



HIGHLANDS RANCH

COMMUNITY ASSOCIATION

Highlands Ranch Community Association

Financial Statements

As of August 31, 2022

HRCA Financial Statements
August 31, 2022
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Highlands Ranch Community Association

Financial Statements

Year to Date By Fund

Highlands Ranch Community Association, Inc.
Statement of Revenues and Expenses for All Funds
For the Eight Months Ending August 31, 2022

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
Revenues										
Homeowner assessments	\$ 1,530,024	\$ -	\$ -	\$ 11,218,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,748,587
Homeowner fees	661,565	-	-	-	-	-	-	-	-	661,565
Community improvement services	93,780	-	-	-	-	-	-	-	-	93,780
Legal Revenue	27,933	-	-	-	-	-	-	-	-	27,933
Recreation programs	-	-	-	3,812,479	-	824,431	-	-	-	4,636,910
Facility operations	-	-	-	599,512	-	20,836	-	-	(41,200)	579,148
Community events	150,907	-	-	-	-	-	-	-	-	150,907
Advertising	-	-	-	-	-	-	-	-	-	-
Management Fee Revenue	205,749	-	-	103,246	-	-	-	-	(308,995)	-
Interest and other Revenue	57,389	(29,267)	(21,740)	258,959	28,738	51,121	(9,235)	13,597	-	349,562
Total revenues	2,727,347	(29,267)	(21,740)	15,992,759	28,738	896,388	(9,235)	13,597	(350,195)	19,248,392
Expenses										
Salaries and employee benefits	1,241,755	-	-	7,921,865	-	805,837	-	-	-	9,969,457
Facility operations	15,829	-	-	932,467	25,327	70,260	-	-	-	1,043,883
Depreciation Expense	-	37,984	-	-	-	-	83,950	1,723,968	-	1,845,902
Professional services	262,550	-	-	134,960	-	450	-	-	-	397,960
Advertising	6,964	-	-	46,732	-	-	-	-	-	53,696
Office expenses	108,986	35,716	-	350,356	17	3,203	1,328	-	-	499,606
Insurance	36,720	-	-	259,682	-	23,896	-	-	-	320,298
Interest	-	-	-	-	556	-	-	594,901	-	595,457
Information Technology Expenses	212,447	-	-	650,114	-	-	-	-	-	862,561
Occupancy	46,836	-	-	852,916	-	-	-	-	(41,200)	858,552
Program	2	-	-	872,090	-	168,968	-	-	-	1,041,060
Community events	165,707	-	-	22	-	-	-	-	-	165,729
Conferences, meetings and travel	20,471	-	-	7,219	-	15,596	-	-	-	43,286
Licenses and permits	-	-	-	25,154	-	-	-	-	-	25,154
Dues, subscriptions and memberships	12,777	-	-	9,707	-	-	-	-	-	22,484
Management Fee Expense	103,246	-	-	205,749	-	-	-	-	(308,995)	-
Other operating expenses	10	-	607	2,061	-	-	-	-	-	2,678
Total expenses	2,234,300	73,700	607	12,271,094	25,900	1,088,210	85,278	2,318,869	(350,195)	17,747,763
(Gains) / Losses	-	51,455	-	-	-	-	(42)	27,593	-	79,006
Excess (deficiency) of revenues over expenses	493,047	(154,422)	(22,347)	3,721,665	2,838	(191,822)	(94,471)	(2,332,865)	-	1,421,623
Transfers to Bond Fund	-	-	-	(1,620,501)	-	-	-	1,620,501	-	-
Transfers to Backcountry Fund	-	-	-	(300,000)	-	300,000	-	-	-	-
Transfers for Capital Equipment	(76,482)	-	(28,636)	-	-	-	28,636	-	-	(76,482)
Transfers for Reserves	(131,475)	126,662	(1,718)	(2,966,394)	919,771	(6,680)	8,398	2,127,918	-	76,482
Total transfers	(207,957)	126,662	(30,354)	(4,886,895)	919,771	293,320	37,034	3,748,419	-	-
Net revenues (expenses)	\$ 285,090	\$ (27,760)	\$ (52,701)	\$ (1,165,230)	\$ 922,609	\$ 101,498	\$ (57,437)	\$ 1,415,554	\$ -	\$ 1,421,623

Highlands Ranch Community Association, Inc.
Balance Sheet for All Funds
As of August 31, 2022

