



HIGHLANDS RANCH

COMMUNITY ASSOCIATION

Highlands Ranch Community Association

Financial Statements

As of September 30, 2022

HRCA Financial Statements
September 30, 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 Nine Months Ending September 30, 2022

	ADMINISTRATIVE		OSCA	RECREATION		BACKCOUNTRY		DEBT SERVICE	ELIMINATIONS	TOTAL
	OPERATING	RESERVE		OPERATING	RESERVE	OPERATING	RESERVE	& PLANT		
Revenues										
Homeowner assessments	\$ 1,724,645	\$ -	\$ -	\$ 12,618,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,343,561
Homeowner fees	727,541	-	-	-	-	-	-	-	-	727,541
Community improvement services	104,320	-	-	-	-	-	-	-	-	104,320
Legal Revenue	30,860	-	-	-	-	-	-	-	-	30,860
Recreation programs	-	-	-	4,211,187	-	852,328	-	-	-	5,063,515
Facility operations	-	-	-	665,442	-	22,191	-	-	(46,350)	641,283
Community events	175,691	-	-	-	-	-	-	-	-	175,691
Advertising	-	-	-	-	-	-	-	-	-	-
Management Fee Revenue	221,798	-	-	116,924	-	-	-	-	(338,722)	-
Interest and other Revenue	77,659	(49,247)	(14,909)	284,304	40,319	57,865	(12,496)	20,680	-	404,175
Total revenues	3,062,514	(49,247)	(14,909)	17,896,773	40,319	932,384	(12,496)	20,680	(385,072)	21,490,946
Expenses										
Salaries and employee benefits	1,356,855	-	-	8,985,080	-	894,616	-	-	-	11,236,551
Facility operations	17,562	-	-	1,031,744	25,327	82,383	-	-	-	1,157,016
Depreciation Expense	-	42,474	-	-	-	-	94,414	1,940,547	-	2,077,435
Professional services	289,500	-	-	142,401	-	450	-	-	-	432,351
Advertising	13,682	-	-	51,763	-	-	-	-	-	65,445
Office expenses	126,276	35,716	-	401,285	22	3,439	1,328	-	-	568,066
Insurance	38,851	-	-	276,457	-	25,578	-	-	-	340,886
Interest	-	-	-	-	785	-	-	382,437	-	383,222
Information Technology Expenses	242,005	-	-	754,636	-	171	-	-	-	996,812
Occupancy	52,275	-	-	1,008,347	-	-	-	-	(46,350)	1,014,272
Program	2	-	-	940,600	-	178,058	-	-	-	1,118,660
Community events	174,615	-	-	40	-	-	-	-	-	174,655
Conferences, meetings and travel	20,083	-	-	10,186	-	17,803	-	-	-	48,072
Licenses and permits	-	-	-	28,221	-	-	-	-	-	28,221
Dues, subscriptions and memberships	13,429	-	-	9,880	-	-	-	-	-	23,309
Management Fee Expense	116,924	-	-	221,798	-	-	-	-	(338,722)	-
Other operating expenses	10	-	607	2,075	-	-	-	-	-	2,692
Total expenses	2,462,069	78,190	607	13,864,513	26,134	1,202,498	95,742	2,322,984	(385,072)	19,667,665
(Gains) / Losses	-	51,455	-	-	-	-	(42)	27,593	-	79,006
Excess (deficiency) of revenues over expenses	600,445	(178,892)	(15,516)	4,032,260	14,185	(270,114)	(108,196)	(2,329,897)	-	1,744,275
Transfers to Bond Fund	-	-	-	(1,996,233)	-	-	-	1,996,233	-	-
Transfers to Backcountry Fund	-	-	-	(337,500)	-	337,500	-	-	-	-
Transfers for Capital Equipment	-	-	(28,636)	-	-	-	28,636	-	-	-
Transfers for Reserves	(258,095)	130,745	(40,034)	(3,323,912)	702,955	(7,515)	47,549	2,748,307	-	-
Total transfers	(258,095)	130,745	(68,670)	(5,657,645)	702,955	329,985	76,185	4,744,540	-	-
Net revenues (expenses)	\$ 342,350	\$ (48,147)	\$ (84,186)	\$ (1,625,385)	\$ 717,140	\$ 59,871	\$ (32,011)	\$ 2,414,643	\$ -	\$ 1,744,275

