

**Cerise Ranch POA  
Income Statement  
2012 2011 2010 Comparison**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>OPERATING FUND Income/Expense</b>			
<b>Income</b>			
<b>4000 - Dues Income</b>			
4010 - Dues Income (Accrual basis)	108,455.00	113,850.00	112,800.00
<b>Total 4000 - Dues Income</b>	<u>108,455.00</u>	<u>113,850.00</u>	<u>112,800.00</u>
<b>4018 - Other Income</b>			
4096 - Working Capital Assessments (1)	0.00	24,265.90	0.00
4095 - Trash Fee Billed	10,504.81	8,935.00	7,320.00
4090 - Real Estate Transfer Fee	11,796.25	3,350.00	21,475.00
4080 - Miscellaneous Income	2,006.08	0.00	667.80
4030 - Interest Income Operations	81.82	80.76	520.74
4040 - Late Fee Income	1,823.56	1,428.02	5,783.22
4070 - DRB Income Fee	150.00	1,050.00	150.00
4060 - Weed Control Reimbursement	633.50	1,000.00	422.77
<b>Total 4018 - Other Income</b>	<u>26,996.02</u>	<u>40,109.68</u>	<u>36,339.53</u>
<b>Total Operating Income</b>	<u>135,451.02</u>	<u>153,959.68</u>	<u>149,139.53</u>
<b>Operating Expense</b>			
<b>6000 - Administrative Costs</b>			
6093 - Colorado Consumer Use Tax	9.00	0.00	
6080 - Website Maintenance	454.50	803.25	550.00
6005 - Bad Debt Allowance (2)	0.00	29,240.83	171.50
6010 - Insurance	4,207.00	4,472.00	4,222.00
6020 - Office Expense	849.76	392.53	590.53
6030 - Tax Preparation	509.00	375.00	395.00
6040 - Banking Fees	27.00	8.00	4.00
6060 - Legal Fees/Collection	4,090.68	3,677.44	6,560.24
6070 - Management and Accounting Fees	22,330.75	20,678.40	17,550.92
<b>Total 6000 - Administrative Costs</b>	<u>32,477.69</u>	<u>59,647.45</u>	<u>30,044.19</u>
<b>6100 - Common Area Expense</b>			
<b>6105 - Clubhouse</b>			
6190 - CH Security	4,553.82	0.00	0.00
6120 - CH Internet	885.67	644.84	731.26
6110 - CH Cleaning	1,767.47	1,592.00	1,421.58
6130 - CH Repairs & Maint	3,849.50	2,343.98	1,495.42
6140 - CH Supplies	1,947.43	165.87	39.12
6150 - CH Utilities	2,805.99	3,028.89	3,110.19
6160 - CH Water & Sewer	785.65	736.11	707.00
6170 - CH Pool Cleaning & Maint	2,858.30	2,496.74	3,672.54
6180 - CH Pool Supplies	286.00	0.00	174.98
<b>Total 6105 - Clubhouse</b>	<u>19,739.83</u>	<u>11,008.43</u>	<u>11,352.09</u>

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<b>6200 - Maintenance</b>			
6205 - Maintenance Supplies	142.86	270.28	0.00
6210 - Weed Control (Private Lots)	0.00	0.00	0.00
6240 - Ditch Assessment	2,502.00	2,502.00	3,336.00
6250 - General Maintenance	1,557.65	4,321.09	4,924.24
<b>6260 - Landscaping</b>			
62607 - Landscape Supplies	133.08	0.00	0.00
62606 - Open Space	327.97	0.00	0.00
62605 - Mowing	2,078.44	0.00	0.00
62604 - New Plantings	948.11	0.00	0.00
62603 - Weed Control	3,873.00	2,781.00	0.00
62602 - Irrigation Repairs	3,683.86	12,620.24	0.00
62601 - Landscaping Maintenance	26,617.66	28,948.79	36,986.96
<b>Total 6260 - Landscaping</b>	<u>37,662.12</u>	<u>44,350.03</u>	<u>36,986.96</u>
6270 - Signage	0.00	390.56	0.00
6280 - Snow Removal	2,100.00	2,400.00	2,700.00
<b>Total 6200 - Maintenance</b>	<u>43,964.63</u>	<u>54,233.96</u>	<u>47,947.20</u>
<b>6500 - Other</b>			
6520 - Contingency	1,286.38	0.00	0.00
6510 - DRB Expense	397.00	122.50	432.50
<b>Total 6500 - Other</b>	<u>1,683.38</u>	<u>122.50</u>	<u>432.50</u>
<b>6300 - Utilities</b>			
6310 - Electricity	2,720.16	2,187.83	1,382.40
6320 - Trash Removal	10,710.80	8,585.86	6,740.64
6330 - Water Augmentation Fee	3,374.40	3,237.60	3,433.00
<b>Total 6300 - Utilities</b>	<u>16,805.36</u>	<u>14,011.29</u>	<u>11,556.04</u>
<b>Total 6100 - Common Area Expense</b>	<u>82,193.20</u>	<u>79,376.18</u>	<u>71,287.83</u>
<b>Total Operating Expense</b>	<u>114,670.89</u>	<u>139,023.63</u>	<u>101,332.02</u>

