: \$ <u>28,900</u> Change Order Res.: \$ <u>2,890</u> Total Project Cost: \$ <u>31,790</u> Add. Funds Request: \$ _____
--	--	---

DESCRIPTION: To design five steel stair structures to replace the existing deteriorated concrete stairs located at; PS#1 - East Stair, PS#2 - Northeast Stair, PS#3 – South Stair, PS#4 – (2) East Stairs. Once the designs are received from BC&E, they will be distributed to stair manufacturing vendors to provide pricing and installation cost.

JUSTIFICATION: (Attach backup material as required)

The Heather Gardens Parking Structure Advisory Committee has recommended to the HG Board of Directors to move forward with a ten-year Parking Structure Maintenance Plan to address the deteriorating condition of the four Parking Structures. BC&E has provided a Maintenance Plan over the next ten years to prolong the foreseeable life of the structures. 2022 is the first year we are going to implement the maintenance plan set fourth by BC&E. Per BC&E's Maintenance Plan stair replacement is scheduled for 2022. BC&E has provided all necessary evaluations and maintenance plan therefore the three-bid requirement is waived for this project. Moving forward with a different engineer is not advised at this stage of the maintenance plan, considering BC&E's extensive investigative work to date.

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

BC&E - \$28,900

RECOMMENDATION: The recommendation is to contract with BC&E to provide design documents for the five remaining stairs needing to be replaced as part of the 2022 (Year 1) Parking Structure Maintenance Plan. The contract amount for this project is \$28,900. A 10% change order reserve has been added to cover the cost of unforeseen items needed to complete the design. The design for the five remaining stairs is not to exceed \$31,790 without prior Heather Gardens board approval.

1. Department Head	2. Controller	3. ^{CEO} General Manager	4. Department Comm. Chair	5. Budget & Fin. Committee	6. HGA President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input 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.

June 7, 2022

Mr. Don O’Gorman
Contracts Manager
The Heather Gardens Association
2888 South Heather Gardens Way
Aurora, Colorado 80014

Re: REVISED Proposal for Design of Replacement Stair Structures at Parking Structures 1, 2, 3, and 4 (PS-1, PS-2, PS-3, and PS-4) and Limited Services During Construction
Heather Gardens, Aurora, Colorado
BC&E No. 22089

Dear Mr. O’Gorman:

At your request, BC&E, LLC. (BC&E) is pleased to present this proposal to design steel stair structures to replace the remaining concrete stairs at the above referenced parking structures and provide limited services during construction. We previously designed steel replacement stair structures at the southeast corner of PS-2 under BC&E project number 19059 and at the north end of PS-3 under BC&E project number 21144, although we understand the north stair at PS-3 has not been fabricated or installed as of the issuance of this proposal. In our updated evaluation report dated March 18, 2022, we recommended that the remaining concrete stairs be replaced with steel stairs due to the level of deterioration that we observed.

Based on our limited review of the original structural drawings, the post-tensioned tendons in the upper level slab extend out through the stair landings except at the south stair landing of PS-3. Therefore, we anticipate that we will need to include details to de-tension the tendons that extend into the stair landings, install new end anchorages inboard of the new steel stair landings, and restress the tendons, as part of the replacement stair Documents. Note that our previous stair replacement drawings did not include details for relocation of the tendon anchorages in the landings, as the stair replacements were a part of larger repair projects where tendon repairs were already taking place. Since tendon repairs are not currently planned at the four parking structures, these repairs will need to be accounted for in the stair replacement work.

Proposed Purpose and Scope of Engineering Services

We propose that the purpose of our services will be to design steel structures to replace the deteriorated concrete stairs, develop design Documents, and provide limited services during construction. We propose the following scope of services:

Document Development

We will design a total of five (5) steel replacement stair structures at the following locations:

- PS-1: East stair
- PS-2: Northeast stair
- PS-3: South stair
- PS-4: Northeast stair

- PS-4: Southeast stair

Two BC&E staff will visit the site to measure and document the existing conditions at each of the five stair locations in support of designing and developing drawings for the replacement stairs. We have assumed one day on site will be sufficient for this documentation.

We will develop Documents in the form of drawings and general notes sufficient in detail for a qualified contractor to bid and perform the work. The Documents will specify performance standards for the replacement stair structures and details for connecting the stair to the existing parking structure. The Documents will also include details and specifications for relocating the button-head post-tensioned tendon anchorages. We will issue one set of Documents that includes details for all five stair structures and we will incorporate the drawings for the north stair at PS-3 into the set since it has not yet been fabricated or installed. The Documents will be sufficient for the contractor to submit for permit.

Limited Services During Construction

The following includes limited services during construction for the five replacement steel stairs designed under this proposal as well as the north stair at PS-3.

Submittal Reviews and RFI Responses

We propose to review shop drawings submitted by the stair fabricator for compliance with the specified performance standards and provide feedback as necessary. We also propose to review material submittals from the contractor for the post-tensioned tendon repairs. We will respond to Requests for Information (RFIs) from the contractor and/or stair fabricator as part of our limited services during construction. Note that we have included a total of 20 hours for review and responses to the above, if additional time is required, we will review and respond as an Additional Service.

Site Visits

We have included four partial day site visits to review work related to the post-tensioned tendon repairs at four of the six stair locations prior to installation of the new steel stair structures. We have included one site visit to inspect the reinforcing steel and observe the concrete placement for the stair foundations. We have assumed we can inspect the reinforcing steel and observe concrete placement for foundations at all six stairs in one day. If the concrete placements are phased, we will need to revise the number of site visits and our fee accordingly. We will provide a report at the conclusion of the project summarizing our observations, recommendations, and documentation of the project. This will be the extent of our services during construction.

We do not propose to review the new steel stairs following installation or provide special inspections for the work. If these are required by the City of Aurora, we can perform these services as an Additional Service.

Fees, Terms, Conditions, and Limitations

We propose to provide our services on an hourly basis at the following rates: Senior Principal: \$260/hour; Principal: \$230/hour; Senior Associate: \$210-\$220/hour; Associate: \$120-\$170/hour; Technician: \$90/hour; and Administrative Support: \$85/hour. For the above-outlined scope of services, we anticipate that a breakdown of our fees and expenses might reasonably be as follows:

Document Development

Preparation of field sheets and coordination	\$500
Site visit and travel expenses to document existing conditions and as-built dimensions	\$3,500
Analyses and Design	\$5,000
Drawings and Specifications	\$8,200

Limited Services During Construction

Shop Drawing and Submittal Reviews and RFI Responses (Limited to 20 hours)	\$4,200
Site Visits (5 partial day site visits assumed)	\$5,500
Project Summary Report	<u>\$2,000</u>

TOTAL ESTIMATED FEE \$28,900

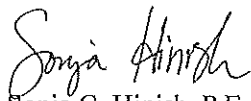
Additional services beyond those specifically outlined can be provided on an as-requested basis and will be billed on an hourly basis at the above-outlined rates.

Our Terms, Conditions, and Limitations (2018 Version - HG) are attached and are part of this proposal. Additional services beyond those specifically outlined can be provided on an as-requested basis and will be billed on an hourly basis at the above-outlined rates and in accordance with the terms of this proposal.

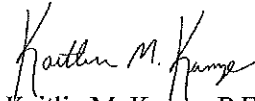
If you accept this proposal, please sign in the spaces provided below and return a complete copy of this proposal as our authorization to proceed. Please let us know if you have any questions.

