

**Brightwater Club Property Owners Association
Balance Sheet**

Current Assets	12/31/16	10/31/17
Cash		
US Bank	118,211	28,522
Alpine- Operating Checking	29,983	58,318
Alpine- DRB	50,061	30,065
UMB Bank- 0.05%	8,003	8,864
<i>Brokered CD's:</i>		
Towne Bank 1.25% 5/31/18	100,000	50,000
Capital One 1.15% 4/29/19	200,000	200,000
Goldman Sachs 1.65% 5/13/19	125,000	125,000
Amer Exp 2% 5/14/20	125,000	125,000
Ally Bank 1.9% 6/22/20	125,000	225,000
BMW Bank UT 1.15%-1.7% 6/19-2/20	90,000	148,000
Discover Bank 1.45% & 2.05% 3/21 & 6/21	85,000	185,000
Synchrony Bank 1.9% & 2.3% 5/20 & 2/22	-	104,000
Total Cash	1,156,259	1,287,769
Other Current Assets		
Accounts Receivable	205,593	53,712
Other Receivables	-	-
Prepaid Expenses	14,996	9,315
Total Other Current Assets	220,589	63,027
Total Assets	1,376,848	1,350,796
Liabilities and Fund Equity		
Current Liabilities		
Accounts Payable	31,496	14,249
Prepaid Assessments	14,000	975
Compliance & Security Deposits	40,000	20,250
Transponder Deposits	650	900
Deferred Receivables		
Uncollected Accounts Receivable	206,568	54,687
Total Liabilities	292,714	91,061
Fund Equity		
Working Capital Deposits	78,050	78,625
Fund Balance - Operating Fund	87,463	127,141
Fund Balance - Reserve Fund	918,621	1,053,970
Total Equity	1,084,134	1,259,735
Total Liabilities and Fund Equity	1,376,848	1,350,796
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Brightwater Club Property Owners Association Stmnt of Revenues and Expenditures and Fund Bal For The Periods Indicated	12/31/16 Unaudited Actual	2017 Adopted Budget	Variance Favorable (Unfavor)	2017 Forecast	YTD Thru 10/31/17 Actual	YTD Thru 10/31/17 Budget	Variance Favorable (Unfavor)	2018 Adopted Budget	Budget Comments
Units In Association	312	312	-	312				312	
Less Association Owned Lots		(5)		(7)				(7)	7 lots already Assn Owned
Less Non-Paying Lots	(26)	(21)	19	(2)				(2)	Final 2 lots in foreclosure process
Net Fully Paying Individual Lots	286	286	19	303				303	
Quarterly Assessments Per Unit	\$ 325.00	\$ 325.00		\$ 325.00				\$ 325.00	Remain same as 2017
Operating Fund Revenues									
Operating Assessments Billed	405,600	399,100	(2,600)	396,500	397,716	399,100	(1,384)	396,500	312-7=305 lots at \$325 per quarter
Less Current Year Billings Not Collected	(33,915)	(27,300)	24,700	(2,600)	(4,525)	(27,300)	22,775	(2,600)	2 lots in foreclosure
Prepayment of Dues	-	-	-	-	-	-	-	-	
Less Prepay Discounts	(88,075)	(92,950)	(650)	(93,600)	(93,600)	(92,950)	(650)	(98,475)	Above Lots at \$325
Prior Year Revenues Collected	44,364	-	55,732	55,732	55,732	-	55,732	-	Likely to take ownership of properties
Working Capital Applied	-	-	-	-	-	-	-	-	Already applied
Cabins Assessments	-	-	-	-	-	-	-	-	Assn not maintaining these properties
Homestead Assessments	-	-	-	-	-	-	-	-	Assn not maintaining these properties
Design Review Board Fees	2,750	-	2,750	2,750	2,750	-	2,750	-	No homes assumed
Legal, Late Fees and Interest Collected	128	-	2,086	2,086	2,047	-	2,047	-	Likely to take ownership of properties
Title Statement Charges	400	200	225	425	425	167	258	500	10 properties at \$50 each
Interest Income- DRB	4	3	-	3	4	3	1	3	Based on 2017
Interest Income- Operations	146	150	-	150	60	125	(65)	150	Based on 2017
Misc Income (incl. cabin rental fees)	800	50	350	400	381	50	331	300	Based on 2017
Developer Contribution	-	-	-	-	-	-	-	-	
Total Common Revenues	332,202	279,253	82,593	361,846	360,990	279,194	81,796	296,378	