Highlands Ranch Community Association, Inc.
Balance Sheet for All Funds
As of September 30, 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	\$ 3,498,058	\$ -	\$ -	\$ 1,723,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,221,316
1002 - Wells Fargo Payroll Checking	146,338	-	-	-	-	-	-	-	-	146,338
1003 - Wells Fargo Rec Operating Checking	-	-	-	56,929	-	-	-	-	-	56,929
1004 - Wells Fargo BC Operating Checking	-	-	-	-	-	415,651	-	-	-	415,651
1005 - Wells Fargo Admin Operating Checking	120,088	-	-	-	-	-	-	-	-	120,088
Wells Fargo Checking, Payroll and Sweep	3,764,484	-	-	1,780,187	-	415,651	-	-	-	5,960,322
1006 - 1st Bank MM	253,763	-	-	-	-	-	-	-	-	253,763
1008 - Colorado Business Bank MM	-	-	-	-	233,746	-	-	-	-	233,746
1010 - Front Range Bank MM	-	-	-	247,501	-	-	-	-	-	247,501
1012 - PSCU Rec Operating CD	-	-	-	111,201	-	-	-	-	-	111,201
1013 - PSCU Rec Reserve CD	-	-	-	-	116,071	-	-	-	-	116,071
1014 - PSCU Rec Operating Savings	-	-	-	80	-	-	-	-	-	80
1015 - TCF Bank MM	-	-	-	-	237,736	-	-	-	-	237,736
1016 - US Bank Rec Operating	-	-	-	251,479	-	-	-	-	-	251,479
Other Investment Accounts	253,763	-	-	610,261	587,553	-	-	-	-	1,451,577
1017 - WF Bond Fund Suppl. Reserve Trustee	-	-	-	-	-	-	-	1,717,146	-	1,717,146
1020 - Wells Fargo Bond Fund Prepayments	-	-	-	-	-	-	-	639,872	-	639,872
1021 - Wells Fargo Bond Fund Trustee	-	-	-	-	-	-	-	2,345,945	-	2,345,945
Wells Fargo Bond Fund Accounts	-	-	-	-	-	-	-	4,702,963	-	4,702,963
1022 - Morgan Stanley Capital Project Fund	-	-	-	-	52,083	-	-	-	-	52,083
1023 - Morgan Stanley Capital Project CD	-	-	-	-	2,380,289	-	-	-	-	2,380,289
1024 - Morgan Stanley OSCA	-	-	(1,773)	-	-	-	-	-	-	(1,773)
1025 - Morgan Stanley OSCA CD	-	-	4,880,651	-	-	-	-	-	-	4,880,651
1026 - Morgan Stanley Rec Reserve MM	-	-	-	-	(262,272)	-	-	-	-	(262,272)
1027 - Morgan Stanley Rec Reserve CD	-	-	-	-	3,494,823	-	-	-	-	3,494,823
Morgan Stanley	-	-	4,878,878	-	5,664,923	-	-	-	-	10,543,801
1028 - RBC Wealth Mgmt Admin Reserve MM	-	242,633	-	-	-	-	-	-	-	242,633
1029 - RBC Wealth Mgmt Admin Reserve CD	-	671,181	-	-	-	-	-	-	-	671,181
1030 - RBC Wealth Mgmt BC Operating MM	-	-	-	-	-	24,952	8	-	-	24,960
1032 - RBC Wealth Mgmt BC Reserve CD	-	-	-	-	-	-	120,522	-	-	120,522
1033 - RBC Wealth Mgmt BC Reserve	-	-	-	-	-	-	89,209	-	-	89,209
1036 - RBC Wealth Mgmt Spec Proj Fund MM	55,850	-	-	-	-	-	-	-	-	55,850
1037 - RBC Wealth Mgmt Spec Proj Fund CD	38,111	-	-	-	-	-	-	-	-	38,111
RBC Wealth Management	93,961	913,814	-	-	-	24,952	209,739	-	-	1,242,466
Cash on Hand	(7,195)	-	-	2,865	-	-	-	-	-	(4,330)
Total Cash & Equivalents	4,105,013	913,814	4,878,878	2,393,313	6,252,476	440,603	209,739	4,702,963	-	23,896,799
Accounts Receivable										
1100 - AR-Assessments & Legal	29,345	-	-	216,968	-	-	-	-	-	246,313
1105 - Allowance for Doubtful Accounts	839	-	-	(72,186)	-	-	-	-	-	(71,347)
1180 - AR- Covenants & Legal	64,521	-	-	-	-	-	-	-	-	64,521
1191 - Accrued Interest Receivable	-	-	20,359	-	7,463	-	-	6,908	-	34,730
Total Accounts Receivable	94,705	-	20,359	144,782	7,463	-	-	6,908	-	274,217
Other Current Asset										
1195 - Miscellaneous Receivable	5,456	-	-	121,424	-	5,404	(79)	-	-	132,205
1196 - Misc Rec – PM Shared Credit	-	-	-	15,483	-	-	-	-	-	15,483
1200 - Prepaid Expense	23,112	-	-	110,796	-	1,251	-	-	-	135,159
1205 - Prepaid Insurance	23,437	-	-	184,499	-	18,501	-	-	-	226,437
1210 - Inventory	-	-	-	40,875	-	-	-	-	-	40,875
1225 - Undeposited Funds	400	-	-	-	-	-	-	-	-	400
Total Other Current Asset	52,405	-	-	473,077	-	25,156	(79)	-	-	550,559
Total Current Assets	4,252,123	913,814	4,899,237	3,011,172	6,259,939	465,759	209,660	4,709,871	-	24,721,575
Fixed Assets										
Fixed Assets - Cost	17,457	541,730	-	69,270	-	-	1,352,606	77,800,624	-	79,781,687
Fixed Assets - Accumulated Depreciation	-	(427,044)	-	-	-	-	(841,369)	(44,007,530)	-	(45,275,943)
Total Fixed Assets	17,457	114,686	-	69,270	-	-	511,237	33,793,094	-	34,505,744
Other Assets										
1110 - PM Cash Clearing	-	-	-	102	-	-	-	-	-	102
1250 - Interfund Receivable	36,871	24,000	6,500	1,042,191	11,675	137,228	-	-	(1,258,465)	-
1255 - Loan from OSCA Loan Receivable	-	-	225,000	-	-	-	-	-	(225,000)	-
1600 - 1999 Bond Issuance Costs	-	-	-	-	-	-	-	50,570	-	50,570
Total Other Assets	36,871	24,000	231,500	1,042,293	11,675	137,228	-	50,570	(1,483,465)	50,672
Total ASSETS	\$ 4,306,451	\$ 1,052,500	\$ 5,130,737	\$ 4,122,735	\$ 6,271,614	\$ 602,987	\$ 720,897	\$ 38,553,535	\$ (1,483,465)	\$ 59,277,991