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE & PLANT	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE			
ASSETS										
Current Assets										
Cash & Equivalents										
1000 - Wells Fargo Invest Sweep	\$ 2,500,273	\$ -	\$ -	\$ 3,691,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,192,106
1002 - Wells Fargo Payroll Checking	170,373	-	-	-	-	-	-	-	-	170,373
1003 - Wells Fargo Rec Operating Checking	-	-	-	(58,316)	-	-	-	-	-	(58,316)
1004 - Wells Fargo BC Operating Checking	-	-	-	-	-	458,143	-	-	-	458,143
1005 - Wells Fargo Admin Operating Checking	96,006	-	-	-	-	-	-	-	-	96,006
Wells Fargo Checking, Payroll and Sweep	2,766,652	-	-	3,633,517	-	458,143	-	-	-	6,858,312
1006 - 1st Bank MM	253,742	-	-	-	-	-	-	-	-	253,742
1008 - Colorado Business Bank MM	-	-	-	-	233,662	-	-	-	-	233,662
1010 - Front Range Bank MM	-	-	-	247,480	-	-	-	-	-	247,480
1012 - PSCU Rec Operating CD	-	-	-	111,118	-	-	-	-	-	111,118
1013 - PSCU Rec Reserve CD	-	-	-	-	115,984	-	-	-	-	115,984
1014 - PSCU Rec Operating Savings	-	-	-	80	-	-	-	-	-	80
1015 - TCF Bank MM	-	-	-	-	237,731	-	-	-	-	237,731
1016 - US Bank Rec Operating	-	-	-	251,479	-	-	-	-	-	251,479
Other Investment Accounts	253,742	-	-	610,157	587,377	-	-	-	-	1,451,276
1017 - WF Bond Fund Suppl. Reserve Trustee	-	-	-	-	-	-	-	1,714,966	-	1,714,966
1020 - Wells Fargo Bond Fund Prepayments	-	-	-	-	-	-	-	263,878	-	263,878
1021 - Wells Fargo Bond Fund Trustee	-	-	-	-	-	-	-	2,343,142	-	2,343,142
Wells Fargo Bond Fund Accounts	-	-	-	-	-	-	-	4,321,986	-	4,321,986
1022 - Morgan Stanley Capital Project Fund	-	-	-	-	-	-	-	-	-	-
1023 - Morgan Stanley Capital Project CD	-	-	-	-	2,375,737	-	-	-	-	2,375,737
1024 - Morgan Stanley OSCA	-	-	(1,925)	-	-	-	-	-	-	(1,925)
1025 - Morgan Stanley OSCA CD	-	-	4,874,788	-	-	-	-	-	-	4,874,788
1026 - Morgan Stanley Rec Reserve MM	-	-	-	-	(7,461)	-	-	-	-	(7,461)
1027 - Morgan Stanley Rec Reserve CD	-	-	-	-	3,692,629	-	-	-	-	3,692,629
Morgan Stanley	-	-	4,872,863	-	6,060,905	-	-	-	-	10,933,768
1028 - RBC Wealth Mgmt Admin Reserve MM	-	237,584	-	-	-	-	-	-	-	237,584
1029 - RBC Wealth Mgmt Admin Reserve CD	-	692,127	-	-	-	-	-	-	-	692,127
1030 - RBC Wealth Mgmt BC Operating MM	-	-	-	-	-	24,952	2	-	-	24,954
1032 - RBC Wealth Mgmt BC Reserve CD	-	-	-	-	-	-	123,886	-	-	123,886
1033 - RBC Wealth Mgmt BC Reserve	-	-	-	-	-	-	88,279	-	-	88,279
1036 - RBC Wealth Mgmt Spec Proj Fund MM	72,808	-	-	-	-	-	-	-	-	72,808
1037 - RBC Wealth Mgmt Spec Proj Fund CD	114,221	-	-	-	-	-	-	-	-	114,221
RBC Wealth Management	187,029	929,711	-	-	-	24,952	212,167	-	-	1,353,859
Cash on Hand	(1,200)	-	-	2,718	-	-	-	-	-	1,518
Total Cash & Equivalents	3,206,223	929,711	4,872,863	4,246,392	6,648,282	483,095	212,167	4,321,986	-	24,920,719
Accounts Receivable										
1100 - AR-Assessments & Legal	103,236	-	-	217,517	-	-	-	-	-	320,753
1105 - Allowance for Doubtful Accounts	994	-	-	(72,186)	-	-	-	-	-	(71,192)
1180 - AR- Covenants & Legal	140,950	-	-	-	-	-	-	-	-	140,950
1191 - Accrued Interest Receivable	-	-	20,359	-	7,463	-	-	5,071	-	32,893
Total Accounts Receivable	245,180	-	20,359	145,331	7,463	-	-	5,071	-	423,404
Other Current Asset										
1195 - Miscellaneous Receivable	6,426	-	-	41,325	-	6,007	(79)	-	-	53,679
1196 - Misc Rec - PM Shared Credit	-	-	-	19,672	-	-	-	-	-	19,672
1200 - Prepaid Expense	29,846	-	-	135,601	-	1,052	-	-	-	166,499
1205 - Prepaid Insurance	-	-	-	(17)	-	-	-	-	-	(17)
1210 - Inventory	-	-	-	42,427	-	-	-	-	-	42,427
1225 - Undeposited Funds	743	-	-	-	-	-	-	-	-	743
Total Other Current Asset	37,015	-	-	239,008	-	7,059	(79)	-	-	283,003
Total Current Assets	3,488,418	929,711	4,893,222	4,630,731	6,655,745	490,154	212,088	4,327,057	-	25,627,126
Fixed Assets										
Fixed Assets - Cost	17,318	541,730	-	69,270	-	-	1,314,290	77,319,246	-	79,261,854
Fixed Assets - Accumulated Depreciation	-	(422,554)	-	-	-	-	(830,905)	(43,929,963)	-	(45,183,422)
Total Fixed Assets	17,318	119,176	-	69,270	-	-	483,385	33,389,283	-	34,078,432
Other Assets										
1110 - PM Cash Clearing	-	-	-	30,492	-	-	-	-	-	30,492
1250 - Interfund Receivable	17,081	24,000	6,500	249,288	11,675	109,331	-	-	(417,875)	-
1255 - Loan from OSCA Loan Receivable	-	-	262,500	-	-	-	-	-	(262,500)	-
1600 - 1999 Bond Issuance Costs	-	-	-	-	-	-	-	50,570	-	50,570
Total Other Assets	17,081	24,000	269,000	279,780	11,675	109,331	-	50,570	(680,375)	81,062
Total ASSETS	\$ 3,522,817	\$ 1,072,887	\$ 5,162,222	\$ 4,979,781	\$ 6,667,420	\$ 599,485	\$ 695,473	\$ 37,766,910	\$ (680,375)	\$ 59,786,620

Highlands Ranch Community Association, Inc.
Balance Sheet for All Funds
As of August 31, 2022

