

# ROBERTSON & MARCHETTI, P.C.

*Certified Public Accountants*

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## Accountant's Compilation Report

February 14, 2012

Board of Directors  
Brightwater Club Property Owners Association, Inc.  
Gypsum, Colorado

I have compiled the accompanying balance sheet of Brightwater Club Property Owners Association, Inc. as of December 31, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the twelve month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the adopted budget for the fiscal year ending December 31, 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I 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, I participate in the financial management of the Association. Management (with my 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. I have prepared these financial statements in my capacity as consulting financial manager for the Association.

My 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 my 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.

I 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying historical financial statements of the Association for the year ended December 31, 2010 and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management 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 financial position, results of operations, and cash flows for the fiscal year ended December 31, 2010. Accordingly, those financial statements are not designed for those who are not informed about such matters.

I am not independent from an accounting and auditing perspective with respect to Brightwater Club Property Owners Association, Inc. because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Eric Weaver, CPA, Vice-President

**Brightwater Club Property Owners Association**  
**Combined Balance Sheet**  
**December 31, 2010 and December 31, 2011**

<b>Current Assets</b>	<u>12/31/10</u>	<u>12/31/11</u>
<b>Cash</b>		
US Bank	281,771	181,726
Alpine- Operating Checking	9,942	(2,203)
Alpine- DRB	30,030	30,044
Alpine CD		150,316
Petty Cash	313	186
<b>Total Cash</b>	<u>322,056</u>	<u>360,070</u>
<b>Accounts Receivable</b>		
Accounts Receivable	1,200,393	1,361,610
Prepaid Expenses	-	4,669
<b>Net Receivables</b>	<u>1,200,393</u>	<u>1,366,279</u>
<b>Total Assets</b>	<u>1,522,449</u>	<u>1,726,348</u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	28,628	5,287
Prepaid Assessments		12,800
Compliance & Security Deposits	30,000	30,000
<b>Deferred Receivables</b>		
Uncollected 2011 Assessments		224,135
Uncollected 2011 Interest Charges		51,490
Uncollected Prior Years Assessments	1,200,393	1,085,985
<b>Total Deferred Receivables</b>	<u>1,200,393</u>	<u>1,361,610</u>
<b>Total Liabilities</b>	<u>1,259,022</u>	<u>1,409,698</u>
<b>Fund Equity</b>		
Working Capital Deposits	128,900	93,950
Fund Balance - Operating Fund	134,527	222,701
<b>Total Equity</b>	<u>263,427</u>	<u>316,651</u>
<b>Total Liabilities and Fund Equity</b>	<u>1,522,449</u>	<u>1,726,348</u>
See accompanying accountant's report.	=	=

Brightwater Club Property Owners Association Stmnt of Revenues and Expenditures and Fund Ba For The Periods Indicated	12/31/10 Unaudited Actual	2011 Budget	Variance Favorable (Unfavor)	2011 ** Forecast **	YTD Thru 12/31/11 Actual	YTD Thru 12/31/11 Budget	Variance Favorable (Unfavor)	2012 Adopted Budget	Budget Comments
Units In Association	312	312		312				312	
Less CDI Lots		(115)		(117)				(117)	
Less Non-Paying Lots	(195)	(82)		(63)				(63)	Sames as 2011
Net Fully Paying Individual Lots	117	115		132				132	
Quarterly Assessments Per Unit	500.00	400.00		400.00				400.00	
<b>Revenues</b>									
Operating Assessments Billed	624,000	499,200	-	499,200	499,200	499,200	-	499,200	312 lots at \$400 per quarter
Less Current Year Billings Not Collected	(390,786)	(315,200)	87,965	(227,235)	(224,135)	(315,200)	91,065	(288,000)	117 CDI + 63 individual lots not paying
Add Collection of Super Liens (1 Thru 3) & Fees		-	-	-		-	-	-	Cannot assume at this point
Less Prepay Discounts	-	-	(34,000)	(34,000)	(34,000)	-	(34,000)	(40,000)	100 Lots at \$400
Less Refunds	-	-	-	-	(0)	-	(0)	-	
Prior Year Revenues Collected	90,310	20,000	67,000	87,000	87,506	20,000	67,506	20,000	Made major headway in 2010 and 2011
Working Capital Applied			20,950	20,950	52,000	-	52,000	-	Most have already been applied
Cabins Assessments	-	-	-	-	-	-	-	-	Assn not maintaining these properties
Homestead Assessments	-	-	-	-	-	-	-	-	Assn not maintaining these properties
Design Review Board Fees	-	2,500	(2,500)	-	-	2,500	(2,500)	-	New home submittal doubtful
Late Fees and Interest Charges Collected	-	600	(350)	250	241	600	(359)	250	
Title Statement Charges	-	600	1,650	2,250	2,100	600	1,500	500	10 properties at \$50 each
Interest Income- DRB	20	24	(9)	15	13	24	(11)	15	Based on 2011
Interest Income- Reserves	359	420	380	800	801	420	381	800	Based on 2011
Uncategorized Income	734	-	-	-	-	-	-	-	
Developer Contribution	-	-	-	-	-	-	-	-	
<b>Total Common Revenues</b>	<b>324,637</b>	<b>208,144</b>	<b>141,086</b>	<b>349,230</b>	<b>383,726</b>	<b>208,144</b>	<b>175,582</b>	<b>192,765</b>	