Highlands Ranch Community Association, Inc.
Balance Sheet for All Funds
As of September 30, 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	19,901	-	-	180,109	-	3,184	-	-	-	203,194
2015 - Accrued Bond Interest Payable	-	-	-	-	-	-	-	169,972	-	169,972
2025 - Preschool Scrips Pass Through	-	-	-	180	-	-	-	-	-	180
Total Accounts Payable	19,901	-	-	180,289	-	3,184	-	169,972	-	373,346
Other Current Liability										
2005 - Accrued Accounts Payable	84,579	-	-	171,486	263	99,440	-	-	-	355,768
2006 - Accrued AP - PM Shared Credit	-	-	-	27,827	-	-	-	-	-	27,827
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	216,107	-	-	233,709	-	29,285	-	-	-	479,101
2050 - AFLAC Pre-Tax	75	-	-	32	-	-	-	-	-	107
2055 - Cafeteria Plan EE Contribution	68	-	-	343	-	-	-	-	-	411
2060 - Health Savings Acct EE Cont	385	-	-	562	-	-	-	-	-	947
2100 - Unearned Assessments	168,318	-	-	1,648,427	-	-	-	-	-	1,816,745
2101 - Deferred Assessments	62,467	-	-	722	-	-	-	-	-	63,189
2102 - Unearned CIS Fines & Fees	461,995	-	-	-	-	-	-	-	-	461,995
2105 - Unearned Program & Facilities Revenue	9,275	-	-	1,027,533	-	(6,254)	-	-	-	1,030,554
2110 - Unearned Other Revenue	-	-	-	41,846	-	56,784	-	-	-	98,630
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	1,073,876	-	583	38,026	57,451	85,278	932	2,319	(1,258,465)	-
Total Other Current Liability	2,099,316	-	583	3,266,829	57,714	300,557	932	2,319	(1,258,465)	4,469,785
Total Current Liabilities	2,119,217	-	583	3,447,118	57,714	303,741	932	172,291	(1,258,465)	4,843,131
Long Term Liabilities										
2255 - Loan from OSCA Loan Payable	-	-	-	-	225,000	-	-	-	(225,000)	-
2600 - Bonds Payable - 1999 Series	-	-	-	-	-	-	-	-	-	-
2610 - Bonds Payable - 2004 Series	-	-	-	-	-	-	-	8,570,000	-	8,570,000
Total Long Term Liabilities	-	-	-	-	225,000	-	-	8,570,000	(225,000)	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	342,350	(48,146)	(84,186)	(1,625,385)	717,140	59,871	(32,012)	2,414,643	-	1,744,275
Total Equity (Fund Balance)	2,187,234	1,052,501	5,130,154	675,616	5,988,901	299,245	719,966	29,811,245	-	45,864,862
Total LIABILITIES & EQUITY	\$ 4,306,451	\$ 1,052,501	\$ 5,130,737	\$ 4,122,734	\$ 6,271,615	\$ 602,986	\$ 720,898	\$ 38,553,536	\$ (1,483,465)	\$ 59,277,993

Highlands Ranch Community Association

Income Statement

**Actual to Budget Analysis
by
Operating Funds**

HRCA Administrative Fund
Variance Analysis - Actual vs. Budget
For the Nine Months Ended September 30, 2022