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE & PLANT	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE			
LIABILITIES & EQUITY										
Current Liabilities										
Accounts Payable										
2000 - Accounts Payable	56,307	-	-	174,683	158,576	721	-	-	-	390,287
2015 - Accrued Bond Interest Payable	-	-	-	-	-	-	-	382,437	-	382,437
2025 - Preschool Scrips Pass Through	-	-	-	-	-	-	-	-	-	-
Total Accounts Payable	56,307	-	-	174,683	158,576	721	-	382,437	-	772,724
Other Current Liability										
2005 - Accrued Accounts Payable	69,556	-	-	69,568	263	102,875	-	-	-	242,262
2006 - Accrued AP - PM Shared Credit	-	-	-	58,038	-	-	-	-	-	58,038
2008 - Lease Liability	16,255	-	-	65,022	-	-	-	-	-	81,277
2009 - Colorado Payback	5,916	-	-	11,294	-	3,658	-	-	-	20,868
2020 - Sales Taxes Payable - State	-	-	-	-	-	-	-	-	-	-
2045 - Accrued Payroll & Vacation Expense	77,585	-	-	203,445	-	28,194	-	-	-	309,224
2050 - AFLAC Pre-Tax	528	-	-	301	-	-	-	-	-	829
2055 - Cafeteria Plan EE Contribution	-	-	-	-	-	-	-	-	-	-
2060 - Health Savings Acct EE Cont	-	-	-	-	-	-	-	-	-	-
2100 - Unearned Assessments	57,083	-	-	796,135	-	-	-	-	-	853,218
2101 - Deferred Assessments	257,106	-	-	1,401,029	-	-	-	-	-	1,658,135
2102 - Unearned CIS Fines & Fees	522,983	-	-	-	-	-	-	-	-	522,983
2105 - Unearned Program & Facilities Revenue	24,453	-	-	1,004,118	-	(6,254)	-	-	-	1,022,317
2110 - Unearned Other Revenue	-	-	-	42,035	-	58,139	-	-	-	100,174
2125 - Prepaid Vegetation Mngt (Xcel)	-	-	-	-	-	13,498	-	-	-	13,498
2130 - Prepaid Natural Resource Mngt -Elk	-	-	-	-	-	10,282	-	-	-	10,282
2135 - Prepaid Water Line Easment	-	-	-	-	-	8,586	-	-	-	8,586
2250 - Interfund Payable	305,072	-	583	18,345	51,712	38,912	932	2,319	(417,875)	-
Total Other Current Liability	1,336,537	-	583	3,669,330	51,975	257,890	932	2,319	(417,875)	4,901,691
Total Current Liabilities	1,392,844	-	583	3,844,013	210,551	258,611	932	384,756	(417,875)	5,674,415
Long Term Liabilities										
2255 - Loan from OSCA Loan Payable	-	-	-	-	262,500	-	-	-	(262,500)	-
2600 - Bonds Payable - 1999 Series	-	-	-	-	-	-	-	-	-	-
2610 - Bonds Payable - 2004 Series	-	-	-	-	-	-	-	8,570,000	-	8,570,000
Total Long Term Liabilities	-	-	-	-	262,500	-	-	8,570,000	(262,500)	8,570,000
Equity										
Restricted Fund Balance	38,659	309,868	1,237,500	-	2,926,527	-	157,779	-	-	4,670,333
Retained Earnings	1,806,225	790,779	3,976,840	2,301,001	2,345,234	239,374	594,199	27,396,602	-	39,450,254
Net Income	285,091	(27,759)	(52,701)	(1,165,231)	922,608	101,499	(57,438)	1,415,554	-	1,421,623
Total Equity (Fund Balance)	2,129,975	1,072,888	5,161,639	1,135,770	6,194,369	340,873	694,540	28,812,156	-	45,542,210
Total LIABILITIES & EQUITY	\$ 3,522,819	\$ 1,072,888	\$ 5,162,222	\$ 4,979,783	\$ 6,667,420	\$ 599,484	\$ 695,472	\$ 37,766,912	\$ (680,375)	\$ 59,786,625

Highlands Ranch Community Association

Income Statement

**Actual to Budget Analysis
by
Operating Funds**

HRCA Administrative Fund
Variance Analysis - Actual vs. Budget
For the Eight Months Ended August 31, 2022