Sincerely,

BC&E, LLC



Sonja G. Hinrich, P.E.
Senior Associate



Reviewed by: Kaitlin M. Kunze, P.E.
Associate

Enclosure

Proposal Accepted by:

Client: _____

Signature of Person Representing Client: _____

Title of Person Representing Client: _____



**TERMS, CONDITIONS, AND LIMITATIONS
OF THE SERVICE PROPOSAL (2018 Version - HG)**

BC&E PROJECT NO. 22089
PROPOSAL DATED June 7, 2022

GENERAL: The attached Proposal includes these Terms, Conditions, and Limitations, and constitutes an offer to perform services when signed by a representative of BC&E, LLC (herein BC&E) and delivered to Client. Client is the party to whom the Proposal is addressed and any other party signing Proposal. BC&E may withdraw or modify the Proposal at any time prior to acceptance by Client, and the Proposal will expire 30 days after submission to Client. The Proposal shall become an enforceable agreement when Client has (i) returned a signed copy to BC&E or (ii) authorized BC&E to commence services described in the Proposal. Any modifications Client makes to the Proposal shall not be enforceable unless initialed by BC&E. The Proposal shall be binding upon Client, BC&E, and their respective successors, assigns and representatives, and shall survive termination of BC&E's services. Neither party may assign, subcontract, or otherwise delegate its responsibilities without the prior consent of the other party.

PERFORMANCE AND STANDARD OF CARE: BC&E will furnish all professional services in a timely manner, utilizing the same degree of skill and care ordinarily exercised by members of BC&E's professions who perform similar services, under similar circumstances, and at the same time. BC&E makes no guarantees or warranties, express or implied, with regard to its services.

CLIENT OBLIGATIONS: At no cost to BC&E, Client shall provide BC&E with all information regarding Client's requirements to ensure the orderly progress of services, and shall designate a person to act as Client's representative with authority to receive information, provide instructions, and set parameters for BC&E's services. BC&E is entitled to rely upon all information and instructions Client provides. Client shall also provide BC&E with safe access to, and make all provisions for entry upon, the subject property as necessary for BC&E to furnish its services.

SITE WORK LIMITATIONS: BC&E will perform site services only under conditions it, in its sole discretion, deems safe. BC&E reserves the right to charge for safety measures required by any hazardous job condition encountered. BC&E shall be responsible only for the safety of its own employees, but not for the safety of other persons or property. BC&E will take reasonable precautions to minimize damage to Client's property. However, in the normal course of its services, damage may occur, and BC&E shall not be liable for this damage. BC&E shall not control or be responsible for the contractor's activities, including but not limited to, supervision of the work, construction means, methods, and sequencing, the contractor's failure to generally comply with the contract documents, compliance with regulatory requirements, the construction schedule, timely completion of the work, and construction safety precautions and programs.

COMPENSATION, EXPENSES, AND BILLING TERMS: Client shall pay for BC&E's services in accordance with BC&E's hourly rates or a negotiated fee. Reasonable expenses such as travel, subsistence, out-of-pocket expenses, and shipping charges will be billed at cost plus 10 percent. Vehicle use will be billed at \$0.60 per mile. Materials expended during site services, rental equipment, and any subcontracted services will be billed at cost plus 10 percent. BC&E equipment used on site is billed at approximately 1 percent of its cost per day, subject to adjustment for minimum or extended usage. BC&E may increase hourly rates periodically. Client also agrees to pay BC&E's then-current time charges, expenses, and attorney fees relating to deposition, hearing, and trial attendance and for responding to subpoenas or court orders relating to BC&E's services.

Charges will be invoiced monthly, or as described in the Proposal. Payment in full is due upon receipt of BC&E's invoice. Invoices not paid within 30 days of the invoice date are past due and will incur interest of 1.5 % per month, a \$50 per month administrative charge, and any related collection expenses and attorney fees.

TERMINATION: Either Client or BC&E may terminate BC&E's services for convenience upon seven (7) calendar days' written notice to the other party. BC&E shall be entitled to compensation for its services and expenses up to the termination date. BC&E may also suspend or terminate its services if Client fails to make payment when due, provided BC&E gives seven (7) calendar days' written notice to Client, if practicable. BC&E shall have no liability to Client for delay or damage related to BC&E's termination of its services.

INTERPRETATION: Colorado law shall govern the interpretation and enforcement of the Proposal. The Proposal constitutes the entire understanding of the parties and supersedes all prior negotiations and written agreements. Any amendment or modification to the Proposal shall be made in writing and signed by BC&E. If any provision of the Proposal is determined to be unenforceable, the remaining provisions shall remain enforceable.

BC&E

OWNERSHIP AND USE OF WORK PRODUCT: BC&E retains ownership of all work product it creates, including reports, drawings, specifications, test data, techniques, photographs, letters, notes, and other materials, whether in printed or electronic form. Client may use BC&E's work product solely for the purpose it was prepared. Client shall not reproduce, use, or alter BC&E's work product for other projects or for making future modifications to the subject project, without BC&E's prior written consent. Any unauthorized reproduction, use, or alteration of BC&E's work product shall be at Client's sole risk, and Client shall indemnify and defend BC&E for any claim, liability or legal exposure to BC&E resulting from such reproduction, use, or alteration. If BC&E terminates its services due to non-payment, Client shall not be entitled to use BC&E's work product for any purpose.

ENVIRONMENTAL HAZARDS: BC&E's services exclude the detection, investigation, evaluation, or abatement of any environmental materials BC&E may encounter, such as mold, lead, asbestos, PCBs, hazardous substances, or toxic materials present in buildings and structures. Client agrees to defend, indemnify, and hold BC&E harmless from any claim related to the actual or alleged existence or discharge of such materials through no fault of BC&E, its employees, or its subconsultants. If BC&E believes its representatives may be exposed to hazardous materials, BC&E may suspend its services without liability to Client for delay or damage.

INSURANCE: BC&E maintains commercial general liability, automobile, workers' compensation, and professional liability insurance, certificates of which are available upon request. No endorsements are allowed. No waiver of subrogation is allowed on BC&E's professional liability policy. All policies are subject to annual renewal, and BC&E does not guarantee continued coverage beyond an individual policy's term. BC&E, for the duration of the services provided under this proposal, will maintain all insurance coverage provided for in this paragraph, and will provide proof of insurance to the client upon request.

LIMITATIONS ON LIABILITY: Client and BC&E have evaluated the risks and rewards associated with the subject project, including BC&E's fee relative to the risks assumed. In allocating these risks, Client agrees, to the fullest extent permitted by law, to limit BC&E's total aggregate liability to Client for all injuries, claims, losses, damages or expenses (including costs, attorney fees, and interest) to \$50,000 or BC&E's fee for services at issue in the claim, whichever is greater. This limit extends to all claims arising from BC&E's services including, but not limited to, claims based on breach of contract, negligence, errors, omissions, strict liability, contribution, and indemnity.

LIMITATIONS ON CLAIMS: Any claim or cause of action between Client and BC&E including, but not limited to, claims for contribution and indemnity, shall be deemed to have accrued and the applicable statutes of limitation and repose shall commence to run no later than the date of substantial completion of BC&E's services. The date of Substantial completion shall be the date of BC&E's final invoice pursuant to this Proposal, or as defined in writing elsewhere, whichever is earlier.

BC&E and Client also waive claims against each other for consequential damages arising from BC&E's services. This mutual waiver includes claims for delay; disruption; loss of product, rent, income, profit, financing, business, reputation, or revenue; for loss of use of equipment or systems, increased operating expenses of equipment or systems, or cost of replacing equipment or systems; for lost energy savings; and for increased construction and financing costs. This waiver extends to all consequential damages due to either party's termination of the Proposal.

Any claim Client asserts shall be brought against BC&E as a legal entity only and not against any individual, employee, member, manager or agent of BC&E ("Individuals"). Individuals are intended third-party beneficiaries of the Proposal and shall have standing to enforce it. If Client asserts claims against Individuals, Client shall pay all costs, expenses, and attorney fees incurred by Individuals in defending such claims.

BC&E's services are solely for the benefit of Client. Except as otherwise stated, neither party intends to confer a benefit on any third party. To the extent a third party claims a benefit from BC&E's services, the parties deem such benefit to be purely incidental, and such third party shall have no right to bring a claim against BC&E.

