



Accountant's Compilation Report

December 1, 2015

Board of Directors
Brightwater Club Property Owners Association
Gypsum, Colorado

We have compiled the accompanying balance sheet of Brightwater Club Property Owners Association as of October 31, 2015 and the related statement of revenues, expenditures and changes in fund balance with budgets for the ten month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2015 and the preliminary 2016 budget, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, we participate in the financial management of the Association. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as consulting financial manager for the Association.

Our responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

We also compiled the accompanying 2014 historical financial statements of the Association and our report thereon stated that we did not audit or review those financial statements and, accordingly, expressed no opinion or any other form of assurance on them. The report noted that management (with our participation) had elected to omit substantially all disclosures and the statement of cash flows, and if these omissions had been included, they might influence the user's conclusions about the Association's 2014 financial position, results of operations, and cash flows. Accordingly, the 2014 financial statements are not designed for those who are not informed about such matters.

We are not independent from an accounting and auditing perspective with respect to Brightwater Club Property Owners Association because we perform certain accounting services that impair our independence.

**Brightwater Club Property Owners Association
Combined Balance Sheet**

Current Assets	12/31/14	10/31/15
Cash		
US Bank	118,548	74,105
Alpine- Operating Checking	14,185	8,600
Alpine- DRB	30,054	30,057
Alpine CD (4/20/16)	151,094	151,220
UMB Bank	542,962	101,007
Bank of Baroda CD 0.55% 6/17/16		168,000
Ally Bank CD 1.05% 6/12/17		100,000
Ally Bank CD 1.3% 5/14/18		125,000
Goldman Sachs CD 1.65% 5/13/19		125,000
Amer Exp CD 2% 5/14/20	-	125,000
Total Cash	856,844	1,007,989
Other Current Assets		
Accounts Receivable	206,433	216,427
Other Receivables	37,518	16,388
Prepaid Expenses	12,057	9,410
Total Other Current Assets	256,009	242,224
Total Assets	1,112,853	1,250,213
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	17,900	8,897
Prepaid Assessments	3,721	938
Compliance & Security Deposits	20,000	20,000
Transponder Deposits	350	350
Deferred Receivables		
Uncollected Accounts Receivable	206,433	216,427
Total Liabilities	248,404	246,612
Fund Equity		
Working Capital Deposits	79,950	80,550
Fund Balance - Operating Fund	86,169	120,249
Fund Balance - Reserve Fund	698,330	802,802
Total Equity	864,449	1,003,601
Total Liabilities and Fund Equity	1,112,853	1,250,213

See accompanying accountant's report.

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Brightwater Club Property Owners Association Stmnt of Revenues and Expenditures and Fund Bal For The Periods Indicated	12/31/14 Unaudited Actual	2015 Adopted Budget	Variance Favorable (Unfavor)	2015 ** Forecast **	YTD Thru 10/31/15 Actual	YTD Thru 10/31/15 Budget	Variance Favorable (Unfavor)	2016 Adopted Budget
Units In Association	312	312	-	312				312
Less Non-Paying Lots	(45)	(31)	13	(18)				(18)
Net Fully Paying Individual Lots	267	281	13	294				294
Quarterly Assessments Per Unit	\$ 300.00	\$ 300.00		\$ 300.00				\$ 325.00
Operating Fund Revenues								
Operating Assessments Billed	374,400	374,400	1	374,401	374,400	374,400	-	405,600
Less Current Year Billings Not Collected	(38,831)	(37,200)	15,600	(21,600)	(28,560)	(37,200)	8,640	(23,400)
Prepayment of Dues	-	-	-	-	-	-	-	-
Less Prepay Discounts	(70,500)	(81,000)	600	(80,400)	(80,400)	(81,000)	600	(95,550)
Prior Year Revenues Collected	54,599	5,000	33,000	38,000	37,116	4,167	32,949	30,000
Working Capital Applied	8,100	-	50	50	50	-	50	-
Design Review Board Fees	-	-	-	-	-	-	-	-
Legal, Late Fees and Interest Collected	1,187	250	750	1,000	794	208	586	250
Title Statement Charges	300	200	50	250	250	167	83	200
Interest Income- DRB	3	5	-	5	3	4	(2)	5
Interest Income- Operations	598	300	(180)	120	113	250	(137)	120
Uncategorized Income	44	-	-	-	-	-	-	-
Developer Contribution	-	-	-	-	-	-	-	-
Castoff Cabin Rental, net of lease sharing %								300
Total Common Revenues	329,901	261,955	49,871	311,826	303,765	260,996	42,769	317,525

See accompanying accountant's report.