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
Revenues								
Homeowner assessments	\$ 193,195	\$ 191,000	\$ 2,195	1%	\$ 1,530,024	\$ 1,528,000	\$ 2,024	0%
Homeowner fees	108,401	112,909	(4,508)	(4%)	661,567	774,833	(113,267)	(15%) A
Community improvement services	10,800	10,500	300	3%	93,780	84,000	9,780	12%
Legal Revenue	2,513	3,417	(904)	(26%)	27,933	27,333	599	2%
Community events	15,753	12,333	3,420	28%	150,907	113,667	37,241	33% B
Management Fee	17,841	9,000	8,841	98%	205,749	235,500	(29,751)	(13%) C
Interest and other revenue	2,141	3,413	(1,271)	(37%)	57,387	57,300	87	0%
Total revenues	350,644	342,571	8,073	2%	2,727,347	2,820,633	(93,286)	(3%)
Expenses								
Salaries and employee benefits	129,047	162,385	33,338	21% A	1,241,757	1,311,681	69,924	5%
Facility operations	3,247	1,417	(1,831)	(129%)	15,829	11,333	(4,496)	(40%)
Professional services	28,262	43,365	15,103	35% B	275,488	346,389	70,901	20% D
Advertising	586	-	(586)		6,964	10,000	3,036	30%
Office expenses	15,643	10,876	(4,767)	(44%)	108,989	87,005	(21,984)	(25%) E
Insurance	5,255	10,753	5,498	51% F	36,721	75,517	38,797	51%
Information Technology Expenses	21,402	24,825	3,423	14%	199,502	188,706	(10,797)	(6%)
Occupancy	6,451	5,833	(618)	(11%)	46,835	46,668	(167)	0%
Community events	17,738	15,708	(2,030)	(13%)	165,711	177,717	12,006	7%
Conferences, meetings and travel	3,884	2,350	(1,534)	(65%)	20,470	18,800	(1,670)	(9%)
Dues, subscriptions and memberships	877	2,163	1,286	59%	12,778	17,300	4,522	26%
Management Fee	12,161	13,750	1,589	12%	103,246	110,000	6,754	6%
Other operating expenses	10	583	574	98%	10	4,667	4,657	100%
Total expenses	244,564	294,007	49,443	17%	2,234,301	2,405,783	171,482	7%
Transfers								
Transfers - Capital Equipment	76,482	37,294	(39,188)	(105%) C	76,482	89,500	13,018	15% G
Transfers to Admin. Reserve Fund	4,083	18,666	14,583	78% D	131,475	149,328	17,853	12% H
Total transfers	80,565	55,960	(24,605)	(44%)	207,957	238,828	30,871	13%
Total expenses after transfers	325,129	349,967	24,838	7%	2,442,257	2,644,611	202,353	8%
Net revenue (expense)	\$ 25,516	\$ (7,396)	\$ 32,912	(445%)	\$ 285,090	\$ 176,023	\$ 109,067	62%

Variance materiality = \$10k and 10%

Variance Discussion - MTD Actual vs. Budget

- A** - Salaries (\$21K) and employee benefits (\$12K) lower than expected
- B** - Legal fees lower than expected
- C** - Current month includes capital expenditures for pickleball courts, golf simulator, and xeriscaping
- D** - We ceased transferring funds for Salary Survey in July. Funds to be moved back to Operating in Sept.

Variance Discussion - YTD Actual vs. Budget

- A** - Lower transfer fees, legal fees, and status letter fees than budgeted
- B** - Several events have exceeded budget year to date including Cold Cases and Cocktails, Misc Tastings, Spring Bazaar, and Super Hero.
- C** - Legal fees charged to Rec lower than budgeted for the year
- D** - Legal fee actuals lower than expected
- E** - Budget did not include Q1 newsletter and printing costs due to Covid
- F** - Insurance premiums allocated to Admin lower than budgeted
- G** - Includes capital expenditures for pickleball courts, golf simulator, and xeriscaping
- H** - We ceased transferring funds for Salary Survey in June. Funds to be moved back to Operating in Sept.

Administrative Fund Community Events
YTD August 31, 2022

	Revenue	Expense	Profit/(Loss)
Adult Swim Night	871	900	(29)
Beer Festival	45,926	33,034	12,892
Cold Cases & Cocktails	11,988	1,287	10,702
Doggie Splash	250	43	207
Easter Egg Hunt	600	1,482	(882)
Fall Craft Show			-
Farmers Market	3,500	36	3,464
Father Daughter Sweetheart Ball	17,830	18,323	(493)
Garage Sale			-
General	170	7,563	(7,393)
Glow in the Dark Yoga	982	936	46
HRCA Camp Cups			-
HRCA Socks			-
Hometown Holiday Celebration		479	(479)
House Decorations			-
Jewelry Show	1,252	-	1,252
July 4th Fireworks		58,461	(58,461)
July 4th Parade	6,163	18,503	(12,340)
Miscellaneous Pop Up Events		561	(561)
Miscellaneous Tastings	6,688	337	6,351
Oaked & Smoked	24,205	12,401	11,804
Paranormal Party			-
Princess Teas	2,136	444	1,692
Rose in the Ranch			-
Recycling Events		150	(150)
Spirit Tastings			-
Spring Bazaar	12,056	241	11,815
Super Hero Party	2,700	1,423	1,277
Tequila and Tacos	13,590	9,108	4,482
Touch a Truck	-	-	-
	150,907	165,711	(14,804)