DISPUTE RESOLUTION: Before initiating legal proceedings, BC&E and Client shall submit all claims, disputes, or controversies between them to mediation. Mediation shall be conducted in Denver, Colorado utilizing a mutually-acceptable mediation service.

RELEASE AND INDEMNIFICATION FOR VALUE ENGINEERING: If Client directs BC&E to revise the Construction Documents to include value engineering, value reduction, or substitution proposals (VE Proposals) made by Contractor or others, and BC&E does not recommend acceptance of the VE Proposals, then Client shall release, indemnify, and defend BC&E from and against all claims, damages, losses, liabilities, costs and attorney fees arising from the inclusion of the VE Proposals into the Project.

Heather Gardens Budget & Finance Committee

Date: July 18, 2022

Motion: Move to recommend approval to the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors for the revisions and update to the JPM B-1 Budget & Finance, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).

Project Cost: N/A

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

Motion made by:	
Seconded by:	

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

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

HEATHER GARDENS BUDGET & FINANCE

Joint Procedure Memorandum JPM B-1

This Heather Gardens Budget and Finance (B&F) Joint Procedure Memorandum B-1 replaces Heather Gardens Association PM B-1 (Budget Preparation, Administration and Banking, dated September 9, 2014), PM B-2 (Capital Expenditures, dated April 11, 2017) and PM B-4 (Budgeting and Accounting Terms Used in Heather Gardens dated September 9, 2014). These prior Procedure Memorandums should now be removed from your file and destroyed.

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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.

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 in the back.

B. Association Authority

The Association Amended and Restated Condominium Declaration for Heather Gardens (dated January 20, 2015) is the basic authority for the budget and financial management system developed and used by the Association. In Article I, the Declaration states that the “Manager of the Properties” is the Heather Gardens Association. Included in the “Manager of the Properties” responsibilities is the authority to levy and collect monthly and periodic assessments. All assessments and dues are to be prorated to owners in accordance with the Declaration.

C. District Authority

The District is a quasi-municipal corporation and political subdivision organized on April 6, 1983, as a metropolitan district under Title 32 of the Colorado Revised Statutes for the purpose of providing park and recreational facilities and improving and maintaining streets for the District, for the benefit of the public and inhabitants thereof. The District owns or leases certain real property, including, without limitation, recreational facilities, open space, grounds, roads and walkways, a golf course, a clubhouse, a restaurant, a recreational vehicle parking lot, a community garden, storage units and other real estate, structures, and improvements, and certain personal property locations therein (the “properties”), all forming a portion of the Heather Gardens condominium complex, and dedicated to the nonexclusive use and enjoyment of the public, including the Homeowners and their lessees and occupants of condominium units at Heather Gardens.

D. Concerns

1. The Heather Gardens community includes both residential areas under Association management and recreational areas under District authority. As such, cooperation between the Association and the District is considered important and highly desired.
2. Volunteer participation on the various committees developed to provide advice to the Boards in making good decisions. We need to make the best use of those willing to volunteer in bettering the entire HG community.

E. Management

Management is the Chief Executive Officer General Manager or whomever the Chief Executive Officer General Manager designates for a given responsibility.

F. Scope

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

1. Review and recommend operating and capital reserve budgets, based upon the review of Management’s budget, 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. Monitor expenditures and budgets, such as internal transactions, insurance, financial reports, contracts, revenues, and investments, primarily through monthly review, and advise the Association and District Boards as needed;
4. Recommend investment tools based upon available legal options and the Association and District policies;
5. Recommend the Association and District business insurance programs;
6. Prepare and recommend the Association and District capital projects financing plans;
7. Review and make recommendations on all capital projects over \$5,000 and operating expenditures over \$10,000;
8. Perform internal audits of checks paid, ACH payments, petty cash, inventory, and internal controls;
9. Exercise various responsibilities related to the investment of Association funds which are discussed further in Section VI Investment Procedures and Section VII Banking Procedures;
10. 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 of the audit reports to the Association and District Boards of Directors; and
11. 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 composed of the Association Treasurer, the District Treasurer, and four to seven other resident members/resident

electors. The Association ~~Chief Executive Officer-General Manager, Chief Financial Officer Controller~~, 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 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 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. Work Groups

The B&F Committee may create work groups, as needed, to perform its duties and advise the Association and the District Boards of Directors. When a Work Group 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.

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 General Manager~~. The budget will consider the appropriate price indices and the anticipated requirements

of the Association and the District It may also reflect guidance from the B&F Committee and/or the Boards.

B. Budget Schedule

The B&F Committee reviews Management’s budget schedule draft and recommends a budget schedule to comply with Colorado requirements for homeowners associations that apply to the Association and Colorado laws that apply to the District. Key items to meet are:

- A summary of the budget adopted by the Association Board must be distributed by mail or delivered to owners, and a meeting held for owners to consider vetoing the budget. This budget must include the District’s recommended amount needed for the Association’s levied Recreation Fee.
- By October 15 of each year, submit District’s budget draft to District Board.
- By November 30 of each year, the Association declaration requires an adopted budget.
- By December 15 of each year, or the last business day before December 15, the District Board must deliver the adopted and approved mill level to the Office of the Assessor, Arapahoe County
- By January 31 of each year, the District must file with the Division of Local Government, State of Colorado a certified copy of the adopted budget, including budget message and any resolutions adopting the budget, appropriating money, and fixing the rate of any mill levy.

The District is expected to hold special meetings for budget development per the Association’s legal requirements.

The following is a basic schedule draft that was designed to serve the budget requirements. This schedule, showing dates and including possible modifications, needs action in July/August of each year.

1. Provide notices via the Association website, the Heather Gardens Email Blast, PILERA, Heather ’n Yon, and other means deemed appropriate, on the Association and District annual approved budget schedule, and how interested parties can get involved. First notice in September, second notice for B&F Committee work session, and third notice with the distribution of draft budgets for Board action.
2. Manager’s Budget Distribution ten (10) business days prior to B&F Committee budget work sessions in October, with draft budgets distributed to B&F Committee, District Board, and Association Board.
3. Second or third week in October — B&F Committee holds work sessions to review Management’s Association and District budgets. B&F Committee recommends Association and District budgets and supporting dues and taxes to the respective Boards.

4. At the regular or special October District Board meeting, the District Treasurer presents the B&F Committee's recommended budget, and the District Board accepts the draft budgets for distribution and review by the voters and sets the public hearing to receive comments on the draft budget.
5. At the regular or special November District Board meeting, District conducts its budget public hearing and adopts its budget.
6. At the regular or special November Association Board meeting after the District's budget meeting, the Association Treasurer presents the B&F Committee's recommended budget, and the Association Board approves the budgets for distribution and sets the membership meeting to consider a budget veto.
7. The accepted budgets will be posted on the Association website. Budget summaries will be mailed to the Association membership and District electors. Notices about the budget distribution process, scheduled meetings, and how interested parties can get involved will be sent via the Association email notice system, to all Area Representatives and posted in the Heather 'n Yon.
8. In late November, the Association conducts a vote to determine if the approved Association budget is vetoed.

C. Management's Budgets

1. Based on input from the Association and District Standing Committees and department managers, Management prepares 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. The budgets will also contain a 3-5 year abbreviated forecast budgets noting impacts of trends and changes that might be needed.
2. Management will ensure these budgets are in the hands of reviewing officials at least ten (10) business days prior to the B&F Committee Review (see annual budget schedule for actual date)
3. Unless the B&F Committee agrees otherwise, Management's Association Budget will have 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
- 4. Unless the B&F Committee agrees otherwise, Management’s District Budget will 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
- 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. Additional information, as needed, is to be provided for all years shown. Wages and Benefits Section:
 - a. Number of FTE for full time salaries
 - b. Number of hours for part-time salaries
 - c. ~~Number of hours of overtime salaries.~~ ~~Number of overtime salaries~~
 - 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.
- 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 the draft of Management's budgets and invites the members of the Association and District Boards and the Association membership and District voters to this work session. The review dates are identified in the Association/District approved annual Budget Schedule.