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
Revenues								
Homeowner assessments	\$ 194,621	\$ 191,000	\$ 3,621	2%	\$ 1,724,645	\$ 1,719,000	\$ 5,645	0%
Homeowner fees	65,977	120,000	(54,023)	(45%) A	727,543	894,833	(167,290)	(19%) A
Community improvement services	10,540	10,500	40	0%	104,320	94,500	9,820	10%
Legal Revenue	2,927	3,417	(490)	(14%)	30,860	30,750	110	0%
Community events	24,784	20,833	3,951	19%	175,691	138,500	37,191	27% B
Management Fee	16,049	28,000	(11,951)	(43%) B	221,799	263,500	(41,701)	(16%) C
Interest and other revenue	20,270	13,413	6,857	51%	77,657	70,713	6,945	10%
Total revenues	335,167	387,162	(51,995)	(13%)	3,062,515	3,211,796	(149,281)	(5%)
Expenses								
Salaries and employee benefits	115,099	189,936	74,836	39% C	1,356,856	1,501,617	144,761	10% D
Facility operations	1,733	1,417	(316)	(22%)	17,562	12,750	(4,812)	(38%)
Professional services	26,950	43,856	16,906	39% D	302,438	390,245	87,807	23% E
Advertising	6,718	-	(6,718)		13,682	10,000	(3,682)	(37%)
Office expenses	17,291	10,876	(6,415)	(59%)	126,280	97,880	(28,400)	(29%) F
Insurance	2,131	10,753	8,622	80%	38,851	86,270	47,419	55% G
Information Technology Expenses	29,559	24,825	(4,734)	(19%)	229,061	213,531	(15,530)	(7%)
Occupancy	5,440	5,833	394	7%	52,275	52,502	227	0%
Community events	8,908	2,608	(6,299)	(242%)	174,619	180,325	5,706	3%
Conferences, meetings and travel	(387)	2,350	2,737	116%	20,083	21,150	1,067	5%
Dues, subscriptions and memberships	652	2,163	1,511	70%	13,430	19,463	6,032	31%
Management Fee	13,677	13,750	73	1%	116,924	123,750	6,826	6%
Other operating expenses	-	583	583	100%	10	5,250	5,240	100%
Total expenses	227,770	308,949	81,179	26%	2,462,070	2,714,732	252,662	9%
Transfers								
Transfers - Capital Equipment	-	7,458	7,458	100%	-	67,122	67,122	100% H
Transfers to Admin. Reserve Fund	50,138	18,666	(31,472)	(169%) E	258,095	167,994	(90,101)	(54%) I
Total transfers	50,138	26,124	(24,014)	(92%)	258,095	235,116	(22,979)	(10%)
Total expenses after transfers	277,908	335,073	57,165	17%	2,720,165	2,949,848	229,683	8%
Net revenue (expense)	\$ 57,260	\$ 52,089	\$ 5,170	10%	\$ 342,349	\$ 261,948	\$ 80,401	31%

Variance materiality = \$10k and 10%

Variance Discussion - MTD Actual vs. Budget

- A - Assessments revenue for late fees less than budgeted due to assesment timing, budget will be corrected in 2023. Legal fee revenue below budget due to no new homeowners being sent to legal since HB1137.
- B - Legal fees expense (the predominant driver of mgmt fees charged to Rec Op) was lower than expected
- C - Salaries expense was \$23K favorable to budget due to lower headcount and budget containing 3 full pay periods for current month. Actuals contain 2 pay periods plus 5 days accrual.
Employee benefits were \$52K favorable to budget due to lower medical, accrued vacation, and retirement plan contributions
- D - Favorable variance predominantly due to lower than budgeted legal fees.
- E - \$46K of negative variance is due to Pickleball and Golf Simulator fixed asset costs paid out of Admin Special Projects Fund; offset by lower budgeted transfers for salary survey, which was ceased in July.

Variance Discussion - YTD Actual vs. Budget

- A - Lower transfer fees, legal fees, and status letter fees than budgeted for the year
- B - Several events have exceeded budget year to date including Cold Cases and Cocktails (\$9k), Misc Tastings (\$4K), July 4 (\$4K) and Oaked and Smoked (\$12K).
- C - Legal fees expense (the predominant driver of mgmt fees charged to Rec Op) was lower than expected
- D - Salaries expense was \$52K favorable YTD due to lower headcount and budget containing 3 full pay periods for current month.
Employee benefits were \$92K favorable to budget due to lower medical, accrued vacation, and retirement plan contributions
- E - Favorable variance predominantly due to lower than budgeted legal fees.
- F - Budget did not include Q1 newsletter and printing costs due to Covid. Also, office supplies and bank and credit card fees exceeded budget YTD.
- G - Insurance premiums allocated to Admin lower than budgeted
- H - Admin Reserve has adequate funds, so budgeted transfers not required
- I - Unfavorable variance due to pickleball, xeriscape, and golf simulator fixed asset costs (\$127) paid out of Special Projects; offset by ceasing salary survey transfers

Administrative Fund Community Events
YTD September 30, 2022

	Revenue	Expense	Profit/(Loss)
Adult Swim Night	871	900	(29)
Beer Festival	45,906	33,034	12,872
Cold Cases & Cocktails	12,383	1,364	11,019
Doggie Splash	3,347	65	3,282
Easter Egg Hunt	600	1,482	(882)
Fall Craft Show	17,432	278	17,154
Farmers Market	7,000	36	6,964
Father Daughter Sweetheart Ball	17,830	18,323	(493)
Garage Sale	-	78	(78)
General	450	7,856	(7,406)
Glow in the Dark Yoga	982	936	46
HRCA Camp Cups			-
HRCA Socks			-
Hometown Holiday Celebration		479	(479)
House Decorations			-
Jewelry Show	1,252	3	1,249
July 4th Fireworks		66,558	(66,558)
July 4th Parade	6,163	18,503	(12,340)
Miscellaneous Pop Up Events	-	619	(619)
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	12,156	241	11,915
Super Hero Party	2,700	1,423	1,277
Tequila and Tacos	13,590	9,108	4,482
Touch a Truck	-	-	-
	175,691	174,619	1,073