Comm. Relations & Marketing
FY22 Budget by Month

	Jan Budget	Feb Budget	Mar Budget	Apr Budget	May Budget	Jun Budget	Jul Budget	Aug Budget	Sep Budget	Oct Budget	Nov Budget	Dec Budget	Total Budget
4400 - Community Events Revenue													
Tacos and Tequila								9,500					11,000
Adult Swim Night						1,500	-	-					1,500
Rose in the Ranch			-								3,500		3,500
Cold Cases and Cocktails	-	-	3,000	-	-	-	-	-	-	3,000	-	-	6,000
Miscellaneous Pop Up Events	83	83	83	83	83	83	83	83	83	83	83	83	1,000
HRCA Socks	-											100	100
Easter Egg Hunt			-	500									500
July 4th Parade							2,000						2,000
Farmers Market				500	1,000	1,000	1,500	1,000	1,000	500	500		7,000
Hometown Holiday Celebration												500	500
Beer Festival						45,000							45,000
Spirit Tastings	500	500											1,000
Spring Bazaar			10,000										10,000
Garage Sale					-				1,500				1,500
Fall Craft Show									-	15,000			15,000
Miscellaneous Tastings	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Doggie Splash	-	-	-	-	-	-	-	-	3,000				3,000
Paranormal Party										4,500			4,500
Jewelry Show											10,000		10,000
Touch a Truck					-			4,500					2,000
Glow in the Dark Yoga										1,200			1,200
Father Daughter Sweetheart Ball		18,000											18,000
Oaked & Smoked							12,000						12,000
Super Hero Party								1,000			-		2,000
Princess Teas			2,000							-		2,000	4,000
	833	18,833	15,333	1,333	1,333	47,833	15,833	16,333	5,833	24,533	14,333	2,933	165,300
5100 - Community Events Expense													
Tacos and Tequila								9,500					9,500
July 4th Fireworks							60,000						60,000
Adult Swim Night						700	-	-					700
House Decorating				-						75		75	150
Rose in the Ranch			-								2,000		2,000
Cold Cases and Cocktails	-	-	600	-	-	-	-	-	-	600	-	-	1,200
Senior Fair											150		150
Miscellaneous Pop Up Events	83	83	83	83	83	83	83	83	83	83	83	83	1,000
General	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Easter Egg Hunt			-	3,000									3,000
July 4th Parade						15,000	15,000						30,000
Farmers Market							250						250
Hometown Holiday Celebration												15,000	15,000
Beer Festival						35,000							35,000
Spirit Tastings	750	750											1,500
Spring Bazaar				1,000									1,000
Garage Sale									700				700
Fall Craft Show									-	1,000			1,000
Miscellaneous Tastings	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Doggie Splash									200				200
Paranormal Party				-						2,500			2,500
Jewelry Show											1,000		1,000
Touch a Truck					-			4,500					4,500
Glow in the Dark Yoga										900			900
Father Daughter Sweetheart Ball	9,320	3,680											13,000
Oaked & Smoked							12,000						12,000
Super Hero Party								1,000			-		1,000
Princess Teas									-			2,000	2,000
	10,778	5,138	1,308	4,708	708	51,408	87,958	15,708	1,608	5,783	3,858	17,783	206,750
Net Income	(9,945)	13,695	14,025	(3,375)	625	(3,575)	(72,125)	625	4,225	18,750	10,475	(14,850)	(41,450)

HRCRA Recreation Fund
Variance Analysis - Actual vs. Budget
For the Eight Months Ended August 31, 2022

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
Revenues								
Homeowner assessments	\$ 1,402,602	\$ 1,402,500	\$ 102	0%	\$ 11,218,563	\$ 11,220,000	\$ (1,437)	0%
Community improvement services	-	-	-		-	-	-	
Recreation programs	379,036	329,153	49,883	15% A	3,812,478	3,420,412	392,066	11% A
Facility operations	69,658	53,263	16,396	31%	599,512	522,861	76,651	15% B
Community events	-	-	-		-	-	-	
Advertising	-	-	-		-	-	-	
Management Fee	12,161	13,750	(1,589)	(12%)	103,246	110,000	(6,754)	(6%)
Interest and other revenue	23,511	1,667	21,844	1,311%	258,958	47,583	211,375	444% C
Total revenues	1,886,969	1,800,332	86,637	5%	15,992,757	15,320,857	671,900	4%
Expenses								
Salaries and employee benefits	931,398	1,105,704	174,306	16% B	7,923,248	8,788,592	865,344	10% D
Facility operations	175,059	117,060	(57,999)	(50%) C	931,089	739,655	(191,434)	(26%) E
Professional services	24,372	33,883	9,511	28%	275,397	303,611	28,214	9%
Advertising	4,298	6,000	1,702	28%	46,732	48,000	1,268	3%
Office expenses	52,570	39,493	(13,077)	(33%)	350,351	315,943	(34,408)	(11%) F
Insurance	23,123	32,259	9,136	28%	259,681	258,069	(1,612)	(1%)
Interest	-	-	-		-	-	-	
Information Technology Expenses	81,181	62,126	(19,055)	(31%)	509,678	497,010	(12,668)	(3%)
Occupancy	139,314	99,905	(39,409)	(39%) D	852,912	765,779	(87,133)	(11%) G
Program	115,794	80,174	(35,620)	(44%) E	872,113	689,236	(182,877)	(27%) H
Community events	-	-	-		-	-	-	
Conferences, meetings and travel	1,046	500	(546)	(109%)	7,218	4,000	(3,218)	(80%)
Licenses and permits	3,067	4,292	1,225	29%	25,153	34,878	9,725	28%
Dues, subscriptions and memberships	16	333	318	95%	9,707	2,667	(7,041)	(264%)
Management Fee	17,841	9,000	(8,841)	(98%)	205,749	224,000	18,251	8%
Other operating expenses	1,278	83	(1,195)	(1,434%)	2,063	2,667	604	23%
Total Expenses	1,570,358	1,590,813	20,455	1%	12,271,092	12,674,107	403,014	3%
Transfers								
Transfers for capital equipment	-	-	-		-	-	-	
Transfers to Rec. Reserve	385,714	429,464	43,750	10% F	2,966,394	3,407,817	441,423	13% I
Transfers to Bond Fund	108,908	108,908	(0)	0%	1,620,501	1,613,934	(6,567)	0%
Transfers to Backcountry Fund	37,500	37,500	-	0%	300,000	300,000	-	0%
Total Transfers	532,122	575,872	43,750	8%	4,886,895	5,321,751	434,856	8%
Total Expenses after Transfers	2,102,480	2,166,685	64,205	3%	17,157,987	17,995,858	837,870	5%
Net Revenue (Expense)	\$ (215,511)	\$ (366,353)	\$ 150,842	(41%)	\$ (1,165,230)	\$ (2,675,001)	\$ 1,509,771	(56%)
					(0)		(0)	

Variance materiality = \$25k and 10%

**HRCR Recreation Fund
Variance Analysis - Actual vs. Budget (AvB)**

Variance Discussion - MTD Actual vs. Budget

- A** - Positive variance is due to better than expected participation across many programs, primarily arts education and youth sports
- B** - Salaries (\$155K-primarily program staff and lifeguards) and employee benefits (\$19K) lower than expected. There were 27 open positions at end of August.
- C** - Facility Operations for August includes maintenance of gym and racquetball court floors; concrete curb removal, replacement and repairs; restriping; and lighting issues at Southridge
- D** - Occupancy expense for August has unfavorable variance due to invoices for back months and higher than predicted SunShare (community solar garden) bills .
- E** - Program expenses exceed budget due to greater program participation and increased revenue
- F** - We ceased transferring funds for Salary Survey in July. Funds to be moved back to Operating in Sept.