2. Line Item Review

Factors to be considered include, but are not limited to:

- a. Changes in Dues
- b. Dues Schedule
- c. Changes in Cost Center components of the budget
- d. Capital Reserve expenditures and revenues
- e. Anticipated revenues from interest and use fees

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 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 early November special meetings.

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, Heather Gardens Email Blast, and other means deemed appropriate based on the approved annual Budget Schedule to all in the system announcing the publication of the Association and District budgets and describing how to obtain access to the budgets online or obtain a copy.

IV. BUDGET ADMINISTRATIVE PROCEDURES

A. Control

1. Monitoring. The B&F Committee monitors a broad range of budget-related information at its monthly meetings.
 - 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 no later than close of business on Tuesday 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.

2. Expense Approval

- a. Overall Prudence. Inclusion of an expense in the approved budget does not mean the expense must be made.
- b. Capital Expenditures. Capital expenditures for items not approved in the budget, including substitutions and emergency expenditures, shall be reported to the B&F Committee at its next regular meeting.
- c. Operating Expenditure under \$10,000. Spending authority for staff is administered by the Manager based upon a schedule approved by the Association Board.
- d. Certain recurring 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.
- e. Operating Expenditures over \$10,000. All requests for operating expenditures over \$10,000 must be initiated using the Request for Operational Expenditure (ROE), Attachment 2. Purchases require three (3) written bids, which should be comparable as to quantities and specifications. Requests will be routed in the following sequence:
- 1) Department Managers
 - 2) Contracts Manager, if necessary
 - 3) ~~Controller~~ Chief Financial Officer
 - 4) ~~General Manager~~ Chief Executive Officer
 - 5) Department Committee Chair
 - 6) B&F Committee
 - 7) Association President, and District President, if a District item.
- f. Expenditures on Budget. Management reviews and approves operating expenditures which exceed the amount budgeted for an expense, provided it is less than ~~\$20,000~~ ~~\$10,000~~ and does not cause projected expenditures to exceed total amounts contained in the operating budget. Such expenditures shall be documented in monthly exception reports.
- g. Recurring Expenses. Management is authorized to approve certain recurring expenses that exceed his ~~\$10,000~~ ~~\$20,000~~ authority, such as, but not limited to, gas, electricity, water and sewer charges, the refilling of gasoline storage tanks and payroll and income taxes.

B. Contracting Procedures

1. Management will develop and distribute a Request for Proposal (RFP) to contractors for a single project budgeted to cost more than \$10,000. The RFP may cover more than one year (multi-year) of common projects.

2. For any project that is expected to cost more than \$25,000, Committee Chairs and Board members are invited to attend bid openings received.
3. Persons signing contracts must have spending authority for the total contract price.

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 and submit Request for Capital Expenditure (RCE) form providing the project justification through appropriate approval channels sufficiently in advance of the on-line target date to permit orderly and deliberate review of the request. 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 problem 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

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- 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 anticipated 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. If the request is not within budget, forward the request, with nonconcurrency or concur with justification, to the Budget & Finance Committee. A financial justification will be attached to all concurrence with justification.
- g. Enter all capital property into appropriate replacement and depreciation schedules. Inventory is to be valued at acquisition cost.
- h. If expenditure is warranted and if the amount is within budget and approval authority, approve the request.
- i. Report to the respective Board and the Budget & Finance Committee at their monthly meetings on the progress of scheduled capital projects.

2. Committee

Determine the need for the expenditure and indicate, by the endorsement of the committee chair on the associated Request for Capital Expenditure (RCE), concurrence or non-concurrence with a proposed expenditure and forward to the B&F Committee. See Attachments 3 and 4, for example. Since capital expenditures include the purchase, construction, or major repairs of capital property, this requirement applies to all Association and District Committee Chairs. Funding is not a factor at the Committee level.

3. Budget & Finance Committee

- a. Review RCEs received from committee chairs since the last meeting. Reviews consider the scope, relevance, and compatibility with other Association and District objectives.

- b. Forward to the appropriate Board, all expenditure requests received since the last monthly meeting, indicating the Committee’s concurrence or non-concurrence.
- c. Expenditures: Approve request, if expenditures are justified, or disapprove the request and forward to the appropriate Board.

B. Procedures

1. Contracting Procedures

- a. Management will develop and distribute a Request for Proposal (RFP) to contractors for a single project that is budgeted to cost more than \$10,000. The RFP may cover more than one year (multi-year) of common projects.
- b. All RFPs will include General Conditions, Specifications, and Bid Requirements.
- c. All bids received for a project that is budgeted to cost more than ~~\$25,000~~ \$50,000 will be ~~_opened_~~ opened at an open public forum_.

2. Capital Expenditure Approval

All requests for capital expenditures under \$10,000 for items included in the approved budget shall be routed to the ~~General Manager~~ Chief Executive Officer for approval. All other requests for capital expenditures, except those made for emergencies (see paragraph V. B. 2.c below), will be routed in the sequence as listed in the RESPONSIBILITIES section. All Capital Expenditures, except emergencies, must be initiated using the appropriate Request for Capital Expenditure (RCE) in attachments 3 or 4. This applies to furnishings and equipment, as well as construction projects. The following procedures apply:

- a. A capital project totaling less than \$10,000 and budgeted, requires at least two bids (telephone and/or email is acceptable). When possible, bids should be comparable — same type and capability of equipment, same quantities, similar accessories, similar configurations, similar specifications, etc.
- b. A capital project, whose total cost is \$10,000 or more requires three written bids. Bids should be comparable — same type and capability of equipment, same quantities, similar accessories, similar configurations, similar specifications, etc.
- c. If emergencies occur:
 - 1. Management takes the initial action required to determine the nature and extent of the problem and the means of correcting it.

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2. In accordance with the normal emergency purchasing procedures, Management obtains a Purchase Order (PO) from the security officer on duty, completes it and:
 - (a) Uses the PO to acquire item or items necessary to effect emergency repair or replacement of facility or equipment.
 - (b) If the amount of purchase is \$7,500 or more, obtain verbal approval of either the ~~Chief Executive Officer~~ General Manager, or if not available, the ~~Chief Financial Officer~~ Controller, or the Board President.
 - (c) Either on a PO or as an attachment clearly defines the nature of the emergency, as well as actions taken to correct the problem.
3. On the next workday, Management takes action necessary to obtain approvals appropriate to the emergency.
- d. Change orders may be approved by Management if:
 1. Amount of change order is within Management's approval authority, and
 2. Total of project cost, including the change order, does not exceed the budget amount.
 3. Identification of the change order amount, justification, and description of the scope are included in the next report to the B&F Committee, and ~~to the~~ the status of the project is reported to the Board.
 4. Change orders which do not fit the above three criteria must be approved by the appropriate reviewing authorities using the 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. Management should respond to the following:

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1. Was the project awarded with sufficient time to allow completion by the end of the fiscal year?
2. If the project was awarded with insufficient time to allow completion by the end of the fiscal year, what factors caused this delay?
3. Was the delay in completing the project due to delay by the vendor?
4. Was it necessary to amend the scope of the project?
5. Other information as needed or requested.

The B&F Committee will recommend appropriate action on Capital projects not started.

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 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.

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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 and rejected transactions as well. 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).
- 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 for information on banking authority assigned to Management.

VIII. ANNUAL EXTERNAL AUDIT

A. Management

1. Work with the contracted Audit Firm to establish the process and schedule for each annual audit;
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~~, ~~Controller~~, ~~Chief Executive Officer~~ ~~General Manager~~, 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.

B. Budget & Finance Committee

In collaboration with Association management, oversee the conduct of the annual external Audits of Association and District financial statements for the prior 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.

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.

