

Elk Stream Ranch Property Owners Association  
Association Budget Year 2012-2013 Financial Summary  
DISCUSSION

Overview:

The Elk Stream Ranch Property Owners Association 2012-2013 budget year was August 1, 2012-July 31, 2013. Accounting is by the accrual method as specified in Association by-laws; there are so few accruals that accounting is in effect cash accounting. The 2012-2013 budget figures shown in the annual financial summary are from the budget approved at the 2012 Association annual meeting.

The Association maintains three accounts at Mancos Valley Bank: linked checking and savings accounts for operating funds and a separate savings account for the Road Reserve Capital account. Cash assets of the Association at the beginning of the year were \$34,379.98. Cash assets of the Association at the end of the year were \$29,001.38 - a net decrease of (\$5,378.60). In the operating budget, total income for the year was \$78,365.93 against total expenditures of \$94,503.22, a deficit of \$16,137.29. In the Capital account, assessment plus interest income was \$10,758.69, with no expenditures

Income:

- The principal source of income was member dues. The current Board of Directors changed the annual dues payment date from March 1 to October 1. Dues payments of \$1200 per property were received for 34 properties. In addition, a special assessment of \$1000 per property was levied to cover extraordinary expenditures to repair flood damage to Road 46. This was received for 34 properties.
- Interest income decreased this year because the bank balance is reduced from past years' balances.
- Design Review Plan fees of \$180 were received for three property improvements.
- Grazing income for 2012 grazing was received for the cattle but not the sheep. The grazing season was reduced because of the Weber Fire and floods.
- The Association did not receive weed reimbursement from Montezuma County.
- Road license income of \$2860.00 was received from the Daultons.

Expenditures:

- Income tax increased substantially because the annual dues for 2012 and 2013 as well as the special assessment were all received in one tax year. Tax preparation costs were lower than budget. All administrative costs were reasonably consistent with budgeted amounts and past years.
- The Association budgeted \$1400 for cost-sharing of owner-conducted wildfire fuel reduction work on their properties. The Association reimbursed the owners of lots 17 and 31 for work completed in early summer 2012. The figure shown is a net expenditure including our partial reimbursement from the CSFS.
- Snow-removal expenses of \$21,327.45 exceeded budget, even though this was a low-snow winter.
- Weed control expenditures were over budget. Weed control in 2012 was delayed by the fire/floods and hit hard in September-October.
- The Association realized unanticipated road damage due to flooding, with consequent repair expenses.

Capital Assessment

- A capital improvement assessment of \$290 was collected from all properties (plus Daultons) for total income of \$10,730.

odc 7/31/2013



**Elk Stream Ranch Property Owners Association  
Association Year 2012-2013 - Annual Financial Summary**

*(Elk Stream Ranch Property Owners Association budget year 8/1/2012-7/31/2013)*

**CASH ASSETS**

|  |              |  |
|--|--------------|--|
| Mancos Valley Bank Accounts - 8/1/2013 | \$29,001.38  |  |
| Mancos Valley Bank Accounts - 8/1/2012 | \$34,379.98  |  |
| Net change in cash assets              | (\$5,378.60) |  |

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**SUMMARY OF INCOME & EXPENSES**

|                                    |             |
|------------------------------------|-------------|
| Beginning of year balance 8/1/2012 | \$34,379.98 |
| + Income                           | \$78,365.93 |
| + Capital Assessment               | \$10,758.69 |
| - Expenses                         | \$94,503.22 |
| End of year balance 8/1/2013       | \$29,001.38 |

**INCOME AND EXPENSE DETAIL**

| Operating Income              | 2012-2013 Budget   | Actual             | %          | Notes |
|-------------------------------|--------------------|--------------------|------------|-------|
| Member Dues                   | \$42,000           | \$41,169.00        | 98%        | 3     |
| Interest Income               | \$100              | \$56.93            | 57%        |       |
| Plan Review Fees              | \$180              | \$180.00           | 100%       | 4     |
| Grazing Income                | \$200              | \$100.00           | 50%        | 5     |
| Weed Program                  | \$400              | \$0.00             | 0%         | 6     |
| Road license and fees         | \$2,490            | \$2,860.00         | 115%       | 7     |
| Weber Fire Special Assessment | \$35,000           | \$34,000.00        | 97%        | 8     |
| Other Income                  | \$0                | \$0.00             | NA         |       |
| <b>Total Income</b>           | <b>\$80,370.00</b> | <b>\$78,365.93</b> | <b>98%</b> |       |

| Operating Expenses                      | 2010-2011 Budget   | Actual             | %           | Notes |
|---|--------------------|--------------------|-------------|-------|
| Bank Fees                               | \$20               | \$88.50            | 443%        | 9     |
| Corporate Fee                           | \$20               | \$27.13            | 136%        |       |
| Electricity                             | \$300              | \$474.06           | 158%        | 10    |
| Income Tax                              | \$200              | \$1,370.66         | 685%        | 11    |
| Insurance                               | \$1,700            | \$1,673.00         | 98%         |       |
| Annual Meeting Expenses                 | \$300              | \$269.03           | 90%         |       |
| Telephone                               | \$50               | \$0.00             | 0%          |       |
| Photocopy and office supplies           | \$200              | \$60.56            | 30%         |       |
| Postage and PO Box                      | \$100              | \$32.00            | 32%         |       |
| Tax Preparation                         | \$1,000            | \$595.00           | 60%         |       |
| Legal Expenses                          | \$1,400            | \$1,000.00         | 71%         |       |
| Website Fees                            | \$140              | \$144.00           | 103%        |       |
| Other Administrative Expenses           | \$50               | \$0.00             | 0%          |       |
| <b>Property Management Expenditures</b> |                    |                    |             |       |
| Fire Mitigation                         | \$1,400            | \$1,826.48         | 130%        | 12    |
| Road Repair and Maintenance             | \$13,000           | \$3,530.00         | 27%         |       |
| Snow Removal                            | \$18,000           | \$21,327.45        | 118%        |       |
| Weed Control                            | \$9,500            | \$13,144.97        | 138%        | 13    |
| Other Property Expenses                 | \$1,000            | \$408.15           | 41%         | 14    |
| Weber Fire/flood expenses               | \$35,000           | \$48,532.23        | 139%        | 15    |
| <b>Total Expenses</b>                   | <b>\$83,380.00</b> | <b>\$94,503.22</b> | <b>113%</b> |       |