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								11,000					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					-			2,000					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								2,000			-		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	20,833	9,533	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	2,608	4,783	3,858	17,783	206,750
Net Income	(9,945)	13,695	14,025	(3,375)	625	(3,575)	(72,125)	625	18,225	4,750	10,475	(14,850)	(41,450)

HRCRA Recreation Fund
Variance Analysis - Actual vs. Budget
For the Nine Months Ended September 30, 2022

	Current Month				Year To Date			
	Actual	Budget	Variance		Actual	Budget	Variance	
			\$	%			\$	%
Revenues								
Homeowner assessments	\$ 1,400,353	\$ 1,402,500	\$ (2,147)	0%	\$ 12,618,916	\$ 12,622,500	\$ (3,584)	0%
Community improvement services	-	-	-		-	-	-	
Recreation programs	398,708	333,764	64,944	19% A	4,211,185	3,754,176	457,010	12% A
Facility operations	65,930	61,756	4,174	7%	665,442	584,617	80,825	14% B
Community events	-	-	-		-	-	-	
Advertising	-	-	-		-	-	-	
Management Fee	13,677	13,750	(73)	(1%)	116,924	123,750	(6,826)	(6%)
Interest and other revenue	25,345	1,667	23,678	1,421% B	284,303	49,250	235,053	477% C
Total revenues	1,904,013	1,813,436	90,577	5%	17,896,770	17,134,293	762,477	4%
Expenses								
Salaries and employee benefits	1,063,211	1,316,269	253,058	19% C	8,986,459	10,104,861	1,118,402	11% D
Facility operations	99,277	83,410	(15,867)	(19%)	1,030,366	823,065	(207,301)	(25%) E
Professional services	37,343	50,549	13,206	26%	312,740	354,160	41,420	12% F
Advertising	5,031	6,000	969	16%	51,763	54,000	2,237	4%
Office expenses	50,929	39,493	(11,436)	(29%)	401,280	355,436	(45,844)	(13%) G
Insurance	16,774	32,259	15,484	48%	276,455	290,328	13,873	5%
Interest	-	-	-		-	-	-	
Information Technology Expenses	74,620	62,126	(12,493)	(20%)	584,298	559,136	(25,162)	(5%)
Occupancy	155,431	97,253	(58,178)	(60%) D	1,008,343	863,032	(145,311)	(17%) H
Program	68,528	57,003	(11,525)	(20%)	940,641	746,239	(194,402)	(26%) I
Community events	-	-	-		-	-	-	
Conferences, meetings and travel	2,968	500	(2,468)	(494%)	10,185	4,500	(5,685)	(126%)
Licenses and permits	3,067	4,291	1,224	29%	28,221	39,169	10,949	28%
Dues, subscriptions and memberships	173	333	160	48%	9,880	3,000	(6,880)	(229%)
Management Fee	16,049	28,000	11,951	43%	221,799	252,000	30,201	12% J
Other operating expenses	15	83	69	82%	2,078	2,750	672	24%
Total Expenses	1,593,416	1,777,569	184,153	10%	13,864,509	14,451,676	587,167	4%
Transfers								
Transfers for capital equipment	-	-	-		-	-	-	
Transfers to Rec. Reserve	357,518	429,464	71,946	17% E	3,323,912	3,837,281	513,369	13% K
Transfers to Bond Fund	375,732	375,732	-	0%	1,996,233	1,989,666	(6,567)	0%
Transfers to Backcountry Fund	37,500	37,500	-	0%	337,500	337,500	-	0%
Total Transfers	770,750	842,696	71,946	9%	5,657,645	6,164,447	506,802	8%
Total Expenses after Transfers	2,364,166	2,620,265	256,099	10%	19,522,154	20,616,123	1,093,969	5%
Net Revenue (Expense)	\$ (460,154)	\$ (806,829)	\$ 346,675	(43%)	\$ (1,625,384)	\$ (3,481,830)	\$ 1,856,446	(53%)
	0	-	0		1	-	(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, especially preschool (\$18K), children's programs (\$14K) and youth sports (\$21K).
- B** - Other Revenue favorable variance primarily relates to unbudgeted Grant Revenue for Preschool and Day Camps in 2022, currently \$21K/month.
- C** - Salaries expense was \$232K favorable to budget due to lower headcount and budget containing 3 full pay periods for current month. Actuals contain 2 pay periods plus 5 days accrual.
Employee benefits were \$21K favorable to budget primarily due funds received from IMA Insurance for workmans comp distribution for years 2018, 2019 and 2020.
- D** - Occupancy expenses exceeded budget due to catching up on Sunshare solar electricity accruals. September includes two month's of expense.
- E** - We ceased transferring funds for Salary Survey in July.