** Forecast is an estimate as of the date of this report and is subject to change

Brightwater Club Property Owners Association Stmnt of Revenues and Expenditures and Fund Bal For The Periods Indicated	12/31/14 Unaudited Actual	2015 Adopted Budget	Variance Favorable (Unfavor)	2015 ** Forecast **	YTD Thru 10/31/15 Actual	YTD Thru 10/31/15 Budget	Variance Favorable (Unfavor)	2016 Adopted Budget
Operating Fund Expenses								
Operating Expenses								
Accounting & Management	51,440	51,500	(8,500)	60,000	47,247	40,500	(6,747)	60,000
Covenant Enforcement	2,000	-	-	-	-	-	-	-
Legal- General	2,013	10,000	(10,000)	20,000	14,625	8,333	(6,291)	20,000
Legal & Administration- CDI Bankruptcy	-	-	-	-	-	-	-	-
Legal- Collections	18,293	20,000	-	20,000	10,227	16,364	6,137	20,000
Tax Return Prep	400	500	100	400	400	500	100	400
Design Review Consultants	1,069	1,500	900	600	300	1,250	950	1,500
Insurance	12,992	14,000	1,260	12,740	10,972	14,000	3,028	15,500
Meetings & Communications	575	1,000	-	1,000	-	-	-	1,000
Phone, Copies, & Office Supplies	2,461	2,000	(200)	2,200	1,541	1,429	(113)	2,200
Mailing & Postage	-	200	200	-	-	180	180	-
Bank Charges	31	100	-	100	31	83	52	100
Income Tax Expense	90	100	(138)	238	238	100	(138)	300
Contingency/ Other	-	10,000	10,000	-	-	8,333	8,333	10,000
Total Operating Expenses	91,363	110,900	(6,378)	117,278	85,581	91,072	5,492	131,000
Castoff Cabin Lease Expenses								
Base Rent								120
Property Insurance								6,800
Gas								2,500
Electricity								1,800
Water/Sewer								500
Trash								400
Pest Control								300
Cleaning								2,250
Grounds Maintenance								2,000
Supplies								1,000
Building Maintenance								1,000
Property Taxes								7,200
Contingency/ Other								4,430
Total Castoff Cabin Lease Expenses	-	-	-	-	-	-	-	30,300

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Operating Fund Expenses (Continued)								
Security/ Gatehouse Expenses								
Contribution to Valagua Metro Towards Staffing	-	-	-	-	-	-	-	-
Cleaning & Maintenance	-	-	-	-	-	-	-	-
Utilities- Water & Sewer	-	-	-	-	-	-	-	-
Utilities- Telephone/Internet	3,762	4,000	-	4,000	3,172	3,333	162	4,000
Utilities- Natural Gas	358	400	-	400	269	333	65	400
Utilities- Electric	736	1,350	350	1,000	680	1,125	445	1,000
Pest Control	-	-	-	-	-	-	-	-
Equipment Purchase & Maintenance	2,395	2,500	500	2,000	1,471	2,083	613	2,500
Operating Supplies	405	1,000	500	500	-	1,000	1,000	1,000
Software Fees	2,824	3,000	-	3,000	2,200	2,500	300	3,000
Contingency/ Other	-	2,500	2,500	-	-	2,083	2,083	2,500
Total Security Expenses	10,480	14,750	3,850	10,900	7,791	12,458	4,667	14,400
Common Area Maintenance Expenses								
Grounds Contract (Entrances, trees, irrig, weeds)	7,730	5,500	(4,284)	9,784	9,784	5,500	(4,284)	10,340
Weed Control- Road Medians & Entrance	810	-	-	-	-	-	-	-
Tree Care	415	-	-	-	-	-	-	-
Weed Control- Private Lot Spot Spraying	-	8,000	(13,360)	21,360	21,360	8,000	(13,360)	21,240
Weed Control- Private Lot Mowing & Broadcast Spray	-	4,500	3,000	1,500	1,500	4,500	3,000	-
Weed Control- Roadside Edges	-	8,000	(810)	8,810	8,810	8,000	(810)	7,860
Weed Control- Stream Area/ Conservation Easement	-	2,500	1,000	1,500	1,500	2,500	1,000	1,500
Fence Repair	-	2,000	2,000	-	-	2,000	2,000	2,000
Reserve Study	-	-	-	-	-	-	-	-
Engineering	436	-	-	-	-	-	-	-
Repairs & Maintenance	-	2,500	-	2,500	1,998	2,500	502	2,500
Electric- Street Lights	963	1,000	-	1,000	591	833	242	1,000
Electric - Lake Aeration	1,506	1,200	(800)	2,000	1,660	1,200	(460)	2,000
Snow Plowing	7,235	5,500	1,500	4,000	2,000	4,400	2,400	5,500
Road & Shoulder Maintenance	-	2,000	2,000	-	-	2,000	2,000	2,000
Irrigation	495	6,500	(430)	6,930	7,110	6,500	(610)	6,500
Conservation Easement Inspections	-	3,900	-	3,900	-	3,900	3,900	3,900
Contingency/ Other	-	-	-	-	-	-	-	-
Total Common Area Maintenance Exp.	19,590	53,100	(10,184)	63,284	56,313	51,833	(4,480)	66,340
Total Expenses	121,433	178,750	(12,712)	191,462	149,685	155,364	5,679	242,040
Transfer to Reserve Fund	(207,000)	(85,000)	(35,000)	(120,000)	(120,000)	(85,000)	(35,000)	(75,000)
Change in Fund Balance	1,468	(1,795)	2,159	364	34,080	20,632	13,448	485
Operations Fund Balance - Beginning	84,701	86,120	49	86,169	86,169	86,120	49	86,120
Operations Fund Balance - Ending	86,169	84,325	2,208	86,533	120,249	106,752	13,497	86,605