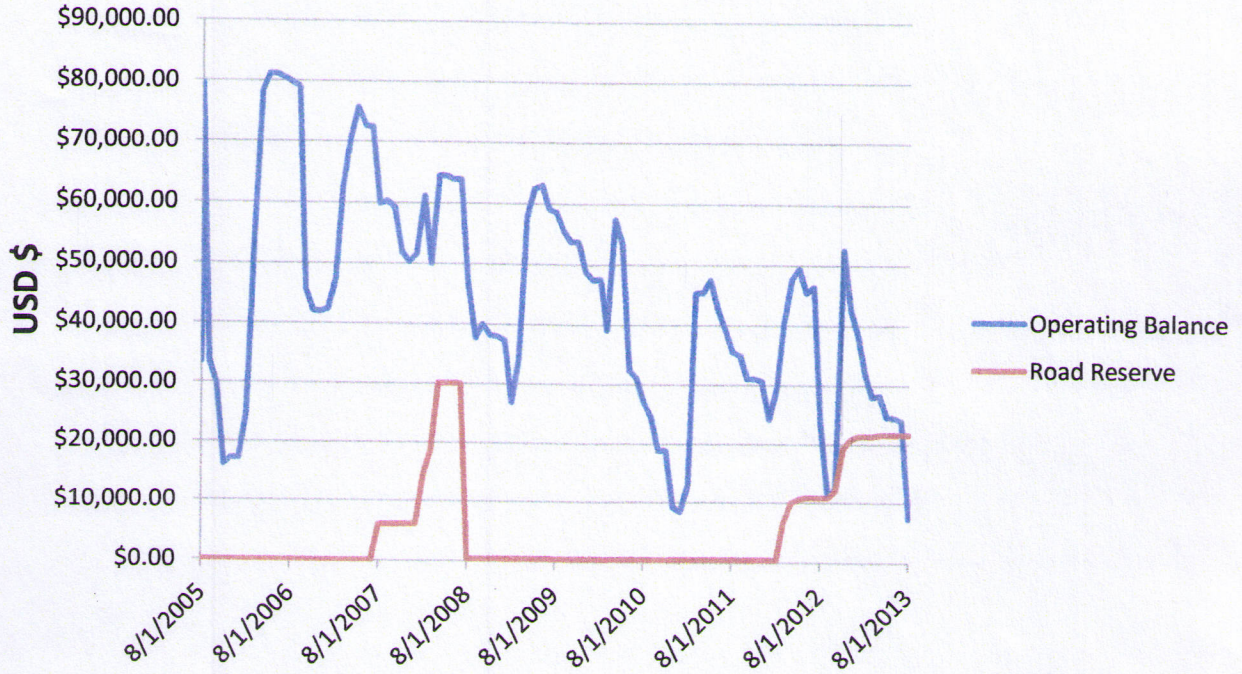
| Road Improvement Special Capital Assessment |             |             |  |    |
|---|-------------|-------------|--|----|
| Road Improvement Assessment Income          | \$11,310.00 | \$10,730.00 |  | 16 |
| Funds remaining from 2005-2006 Assessment   | \$10,891.52 | \$10,891.52 |  | 17 |
| Interest Income to Capital Account          | \$0.00      | \$28.69     |  |    |
| Budgeted Road Improvement Expense           | \$4,000.00  | \$0.00      |  |    |
| Capital Account Year-end Balance            |             | \$21,650.21 |  |    |

- Note 1: Accounting is by accrual method, as specified in By-laws.  
 Note 2: Bank accounts include checking account, savings account, and a capital savings account, all with Mancos Valley Bank.  
 Note 3: Annual dues income from 34 properties. Lot 8 is delinquent.  
 Note 4: Design Review applications for lots 1, 19, and 21.  
 Note 5: Grazing income from summer 2012 from Robb.  
 Note 6: Montezuma County Weed Program application was not filed.  
 Note 7: Road license fees received from Daultons.  
 Note 8: Special Assessment received from 34 lots. Lot 8 is delinquent.  
 Note 9: Bank fees were high because of 2 Stop Payments on checks lost in the mail.  
 Note 10: Electricity costs were high due to cost of heating snow removal equipment, which has not been done in the past.  
 Note 11: Taxes were greatly increased by acceleration of 2013 dues payments to 2012, and the Special Assessment income in 2012.  
 Note 12: Work was completed on lots 17 and 31 during last budget year; this figure is a net expense incorporating CSFS grant.  
 Note 13: Premier 2012 weed program delayed by fire/flood until September-October.  
 Note 14: Repair of gate keypad.  
 Note 15: Costs related to post-fire flooding during 2012 and 2013.  
 Note 16: By tax law, capital reserve accounts and funds must be maintained separate from operating accounts and funds.  
 Note 17: Assessment of \$290 x 37 properties.

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### Elk Stream Ranch Balances by Month



### Elk Stream Ranch Operating Account Balance by Month