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 \$50K 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 (\$833K-primarily program staff and lifeguards) and employee benefits (\$285K) lower than expected.
- E** - Facility operations expense YTD unfavorable variance due to higher than budgeted pool maintenance expenses (\$61K) and maint/supplies/equipment expenses (\$83K) due to timing vs. budget plus recent change in capitalization policy with higher thresholds. Also, higher snow removal costs (\$38K) and higher uniform costs (\$29K).
- F** - Professional services were favorable to budget due to lower audit and accounting service fees than expected
- G** - Office expenses exceeded budget due to higher bank, credit card, and postage fees
- H** - Occupancy expenses exceeded budget YTD due to higher than anticipated utility bills (gas, electric, water). Also, in August we received Sunshare bills from 2021 for one solar garden they had not been invoicing us for.
- I** - Program expenses exceed budget due to greater program participation and increased revenue
- J** - Legal fees (the predominant driver of mgmt fees charged from Admin Op) were lower than expected
- K** - 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
For the 9 Months Ended September 30, 2022

	Current Month					Year To Date				
	Actual	Budget	Variance			Actual	Budget	Variance		
			\$	%			\$	%		
Revenues										
Recreation programs	\$ 27,897	\$ 41,000	(13,103)	-32%	A	\$ 852,328	\$ 765,800	86,528	11%	A
Facility operations	8,099	8,954	(855)	-10%		79,556	90,586	(11,030)	-12%	B
Interest and other revenue	-	4,008	(4,008)	-100%		500	4,072	(3,572)	-88%	
Total revenues	35,995	53,962	(17,967)	-33%		932,384	860,458	71,926	8%	
Expenses										
Salaries and employee benefits	88,779	103,918	15,139	15%	B	894,616	830,497	(64,120)	-8%	
Facility operations	12,123	8,500	(3,623)	-43%		82,383	92,250	9,867	11%	C
Professional services	-	1,250	1,250	100%		450	4,350	3,900	90%	
Office expenses	407	816	409	50%		3,610	8,848	5,238	59%	D
Insurance	1,682	3,500	1,818	52%		25,578	31,500	5,922	19%	E
Program	9,090	2,500	(6,590)	(264%)	C	178,058	131,900	(46,158)	(35%)	F
Conferences, meetings and travel	2,207	1,750	(457)	(26%)		17,803	22,750	4,947	22%	
Licenses and permits	-	110	110	100%		-	990	990	100%	
Total expenses	114,288	122,344	8,056	7%		1,202,498	1,123,085	(79,414)	(7%)	
Transfers										
Transfer To B.C. Reserve Fund	835	835	-	0%		7,515	7,515	-	0%	
Transfer from Recreation Fund	(37,500)	(37,500)	-	0%		(337,500)	(337,500)	-	0%	
Total transfers	(36,665)	(36,665)	-	0%		(329,985)	(329,985)	-	0%	
Total expenses after transfers	77,623	85,679	8,056	9%		872,513	793,100	(79,414)	(10%)	
Net revenue (expense)	\$ (41,628)	\$ (31,717)	\$ (9,911)	31%		\$ 59,871	\$ 67,358	\$ (7,487)	(11%)	

Variance materiality = \$5k and 10%

Variance Discussion - MTD Actual vs. Budget

- A** - Horse Trail Rides 4k lower than budget, Youth Camp 3K lower than budget, Archery 7k lower than budget. Archery programs were scaled back due to losing the primary vendor for the program. Horse
- B** - Salaries appear low due to the fact that the budget contained 3 full pay periods, but the actuals are for 2 pay periods plus an accrual for a partial pay period.
- C** - Difference primarily due to higher than budgeted expense in horse trail rides (5.7K). We normally have a 4K to 5K expense monthly for hay, and it appears that was not budgeted for in September.

