

Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Balance Sheets
December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			<u>2019</u>
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 100,767	556,997	657,764	334,339
Investments - Certificates of Deposit	-	-	-	293,000
Assessments receivable, net	82,407	-	82,407	56,699
Other receivables, net	6,085	-	6,085	4,009
Prepaid expenses	5,333	-	5,333	-
Inventory	-	35,200	35,200	36,400
Due (to) from other fund	(37,934)	37,934	-	-
Land	100	49,215	49,315	49,315
Total Assets	<u>156,758</u>	<u>679,346</u>	<u>836,104</u>	<u>773,762</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	27,497	-	27,497	44,110
Other current liabilities	11,492	-	11,492	13,959
Deferred assessment revenue	119,416	-	119,416	97,534
Total Liabilities	<u>158,405</u>	<u>-</u>	<u>158,405</u>	<u>155,603</u>
Fund Equity:				
Fund balances (deficit)	(1,647)	679,346	677,699	618,159
Total Fund Equity	<u>(1,647)</u>	<u>679,346</u>	<u>677,699</u>	<u>618,159</u>
Total Liabilities and Fund Equity	<u>\$ 156,758</u>	<u>679,346</u>	<u>836,104</u>	<u>773,762</u>

The accompanying notes are an integral part of these financial statements.

Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balances
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020			2019
	Operating Fund	Replacement Fund	Total	Total
Revenues:				
Assessments	\$ 914,340	14,475	928,815	921,187
Cable television franchise fee	6,784	-	6,784	7,636
Investment income	22	4,774	4,796	10,405
Other	45,070	18,650	63,720	56,627
Total Revenues	<u>966,216</u>	<u>37,899</u>	<u>1,004,115</u>	<u>995,855</u>
Expenses:				
Maintenance	363,276	-	363,276	351,374
Utilities	182,061	-	182,061	183,781
Sprinkler system	164,984	-	164,984	175,060
Management fees	115,000	-	115,000	115,000
Office expense	31,413	-	31,413	39,800
Insurance	9,639	-	9,639	9,172
Professional fees	47,556	-	47,556	51,941
Security	20,000	-	20,000	20,000
Income taxes	1,261	-	1,261	2,875
Bad debt expense	7,449	-	7,449	5,397
Miscellaneous	736	-	736	19
Replacement Fund expenses	-	1,200	1,200	12,550
Total Expenses	<u>943,375</u>	<u>1,200</u>	<u>944,575</u>	<u>966,969</u>
Excess (Deficiency) of Revenues Over Expenses	22,841	36,699	59,540	28,886
Fund Balances - Beginning of Year	<u>(24,488)</u>	<u>642,647</u>	<u>618,159</u>	<u>589,273</u>
Fund Balances (Deficit) - End of Year	<u>\$ (1,647)</u>	<u>679,346</u>	<u>677,699</u>	<u>618,159</u>

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Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020			2019
	Operating Fund	Replacement Fund	Total	Total
Cash Flows From Operating Activities:				
Cash received from owners for assessments	\$ 909,665	14,475	924,140	927,289
Cash received for interest	22	4,774	4,796	10,322
Cash received from other sources	49,740	18,650	68,390	63,621
Cash (paid) to vendors	(966,405)	-	(966,405)	(966,560)
Income taxes paid	(496)	-	(496)	(2,110)
Transfers (to) from other funds	(39,601)	39,601	-	-
Net Cash Provided (Used) by Operating Activities	(47,075)	77,500	30,425	32,562
Cash Flows From Investing Activities:				
Cash paid to purchase investments	-	-	-	(293,000)
Cash received from matured investments	-	293,000	293,000	389,000
Net Cash Provided (Used) By Investing Activities	-	293,000	293,000	96,000
Net Increase (Decrease) In Cash	(47,075)	370,500	323,425	128,562
Cash at Beginning of Period	147,842	186,497	334,339	205,777
Cash at End of Period	100,767	556,997	657,764	334,339
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:				
Excess (Deficiency) of revenues over expenses	22,841	36,699	59,540	28,886
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Unrealized gain (loss) on investments	-	-	-	(83)
Decrease (increase) in assessments receivable, net	(19,108)	-	(19,108)	6,716
Decrease (increase) in other accounts receivable	(8,676)	-	(8,676)	(603)
Decrease (increase) in prepaid expenses	(5,333)	-	(5,333)	-
Decrease (increase) in inventory	-	1,200	1,200	1,600
Increase (decrease) in accounts payable	(16,613)	-	(16,613)	4,106
Increase (decrease) in deferred assessment revenue	21,882	-	21,882	(499)
Increase (decrease) in accrued expenses	(2,467)	-	(2,467)	(7,561)
Net change in interfund balances	(39,601)	39,601	-	-
Total Adjustments	(69,916)	40,801	(29,115)	3,676
Net Cash Provided (Used) By Operating Activities	\$ (47,075)	77,500	30,425	32,562