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Operating Fund Expenses									
Operating Expenses									
Accounting & Management	64,375	61,000	(3,000)	64,000	53,524	50,750	(2,774)	62,000	Based on 2017
Covenant Enforcement	-	-	-	-	-	-	-	3,000	\$250 per month for outside service
Audit	-	-	-	-	-	-	-	-	
Legal- General	10,464	15,000	-	15,000	12,452	12,500	48	15,000	Based on 2017
Legal- Collections	42,091	20,000	7,000	13,000	10,542	16,364	5,822	10,000	Foreclosures wrapping up
Tax Return Prep	400	400	(50)	450	450	400	(50)	450	Based on 2017
Design Review Consultants	1,850	1,500	(1,950)	3,450	3,450	1,250	(2,200)	3,500	Wrap up homes under construction
Insurance	13,940	14,500	(731)	15,231	15,231	14,500	(731)	16,000	Based on 2017
Meetings & Communications	634	1,500	-	1,500	955	1,500	545	1,500	Based on 2017
Phone, Copies, & Office Supplies	1,772	2,200	(650)	2,850	2,116	1,571	(544)	2,200	3 yr website renewal in 2017
Bank Charges	20	100	(250)	350	77	83	6	780	Bill.com E-Payment services
Income Tax Expense	1,215	2,000	(1,074)	3,074	3,074	2,000	(1,074)	3,000	Tax on interest earnings
Contingency/ Other	-	10,000	7,500	2,500	-	8,333	8,333	10,000	Unforeseen needs
Uncategorized Expenses									
Total Operating Expenses	136,760	128,200	6,795	121,405	101,871	109,252	7,381	127,430	
Castoff Cabin Lease Expenses									
Base Rent	1,858	120	-	120	120	110	(10)	120	Base rent to GCH of \$10 per Month
Property Insurance	2,138	3,500	488	3,012	3,012	2,917	(95)	3,500	
Gas	327	750	50	700	512	625	113	750	Assume winterized
Electricity	228	750	-	750	205	625	420	750	Assume winterized
Water/Sewer	414	500	-	500	-	417	417	500	Assume winterized
Trash									No service provided
Pest Control	801	500	(50)	550	480	417	(63)	500	Rodent control
Cleaning	2,618	3,000	550	2,450	2,450	3,000	550	3,000	April thru October
Grounds Maintenance	1,980	1,000	(1,850)	2,850	1,976	1,000	(976)	1,000	Mulch & minor items
Supplies	-	500	400	100	-	500	500	500	Restroom and other supplies
Building Maintenance	5,145	2,500	1,000	1,500	808	2,500	1,692	2,500	Winterization, minor other
Property Taxes	5,108	7,661	-	7,661	7,661	7,023	(638)	8,500	
Contingency/ Other		1,500	1,000	500		1,500	1,500	1,500	Unforeseen needs
Total Castoff Cabin Lease Expenses	20,616	22,281	1,588	20,693	17,225	20,633	3,408	23,120	

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Operating Fund Expenses (Continued)									
Security/ Gatehouse Expenses									
Utilities- Telephone/Internet	3,953	4,000	-	4,000	3,379	3,333	(46)	4,000	Phone & Internet to run system
Utilities- Natural Gas	318	400	-	400	266	333	67	400	Based on 2017
Utilities- Electric	1,068	1,000	-	1,000	876	833	(43)	1,000	Based on 2017
Equipment Purchase & Maintenance	6,672	4,000	-	4,000	3,345	3,333	(12)	4,000	Service calls, component replacements
Operating Supplies	161	1,000	-	1,000	-	1,000	1,000	1,000	Parts & misc supplies
Software Fees	2,764	3,000	-	3,000	2,337	2,500	163	3,000	Monthly camera/database fee
Contingency/ Other	-	2,500	1,500	1,000	-	1,944	1,944	2,500	Unforeseen needs
Total Security Expenses	14,937	15,900	1,500	14,400	10,204	13,278	3,074	15,900	
Common Area Maintenance Expenses									
Grounds Contract (Entrances, trees, irrig, weeds)	11,074	10,340	(260)	10,600	10,508	10,340	(168)	10,340	Flowers, weed pulling, trees, add'l mulc
Weed Control- Private Lot Spot Spraying	21,240	21,240	-	21,240	21,240	21,240	-	21,240	Assuming 3 applications
Weed Control- Private Lot Mowing & Broadcast Spr	-	-	-	-	-	-	-	-	
Weed Control- Roadside Edges	7,860	9,850	(2)	9,852	9,852	9,850	(2)	9,850	Mowing & Spraying
Weed Control- Stream Area/ Conservation Easement	1,500	1,500	-	1,500	1,500	1,500	-	1,500	Spot spray & mow trails
Fence Repair		2,000	2,000	-		2,000	2,000	2,000	
Repairs & Maintenance	1,336	2,500	2,250	250	165	2,500	2,335	2,500	Street lights, signs, etc
Electric- Street Lights	858	1,000	-	1,000	561	833	272	1,000	Based on 2017 Forecast
Electric - Lake Aeration	3,598	3,500	-	3,500	2,037	3,500	1,463	3,500	Assume to continue to pay for GCH
Snow Plowing	2,049	5,500	-	5,500	3,150	4,400	1,250	5,500	\$350 per plow; Hand Shovel \$45/HR
Road & Shoulder Maintenance	80	2,000	-	2,000	-	2,000	2,000	2,000	Minor repairs
Irrigation	3,000	6,500	-	6,500	3,000	6,500	3,500	6,500	Maint and \$6K pmt to GCH for usage
Conservation Easement Inspections	3,900	3,900	-	3,900	-	-	-	3,900	\$20 per sold lot (195) pd to Land Trust
Contingency/ Other		-	-	-		-	-	-	
Total Common Area Maintenance Exp.	56,495	69,830	3,988	65,842	52,013	64,663	12,651	69,830	
Total Expenses	228,808	236,211	13,871	222,340	181,313	207,826	26,513	236,280	
Transfer to Reserve Fund	(102,000)	(43,000)	(97,000)	(140,000)	(140,000)	(43,000)	(97,000)	(60,000)	Needs to increase to \$180K annually
Change in Fund Balance	1,394	42	(536)	(494)	39,678	28,368	11,309	98	Funding of capital reserves
Operations Fund Balance - Beginning	86,069	85,800	1,663	87,463	87,463	85,800	1,663	86,969	
Operations Fund Balance - Ending	87,463	85,842	1,127	86,969	127,141	114,168	12,972	87,067	