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, to apply against a delinquent account of an owner, or emergency needs, and shall be refunded to the owner (except as hereinafter provided) 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.
 - a. The funds available for working capital purposes may be used, as needed, and must be replenished through the normal operating budget year.
 - b. The use of the funds for emergency purposes shall be defined as large capital property losses due to weather related causes or other Acts of Nature. These funds can also be used for the prevention of further damage to capital property or such other emergencies as approved by the Association Board.
 - c. If the need for such emergency funds arises, then the approval of the expenditure and replenishment of the funds must be made as set forth below.
 - d. Funds in the Impound Fund will be invested in accordance with the terms of the Investment Policy. See VI Investment Procedures.

B. Responsibilities

1. MANAGEMENT

- a. Provides information to Budget & Finance (B&F) Committee on the rationale for using the Impound Fund for capital expenditures, including:

1. Description of projects
2. Justification on why the Impound Fund resources are needed
3. Total funds required for projects
4. The terms to replenish the Fund.

b. Prepares all necessary reports to record the use and recovery of funds in accordance with the Board’s approval.

2. BUDGET AND FINANCE COMMITTEE

- a. The B&F Committee makes recommendations to the Association Board of Directors concerning the proposed use and replenishment of these funds through the capital deposits schedule.
- b. In order to preserve the balance in the Impound Fund, the B&F Committee will review the capital deposits schedule to ensure that the balance of funds sought can be recovered over the approved time set forth in the B&F Committee Impound Fund use recommendation made to the Association Board.
- c. Large fund use may require recovering the funds in more than the current year. Thus, the amount to be recovered in each subsequent year must be stated in the capital deposits schedule and applicable budget.

3.- ASSOCIATION BOARDS OF DIRECTORS.

Review and approve, or amend, the recommendations of the B&F Committee for special use of the Impound Fund during the fiscal year.

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 [but is not limited to:](#)

- 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.
- [4.](#)
- [5.](#)

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 volunteers appointed. Most of these volunteers have at least two characteristics in common:

- a. They are 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 are familiar with budgeting and accounting systems. These systems are of several different types, and they use terms and procedures, which, in some cases, vary significantly in meaning and application.

One result of this solution is that when one individual uses a budgeting or accounting term, other individuals attending the meeting or participating in the discussion frequently understand it in varying ways. The degree of understanding (or misunderstanding) is a function of the system with which the individual speaking or listening is familiar. The purpose of the definitions section is to provide a glossary of terms and definitions as a means of minimizing misunderstanding in Heather Gardens' management activities.

When individuals participate in an activity as technical and demanding as preparation and approval of operating and capital reserve budgets and review of accounting reports, they should speak the same financial language. The budgeting and accounting language applicable to related Association and District activities is outlined below. All persons having budgeting and accounting preparation, approval, and review responsibilities must familiarize themselves with these terms and definitions and use them in the activities for which they are responsible.

- A. **Accrual Basis of Accounting.** A method of accounting which records revenue in the period in which it is earned; and measurable expenses in the period in which they are incurred.
1. Record revenue as it is earned, not as it is received.
 2. Recognize and record supplies when the title is taken.
 - a. FOB destination: Title remains with the seller while goods are in transit.
 - b. FOB Shipping Point: Title to the goods passes at the point of shipment, and the goods are the property of Association or District while in transit.
 3. Record contract amount when the first labor is performed on a contract. Prepare a report for the outside auditors showing the percent of the contract completed at year-end. The ~~Chief-Financial Officer~~ Controller will adjust the financial statements showing the completed portion of the contract as required and the uncompleted portion as Fund Balance Designated for Subsequent Years' Expenditures (Percentage of Completion method).
 4. During the year, major expenses are accrued monthly. At year-end, all expenses for the year are accrued.
- B. **Accumulated Depreciation.** A contra-asset account shown as a deduction from the related asset account in the balance sheet. Depreciation is taken throughout the useful life an asset is accumulated in this account. Depreciation is not funded through the budgeting process. Future replacement of assets is funded through the capital programs.
- 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)
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 due on the owner's account.
- 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.
1. Controlled personnel and an annual physical inventory of supplies and goods on hand.
 2. Uses the perpetual inventory system, which accounts for the merchandise on a continuous record showing the quantity and cost of all items on hand.
 3. Maintained via the lower-of-cost-or-market method. This is a method of inventory pricing in which goods are valued at acquisition cost or replacement cost (market), whichever is lower.
 4. First-In, First-Out (FIFO). The method of computing the cost of inventory is based on the assumption that the first merchandise acquired is the first merchandise disbursed, and that the ending inventory consists of the most recently acquired items.
- S. Monthly Operating Analysis (MOA).** A comparison to the budget of income and expenses for Association and District.
- T. Operations Budget.** A plan or forecast for a future period expressed in quantitative terms. Intends to establish objectives 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. Reversing Entries. An Association and District period-beginning bookkeeping technique consisting of the reversal on the first day of the new accounting period of those period-ending adjusting entries which accrue expense or revenue and thus will be followed by later cash payments or receipts. The purpose is to permit Management to record routine transactions in a standard manner without referring to prior accrual entries.

Jill Bacon, Association President
President

[David Funk](#)~~Craig Baldwin~~, District President

ATTACHMENT 1

<p>HEATHER GARDENS ASSOCIATION ACH PAYMENT AUTHORIZATION FORM</p>
--

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:

<u>CONTROLLER, Chief Financial Officer</u>	
Date	

<u>GENERAL MANAGER, Chief Executive Officer</u>	
Date	

CHECK SIGNING BOARD MEMBER	
	Date

HGA - February 18, 2020	HGMD - February 20, 2020
	JPM B-1

ATTACHMENT 3

**HEATHER GARDENS ASSOCIATION
REQUEST FOR CAPITAL EXPENDITURE**

PROJECT: _____

DEPT: _____ DATE: _____

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

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 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

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 Blocks 1, 2 (when needed), and 3 through 7 completed.

Heather Gardens Budget & Finance Committee

Date: July 18, 2022

Motion: Move to recommend approval to the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors, the revisions and update to the JPM B-2 Capital Financing Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).

Project Cost: N/A

I move that the Budget and Finance Committee recommends that the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors approve the revisions and update to **JPM B-2 Capital Financing Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).**

Motion made by:	
Seconded by:	

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

Rationale/Notes: The JPM B-2 Capital Financing Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD) is being done, given that the subject policy is requiring minor changes; and is, therefore, to be reviewed every three years moving forward.

HEATHER GARDENS BUDGET & FINANCE CAPITAL FINANCING PROGRAM

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Joint Procedure Memorandum JPM B-2

This Heather Gardens Budget and Finance (B&F) Procedure Memorandum (JPM B-2) replaces ~~JPM B-2 last updated on February 20, 2020. -6, Subcommittee on Reserves dated April 11, 2017, which should be removed from your files and~~

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I. BACKGROUND

- A. The Management Agreement between the Heather Gardens Association (Association) and the Heather Gardens Metropolitan District (District) provides for shared advisory committees to serve both the Association and District Boards.

The Heather Gardens Budget and Finance Joint Procedure Memorandum (JPM B-1), approved by the Association and District Boards, is authorized as a shared advisory committee based on the Management Agreement. JPM B-1 defines the Capital Financing Program and the Capital Program Subcommittee. It also authorizes the Capital Program Subcommittee to assist the B&F Committee in performing its functions. This Heather Gardens Joint Procedure Memorandum (JPM B-2) defines the composition and functions of the Capital Program Subcommittee.