Variance Discussion - YTD Actual vs. Budget

- A** - Favorable variance due to better than expected participation in horse trail rides (\$23K) and youth camp (\$56K), and the new mountain bike fundamental skills program that was added this year (\$8k).
- B** - 7.6K of variance due to lower than expected cell tower lease revenue.
- C** - 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.
- D** - Variance is due to lower than budgeted cell phone costs (2.7K) and lower than budgeted office expense (2.9K)
- E** - Variance is due to insurance expense less than budgeted.
- F** - Variance due to \$33K higher than budgeted expenses in Horse Trail Rides and \$7K higher than budget expense for Youth Camp, both due to increased participation. Additionally, 7K 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 September 30, 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	194,621	1,400,353		1,594,974	191,000	1,402,500		1,593,500	3,621	(2,147)	-	1,474	2%	0%		0%
Homeowner fees	65,977			65,977	120,000			120,000	(54,023)			(54,023)	-45%			-45%
Community Improvement Services	10,540			10,540	10,500			10,500	40			40	0%			0%
Recreation programs	2,927	398,708	27,897	429,531	3,417	333,764	41,000	378,180	(490)	64,944	(13,103)	51,351	-14%	19%	-32%	14%
Facility operations		65,930	8,099	74,029		61,756	8,954	70,710		4,174	(855)	3,319		7%	-10%	5%
Community Events	24,784			24,784	20,833			20,833	3,951			3,951	19%			19%
Advertising																
Management Fee	16,049	13,677		29,727	28,000	13,750		41,750	(11,951)	(73)		(12,023)	-43%	-1%		-29%
Interest and other revenue	20,270	25,345		45,615	13,413	1,667	4,008	19,087	6,857	23,678	(4,008)	26,528	51%	1421%	-100%	139%
Total revenues	335,167	1,904,013	35,995	2,275,176	387,162	1,813,436	53,962	2,254,561	(51,995)	90,577	(17,967)	20,615	-13%	5%	-33%	1%
Expenses																
Salaries and employee benefits	115,099	1,063,211	88,779	1,267,089	189,936	1,316,269	103,918	1,610,123	74,836	253,058	15,139	343,033	39%	19%	15%	21%
Facility operations	1,733	99,277	12,123	113,132	1,417	83,410	8,500	93,327	(316)	(15,867)	(3,623)	(19,806)	-22%	-19%	-43%	-21%
Professional services	26,950	37,343		64,293	43,856	50,549	1,250	95,655	16,906	13,206	1,250	31,362	39%	26%	100%	33%
Advertising	6,718	5,031		11,750		6,000		6,000	(6,718)	969		(5,750)		16%		-96%
Office expenses	17,291	50,929	407	68,627	10,876	39,493	816	51,185	(6,415)	(11,436)	409	(17,442)	-59%	-29%	50%	-34%
Insurance	2,131	16,774	1,682	20,587	10,753	32,259	3,500	46,512	8,622	15,484	1,818	25,925	80%	48%	52%	56%
Interest																
IT Expenses	29,559	74,620		104,178	24,825	62,126		86,951	(4,734)	(12,493)		(17,227)	-19%	-20%		-20%
Occupancy	5,440	155,431		160,871	5,833	97,253		103,086	394	(58,178)		(57,785)	7%	-60%		-56%
Program		68,528	9,090	77,619		57,003	2,500	59,503		(11,525)	(6,590)	(18,115)		-20%	-264%	-30%
Community events	8,908			8,908	2,608			2,608	(6,299)			(6,299)	-242%			-242%
Conferences, meetings and travel	(387)	2,968	2,207	4,788	2,350	500	1,750	4,600	2,737	(2,468)	(457)	(188)	116%	-494%	-26%	-4%
Licenses and permits		3,067		3,067		4,291	110	4,401		1,224	110	1,334		29%	100%	30%
Dues, subscriptions and memberships	652	173		825	2,163	333		2,496	1,511	160		1,671	70%	48%		67%
Management Fee	13,677	16,049		29,727	13,750	28,000		41,750	73	11,951		12,023	1%	43%		29%
Other operating expenses		15		15	583	83		667	583	69		652	100%	82%		98%
Total expenses	227,770	1,593,416	114,288	1,935,475	308,949	1,777,569	122,344	2,208,862	81,179	184,153	8,056	273,388	26%	10%	7%	12%
Transfers																
Transfers for capital equipment					7,458			7,458	7,458			7,458	100%	0%	0%	100%
Transfers to Admin. Reserve Fund	50,138			50,138	18,666			18,666	(31,472)			(31,472)	-169%	0%	0%	-169%
Transfers to Rec. Reserve		357,518		357,518		429,464		429,464		71,946		71,946	0%	17%	0%	17%
Transfers to Bond Fund		375,732		375,732		375,732		375,732					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	50,138	770,750	(36,665)	784,223	26,124	842,696	(36,665)	832,155	(24,014)	71,946	-	47,932	-92%	9%	0%	6%
Total expense after transfers	277,908	2,364,166	77,623	2,719,698	335,073	2,620,265	85,679	3,041,017	57,165	256,099	8,056	321,320	17%	10%	9%	11%
Net revenue (expense)	57,260	(460,154)	(41,628)	(444,522)	52,089	(806,829)	(31,717)	(786,457)	5,170	346,675	(9,911)	341,934	10%	-43%	31%	-43%