The accompanying notes are an integral part of these financial statements.

**Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2020
(Continued)**

6. Management Contract (continued)

Payments to BMMD for services provided under the management agreement during the year ended December 31, 2020 are included in these financial statements as follows:

Maintenance	\$	19,745
Irrigation water		146,916
Management and accounting		115,000
Office expense		4,373
Street sweeping		15,000
Covenant enforcement		<u>20,000</u>
Total		<u>\$ 321,034</u>

As of December 31, 2020, the Association owed \$12,638 to BMMD.

7. Designation of Replacement Fund

The Association's Replacement Fund activities are designated between a General Fund Replacement Reserve and a General Fund Capital Reserve.

During the year ended December 31, 2020, activity was recorded in these categories of the Association's Replacement Fund as follows:

	<u>General Fund Replacement</u>	<u>General Fund Capital</u>	<u>Total</u>
Balances - Beginning of Year	\$ 538,282	104,365	642,647
Revenues:			
Assessments	11,580	2,895	14,475
Investment income	3,819	955	4,774
Other	18,650	-	18,650
Expenses	<u>(1,200)</u>	<u>-</u>	<u>(1,200)</u>
Balances - End of Year	<u>\$ 571,131</u>	<u>108,215</u>	<u>679,346</u>

8. Related Party

The Association incurred \$15,145 to Parkway Services in accordance with a signed contract for street litter pickup services during 2020. Parkway Services is owned by a family member of the Association's accounting manager.

At December 31, 2020, the Association owed \$1,165 to Parkway Services.

Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Operating Fund
Comparison of Budgeted and Actual Revenue and Expenses
For the Year Ended December 31, 2020
(With Comparative Totals For the Year Ended 2019)

	2020		Variance Positive (Negative)	2019
	Budget (Unaudited)	Actual		Actual
Revenues:				
Assessments	\$ 916,050	914,340	(1,710)	887,047
Cable television franchise fee	6,800	6,784	(16)	7,636
Investment income	50	22	(28)	109
Other	48,200	45,070	(3,130)	39,227
Total Revenues	971,100	966,216	(4,884)	934,019
Expenses:				
Maintenance	362,600	363,276	(676)	351,374
Utilities	184,500	182,061	2,439	183,781
Sprinkler system	159,500	164,984	(5,484)	175,060
Management fees	115,000	115,000	-	115,000
Office expense	32,500	31,413	1,087	39,800
Insurance	15,100	9,639	5,461	9,172
Professional fees	47,800	47,556	244	51,941
Security	20,000	20,000	-	20,000
Income taxes	3,800	1,261	2,539	2,875
Bad debt	5,000	7,449	(2,449)	5,397
Miscellaneous	800	736	64	19
Total Expenses	\$ 946,600	943,375	3,225	954,419

The accompanying notes are an integral part of these financial statements.

Battlement Mesa Service Association
(A Colorado Non-Profit Corporation)
Schedule of Future Major Repairs and Replacements
December 31, 2020
(Unaudited)

The Association commissioned a study in 2011 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were prepared by reserve study engineers, based upon bids received from similar projects, past expenditures on similar work and cost estimating guides. In 2012, the Board formed a committee and adjusted the reserve study estimates established by the engineers to correspond with the Association's estimates.

The balance of the Replacement Fund has not been designated by the Board for specific components of common property.

The following table is based on the study and presents significant information about the components of common property:

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Replacement Fund Balance 2020</u>
Median improvements	0 - 5	\$ 120,000	-
Fences	0 - 10	144,000	-
Trails	1 - 9	101,000	-
Other improvements	0 - 10	<u>320,000</u>	<u>-</u>
Totals		<u><u>\$ 685,000</u></u>	<u><u>679,346</u></u>

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