- B.** This Heather Gardens Budget & Finance Joint Procedure Memorandum (PM B-2) establishes the composition and procedures used by the Capital Program Subcommittee in making recommendations to the B&F Committee for its recommendations to the Association and District Boards of Directors in the performance of their fiduciary duties to provide and maintain adequate cash reserves to repair, replace and maintain the properties of the Association and the District.
- C.** The Capital Program Subcommittee shall be composed of no more than fourteen (14) members: the Association and District Treasurers; one representative each from the Association’s Structure Maintenance Committee, Road & Grounds Committee and Long Range Planning Committee; one representative each from the District’s Golf Committee, Clubhouse/Restaurant Committee, and Property Policy Committee; two (2) members of the B&F Committee; and up to four (4) additional members/electors appointed by the Chair. The Association and District Treasurers will jointly appoint a member of the B&F Committee to chair the Capital Program Subcommittee.
- D.** The Association’s Capital Financing Program includes funds for major repair and replacement of resident building components, parking structure components, sidewalks, roads and grounds, and equipment needed to maintain the properties that are the Association’s responsibility.
- E.** The District’s Capital Financing Program includes funds for major repairs and component replacement of the District’s property. All District reserves are available for either capital projects or operating needs. However, the District Board of Directors may allocate a portion of the reserves for capital projects.

II. RESPONSIBILITIES

A. ASSOCIATION AND DISTRICT BOARDS OF DIRECTORS

1. Operate, preserve, maintain, repair, acquire, and replace common property
2. Determine through capital reserve studies the level of funding needed.
3. Determine and implement various reserve funding sources.
4. Accumulate and invest funds for capital reserves.
5. Comply with governing documents and statutes concerning accumulation of these funds.
6. Educate the community on the necessity of reserves.
7. Include a capital financing amount in the annual approved budgets.

B. B&F COMMITTEE

1. Provides advisory oversight of the capital funding programs for the Association and the District.
2. Makes recommendations to the Association and District Boards of Directors regarding funding requirements and sources for capital programs.

C. CAPITAL PROGRAM SUBCOMMITTEE

1. Makes recommendations to the B&F Committee concerning:
 - a. Type of reserve studies needed
 - b. How often reserves studies are needed
 - c. Amount of reserves required for current and future needs
 - d. Advice of timing of projects to maintain adequate cash flow
 - e. Equitable methods of funding reserves to meet current and future needs
 - f. Education of owners about the benefits of accumulating funds
 - g. Recommendations for revising the Capital Projects Financing Plan

D. COMMITTEE SUPPORT

The Association’s Structure Maintenance Committee, Road & Grounds Committee and Long Range Planning Committee and the District’s Golf Committee, Clubhouse/Restaurant Committee and Property Policy Committee provide support by recommending the capital project components relative to their functions to be included for capital program funding.

E. MANAGEMENT

1. Provides information to the Capital Program Subcommittee relative to Association and District property including:
 - a. Characteristics as defined in Attachment 1
 - b. Questions about project status as outlined in Attachment 2
 - c. Advantages of upgrades or improvements
 - d. Types and costs of reserve studies and software available
2. Acts as resource to the Capital Program Subcommittee relative to permissible activities and funding sources compliant with the Association Declaration of Condominium and Colorado laws for the Association and the District.
3. Maintains records of Association and District property.
4. Maintains software and adds new or sold asset acquisitions
5. Maintains Association and District internal databases for all capital assets. The databases should include capital project component characteristics as defined in Attachment 1 and any other information helpful in maintaining adequate records.

III. PROCEDURES

~~A. Initially, the Capital Program Subcommittee will meet as needed to develop the recommended capital project financing plans for the Association and the District.~~

~~B. In addition, after completion of the first capital project financing plans for the Association and the District, the~~ The Capital Program Subcommittee shall meet at least twice each year.

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1. A meeting of the Subcommittee will be held in April for the purpose of reviewing the results of prior year projects, reviewing inflation and earning rates, and any recent events that may affect future capital projects. This meeting will review the Management responses to the questions about project status (see Attachment 2).
2. A meeting of the Capital Program Subcommittee will be held in August of each year (prior to the B&F Committee annual budget meetings) for the purpose of reviewing changes to the component list, inflation and earnings rates, plus recommending the capital reserve fund deposit level and the capital reserve plan update for the coming budget year.

Jill Bacon, Association President

~~Craig Baldwin~~ David Funk, District President

ATTACHMENT 1

Capital Project Characteristics

Project Category – Name used to summarize component costs by category

Building/Area Component – Short description of project component or property type

Units - Number of work units in a component (such, as square feet, squares, golf carts, etc.) included in the project component

Cost Year – Year the last cost estimate was prepared

Base Cost - Unit Cost (for the last year unit cost was prepared) x the number of units

Current Replacement Cost – The derived replacement cost for the Analysis Year using the Base Cost indexed for inflation by the difference in the Analysis Year and the Cost Year

Year Done – Last year the component was replaced or installed

Life – Estimated life of the component

Unit Cost – Cost of each unit in a component, such as cost per square foot, cost for golf cart

Condition – Status of project component. Could relate to the number of remaining years of service

ATTACHMENT 2

Capital Project Status Questions

Capital Project Financial Plan

Monitoring Status Report

Obtaining responses to these questions aids the Association and the District in assessing the financial status of its Capital Projects Financial Plan. It leads to changes that may be needed before any problems become acute. All answers are based on the Capital Projects Financial Plan, as amended, during budget development. Positive answers to all questions, except #2 and #3, require explanation. Negative answers to questions #2 and #3 require explanation. Insert question responses in the red underscores, __, after each question. Where appropriate, add a table to aid in explanations. This list of questions can be used in updating the District’s Capital Projects Financial Plan when it is developed.

- 1. Has any significant maintenance been deferred that affects the life span of capital components?
- 2. Did annual funding contributions occur as planned?
- 3. Did expenses occur as planned?
- 4. Has the reserve balance deviated from the desired goal?
- 5. Has local pricing or inflation been significantly impacted?
- 6. Has a significant building code citation been received?
- 7. Have there been any new mandated changes made to the building codes?
- 8. Have any major systems or equipment become obsolete?
- 9. Has there been any extreme wear or tear to major components?
- 10. Have any major systems or components been added, overhauled, or replaced outside planned actions?

-
- 11. Are any developer, contractor, or critical manufacturer warranties set to expire that affect capital programs?

 - 12. Are there new technologies or product developments that may affect capital programs?

 - 13. Have any environmental/geological events occurred that may have a negative impact?

 - 14. Have there been any significant changes in the community that will affect the capital financing program?

Heather Gardens Budget & Finance Committee

Date: July 18, 2022

Motion: Move to recommend approval to the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors for the revisions and update to the JPM B-3 Internal Audit Program, last updated on November 16, 2021 (HGA) and December 23, 2021 (HGMD).

Project Cost: N/A

I move that the Budget and Finance Committee recommends that the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors approve the revisions and update to the **JPM B-3 Internal Audit Program, last updated on November 16, 2021 (HGA) and December 23, 2021 (HGMD).**

Motion made by:	
Seconded by:	

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

Rationale/Notes: The JPM B-3 Internal Audit Program, last updated on November 16, 2021 (HGA) and December 23, 2021 (HGMD), is being done, given that the subject policy is requiring minor changes; and is, therefore, to be reviewed every three years moving forward.

HEATHER GARDENS BUDGET and FINANCE INTERNAL AUDIT PROGRAM

Joint Procedure Memorandum JPM B-3

This Heather Gardens Budget and Finance (B&F) Joint Procedures Memorandum (JPM B-3) replaces PM B-3, Budget and Finance Internal Audit Program, dated by the Boards on February–November 16, 2021 (HGA) and~~18~~–and December 23, 2021 (HGMD) ~~20, 2021~~, which should be removed from your file and destroyed.