Variance Discussion - YTD Actual vs. Budget

- A** - Positive variance is due to better than expected participation across many programs, primarily youth sports, tumbling, tennis, and arts & education; offset by Preschool and Day Camp unfavorable variance).
- B** - Favorable variance for facility operations primarily due to \$44K for Admin lease of ER offices. In addition, facility rentals were higher than predicted for tennis, batting cages, golf simulator, and guest fees.
- C** - Other Revenue favorable variance primarily relates to unbudgeted Grant Revenue for Preschool and Day Camps in 2022, currently \$21K/month.
- D** - Salaries (\$690K-primarily program staff and lifeguards) and employee benefits (\$175K) lower than expected.
- E** - Facility operations YTD unfavorable variance due to higher than budgeted pool maintenance expenses and Maint & Supplies expenses due to timing vs. budget plus recent change in capitalization policy with higher thresholds; higher snow removal costs; higher uniform costs.
- F** - Office expenses exceeded budget due to higher bank, credit card, and Paylease fees
- G** - Occupancy expenses exceeded budget YTD due to higher than anticipated utility bills (gas, electric, water)
- H** - Program expenses exceed budget due to greater program participation and increased revenue
- I** - The transfer between Rec Op and Rec Reserve for capital reserves was suspended for May and started back up at a reduced rate beginning in June due to revising the Eastridge remodel project spend. Additionally, transfers suspended for Salary Survey.

HRCA Backcountry Fund
Variance Analysis - Actual vs. Budget (AvB)
For the Eight Months Ended August 31, 2022

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
Revenues								
Recreation programs	\$ 96,548	\$ 100,000	(3,452)	-3%	\$ 824,431	\$ 724,800	99,631	14% A
Facility operations	18,099	13,954	4,145	30%	71,458	81,632	(10,174)	-12% B
Interest and other revenue	500	8	492	6150%	500	64	436	681%
Total revenues	115,147	113,962	1,185	1%	896,389	806,496	89,893	11%
Expenses								
Salaries and employee benefits	92,836	91,456	(1,380)	-2%	805,837	726,579	(79,258)	-11% C
Facility operations	16,704	8,500	(8,204)	-97% A	70,260	83,750	13,490	16% D
Professional services	-	-	-		450	3,100	2,650	85%
Office expenses	181	816	635	78%	3,203	8,032	4,829	60%
Insurance	2,066	3,500	1,434	41%	23,896	28,000	4,104	15%
Program	14,666	6,500	(8,166)	(126%) B	168,968	129,400	(39,568)	(31%) E
Conferences, meetings and travel	1,869	5,000	3,131	63%	15,596	21,000	5,404	26%
Licenses and permits	-	110	110	100%	-	880	880	100%
Total expenses	128,324	115,882	(12,442)	(11%)	1,088,210	1,000,741	(87,469)	(9%)
Transfers								
Transfer To B.C. Reserve Fund	835	835	-	0%	6,680	6,680	-	0%
Transfer from Recreation Fund	(37,500)	(37,500)	-	0%	(300,000)	(300,000)	-	0%
Total transfers	(36,665)	(36,665)	-	0%	(293,320)	(293,320)	-	0%
Total expenses after transfers	91,659	79,217	(12,442)	(16%)	794,890	707,421	(87,469)	(12%)
Net revenue (expense)	\$ 23,488	\$ 34,745	\$ (11,257)	(32%)	\$ 101,499	\$ 99,075	\$ 2,424	2%
	0	-	0		(0)	-	(0)	

Variance materiality = \$5k and 10%

Variance Discussion - MTD Actual vs. Budget

- A** - 7.8k of variance due to Sunland Asphalt invoice for installation of 6 speed bumps. Under new cap guidelines (\$20K for facilities improvements) this budgeted reserve item was expensed.
- B** - Difference primarily due to higher than anticipated expense in horse trail rides and youth camp (due to increased participation), and expenses associated with the new mountain bike fundamental skills program (added this year).

Variance Discussion - YTD Actual vs. Budget

- A** - Favorable variance due to better than expected participation in horse trail rides (\$27K) and youth camp (\$59K), and the new mountain bike fundamental skills program that was added this year (\$7k).
- B** - Variance primarily due lower than expected cell tower lease revenue.
- C** - Program staff expense higher than budgeted due to labor market challenges and better than expected participation in horse trail rides and youth camp.
- D** - Variance due to lower expenses in Vegetation, Natural Resource and Noxious Weed management; plus \$3.5K reimbursement received from Douglas County for prairie dog control.
- E** - Variance due to \$27K higher than budgeted expenses in Horse Trail Rides and \$7K higher than budget expense for Youth Camp, both due to increased participation. Additionally, 5K in mountain bike expenses were incurred this year that were not budgeted for, as it was a newly added program in 2022.