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Replacement Reserve Revenues								
Interest Income	1,655	1,699	-	1,699	1,136	1,416	(279)	2,008
Transfer From Operating Fund	207,000	85,000	35,000	120,000	120,000	85,000	35,000	75,000
GCH Contribution for Deferred Maintenance	37,518	21,500	(5,112)	16,388	16,388	21,500	(5,112)	-
Total Repl. Reserve Revenues	246,173	108,199	29,888	138,087	137,524	107,916	29,609	77,008
Replacement Reserve Expenditures								
Roads								
Overlays		-	-	-		-	-	-
Operations Management	518		-		-	-	-	
Crackfilling	6,261	7,000	(2,092)	9,092	9,092	7,000	(2,092)	5,000
Repair Settled Areas	8,334	10,000	2,168	7,832	7,832	10,000	2,168	
Culverts & Drainage	-		-		-	-	-	
Curb & Gutter Repair		-	-	-		-	-	
Bridge Maintenance	-		-		-	-	-	
Gate House Entrance Repair (Sinkhole)	22,192	1,500	1,500	-	-	1,500	1,500	
Landscaping								
Complete Irrigation		-	-	-		-	-	
Irrigation Maintenance	-	-	-	-	-	-	-	
Tree Removal & Replacement	1,635		-			-	-	
Roundabout & North Entrance		12,500	111	12,389	12,389	12,500	112	25,000
Gatehouse								
Exterior Lighting		-	-	-		-	-	
Staining		-	-	-		-	-	
Doors		-	-	-		-	-	
Windows		-	-	-		-	-	
Gutters & Downspouts		-	-	-		-	-	
Roof		-	-	-		-	-	
Gates	9,515		-		-	-	-	
Access Control System		-	-	-		-	-	
Security System		-	-	-		-	-	
Other Common Elements								
Fence at North Gate		-	(3,463)	3,463	3,463	-	(3,463)	
Street Light Maintenance	10,124		-		-	-	-	
Street Light Replacement		-	-	-		-	-	
Ballard Light Maintenance	3,000		-		-	-	-	
Ballard Light Replacement		-	-	-		-	-	
Sign Maintenance	13,457	2,000	1,724	276	276	2,000	1,724	2,000
Sign Replacement		-	-	-		-	-	
Pond Liners		-	-	-		-	-	
Pond Pumps		-	-	-		-	-	
Pond Aerators		-	-	-		-	-	
Misc Other/ Contingency		10,000	10,000	-		10,000	10,000	10,000
Repl. Res. Expenditures	75,036	43,000	9,948	33,052	33,052	43,000	9,948	42,000
Repl Res Net Income	171,137	65,199	39,836	105,034	104,473	64,916	39,557	35,008
Repl. Res. Fund Balance - Begin	527,193	679,479	18,851	698,330	698,330	679,479	18,851	803,364
Repl. Res. Fund Balance - End	698,330	744,677	58,687	803,364	802,802	744,394	58,408	838,372

See accompanying accountant's report.

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BRIGHTWATER CLUB POA

CAST OFF CABIN- 2015 OPERATIONS BUDGET

Proposed Rental Fees:

Rental Charge- Per Day- Owner	\$ 300.00	Assuming no cleaning required after event
Rental Charge- Per Day- Public	TBD	Likely not worth it with revenue share with GCH
FAC & Community Events	No Charge	Assuming no significant use of kitchen and self-cleaned

REVENUES

Building Rental- Full Day	1,500	Assume 5 rentals
Less GCH Cost Share	(1,200)	80% of Revenue

TOTAL NET REVENUES

300

EXPENSES

Base Rent	90	Base rent to GCH of \$10 per Month from April-December
Property Insurance	6,800	Assuming \$1M Building value
Utilities:		
Gas	2,500	Assume open in April and leave on through end of year
Electricity	1,800	Assume open in April and leave on through end of year
Water/Sewer	500	Assume open April and leave on through end of year- \$50/ mo plus turn on fee
Trash	400	\$126 per quarter for Vail Honeywagon- April thru October
Pest Control	300	Since facility has not been used for several years
Cleaning	2,250	Assume \$75 per week- April thru October
Grounds Maintenance	2,000	Spring Cleaning, then Scott Green willing to maintain as part of other grounds contract
Supplies	1,000	Restroom and other supplies
Building Maintenance	1,000	Change locks and other minor items
Property Taxes	7,200	Based on County Assessor building value of \$205,800.
Contingency/ Other	4,460	Unforeseen needs

TOTAL EXPENSES

30,300

NET ASSOCIATION SUBSIDY

(30,000)

Cost Per Paying Member

\$ 103.00 Assuming 292 paying members