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I. BACKGROUND

- A. The Management Agreement dated between the Heather Gardens Association (Association) and the Heather Gardens Metropolitan District (District) provides for shared advisory committees to serve both the Association and District Boards.
- B. The Heather Gardens Budget and Finance Joint Procedure Memorandum (JPM B-1), approved by the Association and District Boards, is authorized as a shared advisory committee based on the Management Agreement. JPM B-1 defines the Internal Audit Program and the Audit Subcommittee. It authorizes the Audit Subcommittee to assist the B&F Committee in performing its functions. This Heather Gardens Joint Procedure Memorandum (JPM B-3) defines the composition and functions of the Audit Subcommittee.
- C. The Association and District Treasurers jointly appoint the Chair of the Audit Subcommittee. The Audit Subcommittee is composed of a maximum of 7 individuals who preferably have financial, administrative, and/or audit experience in the industry and public service procedures and processes. It reports to the Association and District Board of Directors (the Boards) through the B&F Committee chair.

II. RESPONSIBILITIES

A. AUDIT SUBCOMMITTEE.

- 1. Annually: Oversees the inventory of consumables and fixed assets that are reported on the Balance Sheet. These assets include the capital assets as detailed on the fixed asset schedule presented to the outside auditors, maintenance parts inventory, food, liquor, beer for the Restaurant, and retail items for the Golf Shop.
- 2. Monthly:—Reviews previous month's paid invoices.

- 3. Random Audits include but are not limited to:
 - a. Petty cash.
 - b. Clubhouse cash procedures for class registration, trips, and special events.
 - c. Restaurant cash and credit card handling procedures.
 - d. Golf course cash and credit card handling procedures.
 - e. Such other special audits as requested by an appropriate Association or District authority or as deemed appropriate based on knowledge internal to the Subcommittee.
 - f. Prepare written reports on the results of all audits, including findings and recommendations, submit them to the Association and District Treasurers who reports the results at regular meetings of the B&F Committee.
 - g. Perform any other task within the expertise of the subcommittee as requested by the Association and District Boards of Directors or the B&F Committee.

B. TREASURERS OF THE BOARDS.

- 1. Review audits performed by the Audit Subcommittee and includes any findings and recommendations concerning audit results in a memo to the Association and District Boards.
- 2. Evaluate special audit requests from other Association and District parties and the Audit Subcommittee, and report to the Boards.
- 3. Association Treasurer reviews bank reconciliations for the Association. The District Treasurer reviews bank reconciliations for the District. Status reports will be provided to the appropriate Board.

C. BOARDS OF DIRECTORS.

- 1. Acts on recommendations from the Audit Subcommittee through the B&F Committee.

III. PROCEDURES

A. **REVIEW OF PREVIOUS MONTH'S INVOICES.** The review includes, but not limited to, the following steps:

1. Verify that purchase order has been completed and attached, when appropriate.
2. Verify that the invoice has received proper Management approval and that each individual invoice is within the appropriate spending authority. As approved by the appropriate Board.
3. Verify that the expenditure has been coded to the proper department.
4. Review to ensure that available cash discounts are taken and note any errors.
5. Verify that the check copy amount equals the total of the invoices attached.
6. Verify that the check amount equals that shown on the check register listing for the month.
7. Verify that all checks recorded on the check register for the month are accounted for.
8. The Chair initials and dates each page of the check register indicating that all checks listed have been verified.
9. **Chief Financial Officer** ~~Controller~~ retains the check register for review in the annual audit process.

B. **Annual Inventory:**

1. In collaboration with Management, the Subcommittee Chair will supervise the annual inventory of the Association and District properties by:
 - a. Annually recruiting 7 to 8 residents to assist in the December property inventory process.

- b. Assigning the volunteers to work with staff.
- c. Assigning a portion of the inventory to each team using the Management prepared inventory sheets.
- d. Collecting, reviewing, and certifying the results as correct and submitting them to Management for recording in the inventory database.
- e. Reporting the inventory results, noting any differences, to the Association and District Treasurers.

2. Management and Subcommittee inventory teams will revise and verify items in the Inventory Database.

- a. The staff and volunteer team members will separately count and verify the inventory and record the results.
- b. Log to-be-added items that are not on the inventory.
- c. Log as missing any items that were not found.

3. Management will record the results in the inventory database.

C. Review Petty Cash Accounts.

1. A member of the Subcommittee and Management will review the petty cash accounts.

D. With the Treasurers, review the bank reconciliations.

E. REPORTING FINDINGS OF ROUTINE AUDITS.

1. Routine audits are those that are performed on a regular basis, having approximately the same scope and using substantially the same methods and techniques in each audit.
2. Subcommittee findings and recommendations of routine audits are reported in writing to the Association and District Treasurers. The Treasurers, in turn, include a summary of the Subcommittee's activities in the report to the B&F Committee at its monthly meeting.
- 3.—The Association Treasurer or District Treasurer recommends to the appropriate Board those actions deemed necessary in response to the

findings and recommendations of the audit. The Treasurers may include an evaluation of the findings and recommendations of the audit but may not change them.

F. **SPECIAL AUDITS.** Special audits are audits performed on an as-required basis in response to a request by the Association Treasurer or District Treasurer, other Association or District committees, the Association or District Board of Directors, or Management. The Audit Subcommittee may also conduct special audits based on its own initiative and studies of various systems used by the Association to discharge its responsibilities under the Association Declaration of Condominium and the Bylaws of the Association and District and the Association-District Management Agreement.

1. Requests for special audits must be in writing, signed by the responsible individual, and must be specific as to the scope of the audit.
2. Special audit requests must be routed to the Audit Subcommittee through the Treasurers. The Treasurers will give direction to the Audit Subcommittee as to the scope, content, and reporting requirements of the special audit.
3. At the conclusion of the special audit, the Audit Subcommittee prepares its report, in writing, and:
 - a. Submits it to the requesting party through the appropriate Treasurer.
 - b. The Association or District Treasurer includes the results of the audit in the monthly report at the B&F Committee meeting and the appropriate Board meeting.
4. In reporting the findings of a special audit, the Treasurers may include an evaluation of the findings and recommendations of the audit but may not change them

G. **CORRECTIVE ACTION.**

1. In the event that an internal audit, routine or special, reports a discrepancy or recommends a change in a procedure or system, additional action is required.

- a. The party responsible for the audited function must prepare a response, in writing, detailing the corrective action to be taken or specific reason the corrective action should not be implemented.
 - b. The responsible party's response is routed the same way as the audit report (see C.3. above) containing the discrepancy or recommended system change.
2. Responsibility of the Treasurers and the Subcommittee ends when a discrepancy is reported, or a change in procedure or system is recommended. Corrective action is the responsibility of the Board.

Jill Bacon, Association President

David Funk, District President

Heather Gardens Budget & Finance Committee

Date: July 18, 2022

Motion: Move to recommend approval to the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors for the revisions and update to the JPM B-4 Business Insurance Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).

Project Cost: N/A

I move that the Budget and Finance Committee recommends that the Heather Gardens Association and the Heather Gardens Metropolitan District Board of Directors approve the revisions and update to **JPM B-4 Business Insurance Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).**

Motion made by:	
Seconded by:	

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

Rationale/Notes: JPM B-4 Business Insurance Program, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD) is being done, given that the subject policy is requiring minor changes; and is, therefore, to be reviewed every three years moving forward.

HEATHER GARDENS BUDGET AND FINANCE BUSINESS INSURANCE PROGRAM

Joint Procedure Memorandum JPM B-4

This Heather Gardens Budget and Finance (B&F) Procedures Memorandum (JPM B-4) ~~was changed in February 2020, and should be reviewed every three years, replaces PM B-5, Budget and Finance Committee, Insurance Program, dated July 12, 2011, which should be removed from your file and destroyed.~~

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ATTACHMENTS

Current Required Coverage: HGA	Attachment 1
Current Required Coverage: HGMD	Attachment 2

I. BACKGROUND

The Management Agreement between the Heather Gardens Association (Association) and the Heather Gardens Metropolitan District (District) provides for shared advisory committees to serve both the Association and District Boards. The Heather Gardens Budget and Finance Procedure Memorandum (JPM B-1), approved by the Association and District Boards, authorizes the Budget & Finance Committee as a shared advisory committee based on the Management Agreement. JPM B-1 defines the Insurance Program and the Insurance Subcommittee. It authorizes the Insurance Subcommittee to assist the B&F Committee in performing its functions. This Heather Gardens Procedure Memorandum (JPM B-4) defines the composition and functions of the Insurance Subcommittee.