Highlands Ranch Community Association

Income Statement

Operating Fund Analysis

Current Month and Year to Date

HRCA
Statement of Revenues and Expenses
For the Month Ending August 31, 2022

	Current Month Actuals				Current Month Budget				Current Month Variance				Month to Date % Variance			
	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total
Revenues																
Homeowner assessments and fees	193,195	1,402,602		1,595,797	191,000	1,402,500		1,593,500	2,195	102	-	2,297	1%	0%		0%
Homeowner fees	108,401			108,401	112,909			112,909	(4,508)			(4,508)	-4%			-4%
Community Improvement Services	10,800	-		10,800	10,500	-		10,500	300	-	-	300	3%			3%
Recreation programs	2,513	379,036	96,548	478,097	3,417	329,153	100,000	432,569	(904)	49,883	(3,452)	45,528	-26%	15%	-3%	11%
Facility operations	-	69,658	18,099	87,757	-	53,263	13,954	67,217	-	16,396	4,145	20,540		31%	30%	31%
Community Events	15,753	-	-	15,753	12,333	-	-	12,333	3,420	-	-	3,420	28%			28%
Advertising	-	-	-	-	-	-	-	-	-	-	-	-				
Management Fee	17,841	12,161	-	30,002	9,000	13,750	-	22,750	8,841	(1,589)	-	7,252	98%	-12%		32%
Interest and other revenue	2,141	23,511	500	26,152	3,413	1,667	8	5,087	(1,271)	21,844	492	21,065	-37%	1311%	6150%	414%
Total revenues	350,644	1,886,969	115,147	2,352,760	342,571	1,800,332	113,962	2,256,865	8,073	86,637	1,185	95,895	2%	5%	1%	4%
Expenses																
Salaries and employee benefits	129,047	931,398	92,836	1,153,282	162,385	1,105,704	91,456	1,359,545	33,338	174,306	(1,380)	206,263	21%	16%	-2%	15%
Facility operations	3,247	175,059	16,704	195,010	1,417	117,060	8,500	126,977	(1,831)	(57,999)	(8,204)	(68,034)	-129%	-50%	-97%	-54%
Professional services	28,262	24,372	-	52,634	43,365	33,883	-	77,248	15,103	9,511	-	24,614	35%	28%		32%
Advertising	586	4,298	-	4,885	-	6,000	-	6,000	(586)	1,702	-	1,115		28%		19%
Office expenses	15,643	52,570	181	68,395	10,876	39,493	816	51,185	(4,767)	(13,077)	635	(17,210)	-44%	-33%	78%	-34%
Insurance	5,255	23,123	2,066	30,444	10,753	32,259	3,500	46,512	5,498	9,136	1,434	16,068	51%	28%	41%	35%
Interest	-	-	-	-	-	-	-	-	-	-	-	-				
IT Expenses	21,402	81,181	-	102,583	24,825	62,126	-	86,951	3,423	(19,055)	-	(15,631)	14%	-31%		-18%
Occupancy	6,451	139,314	-	145,766	5,833	99,905	-	105,738	(618)	(39,409)	-	(40,027)	-11%	-39%		-38%
Program	-	115,794	14,666	130,461	-	80,174	6,500	86,674	-	(35,620)	(8,166)	(43,786)		-44%	-126%	-51%
Community events	17,738	-	-	17,738	15,708	-	-	15,708	(2,030)	-	-	(2,030)	-13%			-13%
Conferences, meetings and travel	3,884	1,046	1,869	6,799	2,350	500	5,000	7,850	(1,534)	(546)	3,131	1,051	-65%	-109%	63%	13%
Licenses and permits	-	3,067	-	3,067	-	4,292	110	4,402	-	1,225	110	1,335		29%	100%	30%
Dues, subscriptions and memberships	877	16	-	893	2,163	333	-	2,496	1,286	318	-	1,603	59%	95%		64%
Management Fee	12,161	17,841	-	30,002	13,750	9,000	-	22,750	1,589	(8,841)	-	(7,252)	12%	-98%		-32%
Other operating expenses	10	1,278	-	1,288	583	83	-	667	574	(1,195)	-	(621)	98%	-1434%		-93%
Total expenses	244,564	1,570,358	128,324	1,943,245	294,007	1,590,813	115,882	2,000,702	49,443	20,455	(12,442)	57,457	17%	1%	-11%	3%
Transfers																
Transfers for capital equipment	76,482	-	-	76,482	37,294	-	-	37,294	(39,188)	-	-	(39,188)	-105%	0%	0%	-105%
Transfers to Admin. Reserve Fund	4,083			4,083	18,666			18,666	14,583			14,583	78%	0%	0%	78%
Transfers to Rec. Reserve		385,714		385,714		429,464		429,464		43,750		43,750	0%	10%	0%	10%
Transfers to Bond Fund		108,908		108,908		108,908		108,908		(0)		(0)	0%	0%	0%	0%
Transfers to Backcountry Reserve			(37,500)	(37,500)			(37,500)	(37,500)					0%	0%	0%	0%
Transfers to Backcountry Fund		37,500	835	38,335		37,500	835	38,335					0%	0%	0%	0%
Total Transfers	80,565	532,122	(36,665)	576,022	55,960	575,872	(36,665)	595,167	(24,605)	43,750	-	19,145	-44%	8%	0%	3%
Total expense after transfers	325,129	2,102,480	91,659	2,519,267	349,967	2,166,685	79,217	2,595,869	24,838	64,205	(12,442)	76,602	7%	3%	-16%	3%
Net revenue (expense)	25,516	(215,511)	23,488	(166,507)	(7,396)	(366,353)	34,745	(339,004)	32,912	150,842	(11,257)	172,497	-445%	-41%	-32%	-51%