**NET OPERATING FUND (Current Year) (3)** 20,780.13      14,936.05      47,807.51

(1) Approved for use by the Board for operational shortfalls due to bad debt in prior years.

Working Capital in 2012 has been moved to the Balance Sheet until the Board decides on its use.

(2) \$29,241 in bad debt in 2011 reflects uncollectible assessments from prior years.

(3) Net Operating Fund at 2010 year-end is overstated due to uncollectible assessments shown on accrual basis.

This overstatement is corrected via the bad debt shown in 2011.

**RESERVE FUND Income/Expense**

Reserve Fund Beginning Fund Balance	96,123.53	98,983.08	94,435.30
<b>7000 - Reserve Fund Revenues</b>			
7020 - Reserve Interest Income	401.28	534.47	271.99
7010 - Reserve Assessment	34,345.00	30,000.00	30,000.00
<b>Total 7000 - Reserve Fund Revenues</b>	<u>34,746.28</u>	<u>30,534.47</u>	<u>30,271.99</u>

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	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>8000 - Reserve Expenses</b>			
8120 - Reserve Exp - Pond Maintenance	1,193.64	1,257.65	0.00
8100 - Reserve Exp - Ditch & Erosion	4,496.10	8,287.50	0.00
8090 - Reserve Exp - Clubhouse Stain	0.00	3,160.00	0.00
8110 - Reserve Exp - Mud Clean Up	0.00	7,122.50	0.00
8080 - Reserve Exp - Pool	0.00	1,840.00	0.00
8070 - Reserve Exp - Boiler Replacement	0.00	2,587.00	0.00
8060 - Reserve Exp - Rd Base Bike Path	1,729.46	608.36	0.00
8050 - Reserve Exp - Removal of Gazebo	0.00	2,300.00	0.00
8040 - Reserve Exp - Pool Furniture	0.00	3,416.23	0.00
8030 - Reserve Expense - Asphalt	7,430.00	0.00	8,000.00
8020 - Reserve Exp - Upper Ditch Legal	0.00	2,814.78	10,524.21
8010 - Reserve Exp - Sopris Engineering			7,200.00
<b>Total 8000 - Reserve Expenses</b>	<u>14,849.20</u>	<u>33,394.02</u>	<u>25,724.21</u>
<b>Total Reserve Expense</b>	<u>14,849.20</u>	<u>33,394.02</u>	<u>25,724.21</u>
<b>Current-Year Reserve Fund Income/(Shortfall)</b>	<u>19,897.08</u>	<u>-2,859.55</u>	<u>4,547.78</u>
<b>RESERVE FUND BALANCE AT YEAR-END</b>	<u><u>116,020.61</u></u>	<u><u>96,123.53</u></u>	<u><u>98,983.08</u></u>