The Insurance Subcommittee is composed of three members of the B&F Committee and a maximum of four (4) residents of Heather Gardens, preferably with experience in property, casualty, and business insurance, or general business background. The Association and District Treasurers appoint the Chair of the Insurance Subcommittee.

II. BUSINESS INSURANCE PROCESS

A. Annually, Management and the Insurance Subcommittee will review the Loss Summary Report prepared by the insurance broker to determine what changes in coverage, property maintenance, or procedure might be required to minimize loss. The Insurance Subcommittee will make appropriate recommendations to Management and to the Boards of Directors for action through the Budget & Finance Committee.

B. Every three years, or more frequently, if needed, the Insurance Subcommittee and Management will make a determination of whether to put the contract for insurance brokerage service out for bid. Management will seek bids per the responsibilities outlined in Section III. A. and bring them to the Insurance Subcommittee for review and recommendation to the Budget & Finance Committee per the responsibilities outlined in Section III. B.

C. Annually each summer for the Association and each fall for the District, the Insurance Subcommittee and Management will meet with the broker to review proposals received for business insurance coverage from qualified, rated insurance companies for the coming fiscal year. The Subcommittee will consider coverage levels, deductibles, and overall cost in developing its recommendation to the Budget & Finance Committee.

(See Appendix I and II for currently required insurance coverage for the Association and District, respectively.)

D. The Insurance Subcommittee will make its recommendations on insurance coverage for the coming year to the Budget & Finance Committee, and the Committee will, in turn, make a final recommendation to the Association Board for October renewal. The Insurance Subcommittee will take the same action for the Metro District Board for approval by the District Board for renewal in January.

E. Promptly following the decisions by the Association and District Boards, Management will notify each of the broker-agents submitting bids, of the decisions.

F. The broker will provide certificates of insurance to each mortgage holder, Management, and to other insurable parties, as necessary, before the policy expiration date. Management will post certificates of insurance on the HG website and provide copies to unit owners as requested.

III. RESPONSIBILITIES

A. MANAGEMENT

1. Determines, after consulting with the Insurance Subcommittee in January every three years or more often if required, if the Insurance Subcommittee will solicit bids from insurance Brokers.
2. If soliciting bids from insurance Brokers, Management:
 - a. Meets with the Insurance Subcommittee to review broker requirements and determine which brokers will be asked to submit a bid proposal.
 - b. Prepares a bid package containing the broker requirements for each broker from whom a bid is requested.
 - c. Distributes sets of the specifications to each member of the Subcommittee.
 - d. Prepares a bid proposal comparison report and a recommendation to the Insurance Subcommittee.
 - e. Schedules interviews with the insurance broker candidates and the Insurance Subcommittee.
3. Schedules any necessary meetings, prepares requested paperwork for the current broker’s review, and accompanies broker during requested inspections

of the property to enable the broker to request bids from appropriate insurance companies.

4. Meets with the Insurance Subcommittee and the current broker to review renewal coverages and costs prior to the B&F meeting for the Association and prior to the B&F meeting for the District.
5. Monitors the adequacy of customer service provided by the broker and adequacy of insurance coverage as information for the upcoming renewal process.
6. Administers the insurance program. Provides access to certificates of insurance to property owners and mortgage holders as requested.
7. Handles any and all insurance claims as necessary.

B. INSURANCE SUBCOMMITTEE

The Insurance Subcommittee shall perform the following duties:

1. Determine in January of each year or more often if appropriate, whether to seek a new insurance broker based upon the current broker's performance. If bid proposals are recommended, such bid proposals are to be received no later than April 1 prior to the October 1 renewal for the Association.
2. Meet with Management to review the broker comparison report, interview potential brokers, and determine which broker to recommend ~~and how~~ and how much they will be compensated ~~_to the B&F Committee_~~.
3. Review exposures to loss and all existing insurance coverage of the Association and the District based on data provided by the broker.
4. Meet with the broker's representative 45 days or more prior to the October 1 renewal date for the Association and 45 days or more prior to the January renewal date for the District to review the bids received by the broker from insurance companies for each type of business insurance.
 - a. The insurance companies recommended should meet the Association Declarations and the District requirements of a policyholder's rating of "A" or better, and a financial responsibility rating of "XIV" or better, or current A.M. Best equivalent ratings.
 - b. Cost is not the only factor to be considered. The amount and type of coverage to be provided by the insurance company and the financial

stability and reputation of each insurance company should also be considered.

5. Present its recommendations to the B&F Committee related to the Association property insurance at its September meeting and the District property insurance at its December meeting.

**Jill Bacon, Association President
President**

**~~Craig Baldwin~~ David Funk, District
President**

**ATTACHMENT 1: Current Coverage Requirements:
Heather Gardens Association**

A. Property Insurance

- 1. Building – Replacement costs, Special Form
- 2. Contents – Business personal property
- 3. Business income
- 4. Signs, Fences, and EDP
- 5. Extra Expense
- 6. Earth Movement
- 7. Flood

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B. Terrorism -- Standalone

- 1. Acts of Terrorism/Sabotage
- 2. Service Interruption – Off

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C. Crime (including Excess Crime coverage)

- 1. Employee dishonesty
- 2. Employee Retirement Income Security Act (ERISA) (e.g., employee 401K program)
- 3. Forgery or Alteration
- 4. Money & Securities
- 5. Computer Fraud
- 6. Funds Transfer Fraud
- 7. Claims Expense

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D. General Liability

- 1. Individual occurrence and aggregate coverage
- 2. Personal and advertising injury
- 3. Damage to rented premises
- 4. Medical expense
- 5. Sexual abuse or molestation
- 6. Employee benefits liability

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E. General Liability – Security Guards (including additional umbrella coverage)

- 1. Both occurrence and aggregate limits
- 2. Products/completed operations
- 3. Personal injury and advertising injury
- 4. Damage to rented premises
- 5. Professional liability
- 6. Sexual abuse and/or misconduct

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F. Business Automobile

- 1. Bodily injury and property damage
- 2. Medical payments
- 3. Uninsured/underinsured motorists
- 4. Comprehensive and physical damage
- 5. Hired auto physical damage

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G. Umbrella (General Liability) Insurance

- 1. Includes coverage over general liability, employee benefits, automobile, employers, and directors' and officers' liability

H. Directors and Officers/EPLI/Fiduciary Liability

- 1. Aggregate liability for all coverages and individual liability for each coverage
- 2. Self-insured retention amount on fiduciary liability
- 3. Defense costs included in total liability amount

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I. Professional Liability

- 1. Required coverage for HOA management license

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J. Cyber Liability

- 1. Multimedia, network security, privacy liability
- 2. Privacy regulatory defense and penalties
- 3. Breach event costs
- 4. Brand and trademark protection
- 5. Network asset protection
- 6. Cyber extortion and crime
- 7. PCI DSS Liability
- 8. TCPA Defense coverage
- 9. Court attendance, reward expenses, claims expense
- 10. Dependent business interruption

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**ATTACHMENT 2: Current Coverage Requirements:
Heather Gardens Metropolitan District**

Note: **a**All insurance with the exception of **p**Pollution—**s**Storage **t**Tanks coverage is currently provided by the Colorado Special Districts Property and Liability Pool, which offers coverage at a lower rate and offers discounts to special district organizations.

- A. Property Insurance
- B. Equipment Breakdown
- C. Crime Insurance
- D. General Liability Insurance
- E. Public Officials Liability
- F. Automobile Insurance (hired and non-owned)
- G. Workers Compensation Insurance
 - 1. Provided for Directors only because of the reduction in rates for other coverages if purchased.
- H. Umbrella Liability
- I. Pollution – Storage Tanks including terrorism

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