HRCA
Statement of Revenues and Expenses
For the Year Ending September, 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	1,724,645	12,618,916		14,343,560	1,719,000	12,622,500		14,341,500	5,645	(3,584)	-	2,060	0%	0%		0%
Homeowner fees	727,543				894,833			894,833	(167,290)			(167,290)	-19%			-19%
Community Improvement Services	104,320	-		104,320	94,500	-		94,500	9,820	-	-	9,820	10%			10%
Recreation programs	30,860	4,211,185	852,328	5,094,373	30,750	3,754,176	765,800	4,550,726	110	457,010	86,528	543,647	0%	12%	11%	12%
Facility operations	-	665,442	79,556	744,998	-	584,617	90,586	675,203	-	80,825	(11,030)	69,795		14%	-12%	10%
Community Events	175,691	-	-	175,691	138,500	-	-	138,500	37,191	-	-	37,191	27%			27%
Advertising	-	-	-	-	-	-	-	-	-	-	-	-				
Management Fee	221,799	116,924	-	338,722	263,500	123,750	-	387,250	(41,701)	(6,826)	-	(48,528)	-16%	-6%		-13%
Interest and other revenue	77,657	284,303	500	362,460	70,713	49,250	4,072	124,035	6,945	235,053	(3,572)	238,426	10%	477%	-88%	192%
Total revenues	3,062,515	17,896,770	932,384	21,164,126	3,211,796	17,134,293	860,458	21,206,547	(149,281)	762,477	71,926	685,122	-5%	4%	8%	3%
Expenses																
Salaries and employee benefits	1,356,856	8,986,459	894,616	11,237,932	1,501,617	10,104,861	830,497	12,436,974	144,761	1,118,402	(64,120)	1,199,043	10%	11%	-8%	10%
Facility operations	17,562	1,030,366	82,383	1,130,310	12,750	823,065	92,250	928,065	(4,812)	(207,301)	9,867	(202,245)	-38%	-25%	11%	-22%
Professional services	302,438	312,740	450	615,628	390,245	354,160	4,350	748,755	87,807	41,420	3,900	133,127	23%	12%	90%	18%
Advertising	13,682	51,763	-	65,446	10,000	54,000	-	64,000	(3,682)	2,237	-	(1,446)	-37%	4%		-2%
Office expenses	126,280	401,280	3,610	531,171	97,880	355,436	8,848	462,165	(28,400)	(45,844)	5,238	(69,006)	-29%	-13%	59%	-15%
Insurance	38,851	276,455	25,578	340,885	86,270	290,328	31,500	408,098	47,419	13,873	5,922	67,214	55%	5%	19%	16%
Interest	-	-	-	-	-	-	-	-	-	-	-	-				
IT Expenses	229,061	584,298	-	813,359	213,531	559,136	-	772,667	(15,530)	(25,162)	-	(40,692)	-7%	-5%		-5%
Occupancy	52,275	1,008,343	-	1,060,618	52,502	863,032	-	915,533	227	(145,311)	-	(145,085)	0%	-17%		-16%
Program	-	940,641	178,058	1,118,699	-	746,239	131,900	878,139	-	(194,402)	(46,158)	(240,560)		-26%	-35%	-27%
Community events	174,619	-	-	174,619	180,325	-	-	180,325	5,706	-	-	5,706	3%			3%
Conferences, meetings and travel	20,083	10,185	17,803	48,071	21,150	4,500	22,750	48,400	1,067	(5,685)	4,947	329	5%	-126%	22%	1%
Licenses and permits	-	28,221	-	28,221	-	39,169	990	40,159	-	10,949	990	11,939		28%	100%	30%
Dues, subscriptions and memberships	13,430	9,880	-	23,310	19,463	3,000	-	22,463	6,032	(6,880)	-	(848)	31%	-229%		-4%
Management Fee	116,924	221,799	-	338,722	123,750	252,000	-	375,750	6,826	30,201	-	37,028	6%	12%		10%
Other operating expenses	10	2,078	-	2,087	5,250	2,750	-	8,000	5,240	672	-	5,913	100%	24%		74%
Total expenses	2,462,070	13,864,509	1,202,498	17,529,077	2,714,732	14,451,676	1,123,085	18,289,493	252,662	587,167	(79,414)	760,415	9%	4%	-7%	4%
Transfers																
Transfers for capital equipment	-	-	-	-	67,122	-	-	67,122	67,122	-	-	67,122	100%			100%
Transfers to Admin. Reserve Fund	258,095	-	-	258,095	167,994	-	-	167,994	(90,101)	-	-	(90,101)	-54%			-54%
Transfers to Rec. Reserve	-	3,323,912	-	3,323,912	-	3,837,281	-	3,837,281	-	513,369	-	513,369		13%		13%
Transfers to Bond Fund	-	1,996,233	-	1,996,233	-	1,989,666	-	1,989,666	-	(6,567)	-	(6,567)		0%		0%
Transfers to Backcountry Reserve	-	-	(337,500)	(337,500)	-	-	(337,500)	(337,500)	-	-	-	-			0%	0%
Transfers to Backcountry Fund	-	337,500	7,515	345,015	-	337,500	7,515	345,015	-	-	-	-		0%	0%	0%
Total Transfers	258,095	5,657,645	(329,985)	5,585,755	235,116	6,164,447	(329,985)	6,069,578	(22,979)	506,802	-	483,823	-10%	8%	0%	8%
Total expense after transfers	2,720,165	19,522,154	872,513	23,114,832	2,949,848	20,616,123	793,100	24,359,071	229,683	1,093,969	(79,414)	1,244,238	8%	5%	-10%	5%
Net revenue (expense)	342,349	(1,625,384)	59,871	(1,950,707)	261,948	(3,481,830)	67,358	(3,152,524)	80,401	1,856,446	(7,487)	1,929,360	31%	-53%	-11%	-61%