**Cerise Ranch POA**  
**Balance Sheet**  
Comparison of 2012, 2011, 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
1060 · Reserves Money Market	130,869.81	96,169.76	96,293.78
1020 · Construction Money Market (1)	15,271.79	25,189.97	20,109.21
1010 · Operating Checking	66,013.36	56,197.13	37,832.83
<b>Total Checking/Savings</b>	<u>212,154.96</u>	<u>177,556.86</u>	<u>154,235.82</u>
<b>Accounts Receivable</b>			
1200 · Accounts Receivable	-2,636.68	173.63	37,123.21
<b>Total Accounts Receivable</b>	<u>-2,636.68</u>	<u>173.63</u>	<u>37,123.21</u>
<b>Other Current Assets</b>			
1310 · Prepaid Insurance	0.00	3,261.00	3,261.00
1499 · Undeposited Funds	8,025.57	1,649.88	
<b>Total Other Current Assets</b>	<u>8,025.57</u>	<u>4,910.88</u>	<u>3,261.00</u>
<b>Total Current Assets</b>	<u>217,543.85</u>	<u>182,641.37</u>	<u>194,620.03</u>
<b>Fixed Assets</b>			
1520 · Upper Ditch Improvements			32,992.30
1500 · Pool			6,000.00
<b>Total Fixed Assets (2)</b>			<u>38,992.30</u>
<b>TOTAL ASSETS</b>	<u><u>217,543.85</u></u>	<u><u>182,641.37</u></u>	<u><u>233,612.33</u></u>
<b>LIABILITIES &amp; MEMBERS EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
2000 · Accounts Payable	3,870.12	2,097.34	5,509.11
<b>Total Accounts Payable</b>	<u>3,870.12</u>	<u>2,097.34</u>	<u>5,509.11</u>
<b>Other Current Liabilities</b>			
<b>2100 · Deposits</b>			
2110 · Construction/Landscape Deposits	15,000.00	25,000.00	20,000.00
2120 · Wildlife Habitat Fee	0.00	172.51	2,600.00
2130 · Working Capital (3)	2,625.00	0.00	23,215.90
<b>Total 2100 · Deposits</b>	<u>17,625.00</u>	<u>25,172.51</u>	<u>45,815.90</u>
<b>Total Other Current Liabilities</b>	<u>17,625.00</u>	<u>25,172.51</u>	<u>45,815.90</u>
<b>Total Current Liabilities</b>	<u>21,495.12</u>	<u>27,269.85</u>	<u>51,325.01</u>
<b>Total Liabilities</b>	21,495.12	27,269.85	51,325.01

**Cerise Ranch POA**  
**Balance Sheet**  
**Comparison of 2012, 2011, 2010**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Members Equity</b>			
3300 - Replacement Reserve (4)	116,020.61	96,123.53	
3900 - Retained Earnings	39,350.91	47,171.49	129,932.03
Net Income	40,677.21	12,076.50	52,355.29
<b>Total Members Equity</b>	<b>196,048.73</b>	<b>155,371.52</b>	<b>182,287.32</b>
 <b>TOTAL LIABILITIES &amp; MEMBERS EQUITY</b>	 <b>217,543.85</b>	 <b>182,641.37</b>	 <b>233,612.33</b>

- (1) The Construction MM account holds yet-to-be refunded construction deposits.
- (2) Fixed Assets were moved to Retained Earnings by the tax accountant to show they are part of Members Equity.
- (3) Working Capital is placed in a current liability account until the Board decides on its use.
- (4) Replacement Reserve now segregated out from Retained Earnings to accurately account for that fund.

**Cerise Ranch POA**  
**Statement of Cash Flows**  
**Comparison of 2012, 2011, 2010**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>OPERATING ACTIVITIES</b>			
Net Income	40,677.21	12,076.50	52,355.29
Adjustments to reconcile Net Income to net cash provided by operations:			
1200 - Accounts Receivable	2,810.31	36,949.58	-7,333.54
1310 - Prepaid Insurance	3,261.00		-3,261.00
2000 - Accounts Payable	1,772.78	-3,411.77	2,533.66
2110 - Construction/Landscape Deposits	-10,000.00	5,000.00	-7,500.00
2120 - Wildlife Habitat Fee	-172.51	-2,427.49	-2,500.00
2130 - Working Capital	2,625.00	-23,215.90	1,516.14
Net cash provided by Operating Activities	<u>40,973.79</u>	<u>24,970.92</u>	<u>35,810.55</u>
<b>INVESTING ACTIVITIES</b>			
1520 - Upper Ditch Improvements		32,992.30	-24,757.26
1500 - Pool		6,000.00	
Net cash provided by Investing Activities		<u>38,992.30</u>	<u>-24,757.26</u>
<b>FINANCING ACTIVITIES</b>			
3300 - Replacement Reserve	19,897.08	96,123.53	-7,344.00
3900 - Retained Earnings	-19,897.08	-135,115.83	
Net cash provided by Financing Activities	<u>0.00</u>	<u>-38,992.30</u>	<u>-7,344.00</u>
<b>**Net cash increase for period**</b>	40,973.79	24,970.92	3,709.29
Cash at beginning of period	<u>179,206.74</u>	<u>154,235.82</u>	<u>150,526.53</u>
Cash at end of period	<u><u>220,180.53</u></u>	<u><u>179,206.74</u></u>	<u><u>154,235.82</u></u>