HRCA
Statement of Revenues and Expenses
For the Year Ending August 31, 2022

	Year to Date Actuals				Year to Date Budget				Year to Date Variance				Year to Date % Variance			
	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total	Admin	Rec	BC	Total
Revenues																
Homeowner assessments and fees	1,530,024	11,218,563		12,748,587	1,528,000	11,220,000		12,748,000	2,024	(1,437)	-	587	0%	0%		0%
Homeowner fees	661,567				774,833			774,833	(113,267)			(113,267)	-15%			-15%
Community Improvement Services	93,780	-		93,780	84,000	-		84,000	9,780	-	-	9,780	12%			12%
Recreation programs	27,933	3,812,478	824,431	4,664,842	27,333	3,420,412	724,800	4,172,545	599	392,066	99,631	492,296	2%	11%	14%	12%
Facility operations	-	599,512	71,458	670,970	-	522,861	81,632	604,493	-	76,651	(10,174)	66,476		15%	-12%	11%
Community Events	150,907	-	-	150,907	113,667	-	-	113,667	37,241	-	-	37,241	33%			33%
Advertising	-	-	-	-	-	-	-	-	-	-	-	-				
Management Fee	205,749	103,246	-	308,996	235,500	110,000	-	345,500	(29,751)	(6,754)	-	(36,504)	-13%	-6%		-11%
Interest and other revenue	57,387	258,958	500	316,846	57,300	47,583	64	104,947	87	211,375	436	211,898	0%	444%	681%	202%
Total revenues	2,727,347	15,992,757	896,389	18,954,926	2,820,633	15,320,857	806,496	18,947,986	(93,286)	671,900	89,893	668,507	-3%	4%	11%	4%
Expenses																
Salaries and employee benefits	1,241,757	7,923,248	805,837	9,970,842	1,311,681	8,788,592	726,579	10,826,852	69,924	865,344	(79,258)	856,010	5%	10%	-11%	8%
Facility operations	15,829	931,089	70,260	1,017,178	11,333	739,655	83,750	834,738	(4,496)	(191,434)	13,490	(182,439)	-40%	-26%	16%	-22%
Professional services	275,488	275,397	450	551,335	346,389	303,611	3,100	653,100	70,901	28,214	2,650	101,765	20%	9%	85%	16%
Advertising	6,964	46,732	-	53,696	10,000	48,000	-	58,000	3,036	1,268	-	4,304	30%	3%		7%
Office expenses	108,989	350,351	3,203	462,544	87,005	315,943	8,032	410,980	(21,984)	(34,408)	4,829	(51,564)	-25%	-11%	60%	-13%
Insurance	36,721	259,681	23,896	320,298	75,517	258,069	28,000	361,587	38,797	(1,612)	4,104	41,289	51%	-1%	15%	11%
Interest	-	-	-	-	-	-	-	-	-	-	-	-				
IT Expenses	199,502	509,678	-	709,181	188,706	497,010	-	685,716	(10,797)	(12,668)	-	(23,465)	-6%	-3%		-3%
Occupancy	46,835	852,912	-	899,748	46,668	765,779	-	812,447	(167)	(87,133)	-	(87,300)	0%	-11%		-11%
Program	-	872,113	168,968	1,041,081	-	689,236	129,400	818,636	-	(182,877)	(39,568)	(222,445)		-27%	-31%	-27%
Community events	165,711	-	-	165,711	177,717	-	-	177,717	12,006	-	-	12,006	7%			7%
Conferences, meetings and travel	20,470	7,218	15,596	43,283	18,800	4,000	21,000	43,800	(1,670)	(3,218)	5,404	517	-9%	-80%	26%	1%
Licenses and permits	-	25,153	-	25,153	-	34,878	880	35,758	-	9,725	880	10,605		28%	100%	30%
Dues, subscriptions and memberships	12,778	9,707	-	22,485	17,300	2,667	-	19,967	4,522	(7,041)	-	(2,519)	26%	-264%		-13%
Management Fee	103,246	205,749	-	308,996	110,000	224,000	-	334,000	6,754	18,251	-	25,004	6%	8%		7%
Other operating expenses	10	2,063	-	2,073	4,667	2,667	-	7,333	4,657	604	-	5,261	100%	23%		72%
Total expenses	2,234,301	12,271,092	1,088,210	15,593,603	2,405,783	12,674,107	1,000,741	16,080,630	171,482	403,014	(87,469)	487,027	7%	3%	-9%	3%
Transfers																
Transfers for capital equipment	76,482	-	-	76,482	89,500	-	-	89,500	13,018	-	-	13,018	15%			15%
Transfers to Admin. Reserve Fund	131,475	-	-	131,475	149,328	-	-	149,328	17,853	-	-	17,853	12%			12%
Transfers to Rec. Reserve	-	2,966,394	-	2,966,394	-	3,407,817	-	3,407,817	-	441,423	-	441,423		13%		13%
Transfers to Bond Fund	-	1,620,501	-	1,620,501	-	1,613,934	-	1,613,934	-	(6,567)	-	(6,567)		0%		0%
Transfers to Backcountry Reserve	-	-	(300,000)	(300,000)	-	-	(300,000)	(300,000)	-	-	-	-			0%	0%
Transfers to Backcountry Fund	-	300,000	6,680	306,680	-	300,000	6,680	306,680	-	-	-	-		0%	0%	0%
Total Transfers	207,957	4,886,895	(293,320)	4,801,532	238,828	5,321,751	(293,320)	5,267,259	30,871	434,856	-	465,727	13%	8%	0%	9%
Total expense after transfers	2,442,257	17,157,987	794,890	20,395,135	2,644,611	17,995,858	707,421	21,347,889	202,353	837,870	(87,469)	952,755	8%	5%	-12%	4%
Net revenue (expense)	285,090	(1,165,230)	101,499	(1,440,208)	176,023	(2,675,001)	99,075	(2,399,903)	109,067	1,509,771	2,424	1,621,262	62%	-56%	2%	-68%