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Replacement Reserve Revenues									
Interest Income	10,343	6,835	8,165	15,000	12,861	5,696	7,165	11,000	1% of Fund Balance
Transfer From Operating Fund	102,000	43,000	97,000	140,000	140,000	43,000	97,000	60,000	Needs to increase to \$180K annually
GCH Contribution for Deferred Maintenance	-	-	-	-	-	-	-	-	GCH portion completed
Total Repl. Reserve Revenues	112,343	49,835	105,165	155,000	152,861	48,696	104,165	71,000	
Replacement Reserve Expenditures									
Roads									
Overlays	-	-	-	-	-	-	-	-	Stated for 2020 but not enough \$
Operations Management	-	-	-	-	-	-	-	-	
Crackfilling	13,187	7,500	1,000	6,500	6,500	7,500	1,000	13,000	Ongoing needs
Repair Settled Areas	-	-	-	-	-	-	-	-	Nothing anticipated
Culverts & Drainage	-	-	-	-	-	-	-	-	
Curb & Gutter Repair	-	-	-	-	-	-	-	-	
Bridge Maintenance	-	-	-	-	-	-	-	-	Nothing anticipated
Gate House Entrance Repair (Sinkhole)	-	-	-	-	-	-	-	-	Nothing anticipated
Landscaping									
Complete Irrigation	-	-	-	-	-	-	-	-	
Irrigation Maintenance	-	-	-	-	-	-	-	-	
Tree Removal & Replacement	-	2,000	543	1,457	1,457	2,000	543	-	Nothing anticipated
Roundabout & North Entrance	-	-	-	-	-	-	-	-	Aspen trees installed
Gatehouse									
Exterior Lighting	-	-	-	-	-	-	-	-	Not Association responsibility
Staining	-	-	-	-	-	-	-	-	Not Association responsibility
Gutters & Downspouts	-	-	-	-	-	-	-	-	Not Association responsibility
Roof	-	-	-	-	-	-	-	-	Not Association responsibility
Gates	-	-	-	-	-	-	-	-	
Access Control System	-	-	-	-	-	-	-	-	Nothing anticipated
Security System	-	-	-	-	-	-	-	-	Nothing anticipated
Other Common Elements									
Fence at North Gate	-	-	-	-	-	-	-	-	Nothing anticipated
Street Light Maintenance	-	-	-	-	-	-	-	7,825	Staining
Street Light Replacement	-	-	-	-	-	-	-	-	Nothing anticipated
Ballard Light Maintenance	-	2,000	2,000	-	-	2,000	2,000	6,086	Staining & Repairs
Ballard Light Replacement	-	-	-	-	-	-	-	-	Nothing anticipated
Sign Maintenance	-	-	(13,750)	13,750	9,555	-	(9,555)	8,695	Staining/Replacements
Sign Replacement	-	-	-	-	-	-	-	-	
Pond Liners	-	-	-	-	-	-	-	-	Not Association responsibility
Pond Pumps	-	-	-	-	-	-	-	0	Not Association responsibility
Pond Aerators	-	-	-	-	-	-	-	-	Not Association responsibility
Misc Other/ Contingency		10,000	10,000	-		10,000	10,000	10,000	
Repl. Res. Expenditures	13,187	21,500	(207)	21,707	17,512	21,500	3,989	45,606	
Repl Res Net Income	99,156	28,335	104,958	133,293	135,349	27,196	108,153	25,394	
Repl. Res. Fund Balance - Begin	819,465	911,278	7,343	918,621	918,621	911,278	7,343	1,051,914	
Repl. Res. Fund Balance - End	918,621	939,613	112,301	1,051,914	1,053,970	938,474	115,496	1,077,308	\$1.5 M needed in 2020 for overlays

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No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.