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 Ba For The Periods Indicated	12/31/10 Unaudited Actual	2011 Budget	Variance Favorable (Unfavor)	2011 ** Forecast **	YTD Thru 12/31/11 Actual	YTD Thru 12/31/11 Budget	Variance Favorable (Unfavor)	2012 Adopted Budget	Budget Comments
<b>Expenses</b>									
<b>Operating Expenses</b>									
Accounting & Management	17,989	52,000	(8,000)	60,000	60,860	52,000	(8,860)	45,000	Less cleanup in 2012
Audit	-	9,250	9,250	-	-	9,250	9,250	-	
Legal- General	33,169	12,000	8,000	4,000	9,126	12,000	2,874	12,000	Normal issues
Legal & Administration- CDI Bankruptcy	-	-	(110,000)	110,000	101,528	-	(101,528)	25,000	
Legal- Collections	511	20,000	12,000	8,000	2,276	20,000	17,724	10,000	
Legal- Developer Issues	2,843	36,000	31,000	5,000	3,018	36,000	32,982	20,000	
Legal- Club Rights & Matters	-	-	(2,500)	2,500	1,182	-	(1,182)	20,000	
BPC Funding	-	-	(95,000)	95,000	93,000	-	(93,000)	5,000	
Reserve Study	-	2,000	2,000	-	-	2,000	2,000	5,000	
Covenant Enforcement	-	-	-	-	-	-	-	-	
Tax Return Prep	550	750	350	400	400	750	350	500	
Design Review Consultants	1,046	2,500	(500)	3,000	3,175	2,500	(675)	2,500	Misc minor items
Insurance	7,547	8,000	1,081	6,919	8,573	8,000	(573)	9,000	Increase coverage
Meetings & Communications	805	3,200	2,200	1,000	877	3,200	2,323	2,000	
Dues & Subscriptions	-	-	-	-	-	-	-	-	
Title Company Statement Requests	-	-	(1,500)	1,500	1,875	-	(1,875)	500	
Phone, Copies, & Office Supplies	402	1,200	(1,800)	3,000	2,859	1,200	(1,659)	2,500	
Mailing & Postage	-	2,000	-	2,000	177	2,000	1,823	2,000	
Bank Charges	573	120	-	120	-	120	120	120	
Website Design, Maintenance, & Fees	-	-	(2,500)	2,500	1,926	-	(1,926)	1,000	
Income Tax Expense	-	500	-	500	-	500	500	500	
Contingency/ Other	2,500	8,500	-	8,500	-	8,500	8,500	2,500	
Uncategorized Expenses	-	-	-	-	-	-	-	-	
<b>Total Operating Expenses</b>	<b>67,935</b>	<b>158,020</b>	<b>(155,919)</b>	<b>313,939</b>	<b>290,854</b>	<b>158,020</b>	<b>(132,834)</b>	<b>165,120</b>	
<b>Security/ Gatehouse Expenses</b>									
Cleaning & Maintenance	158	1,200	1,200	-	-	1,200	1,200	-	Done In-House
Utilities- Water & Sewer	502	552	(40)	592	593	552	(41)	600	
Utilities- Telephone/Internet	2,383	2,580	(670)	3,250	2,799	2,580	(219)	2,750	
Utilities- Natural Gas	353	820	370	450	368	820	452	500	
Utilities- Electric	1,394	1,200	(400)	1,600	1,616	1,200	(416)	1,700	
Pest Control	60	-	60	(60)	(60)	-	60	-	
Equipment	-	-	(8,000)	8,000	-	-	-	-	Upgrades in 2011
Software Fees	-	-	-	-	-	-	-	1,800	\$150 per month
Contingency/ Other (Bill Writeoff)	481	2,000	12,783	(10,783)	(10,783)	2,000	12,783	500	
<b>Total Security Expenses</b>	<b>5,330</b>	<b>8,352</b>	<b>5,303</b>	<b>3,049</b>	<b>(5,467)</b>	<b>8,352</b>	<b>13,819</b>	<b>7,850</b>	
<b>Common Area Maintenance Expenses</b>									
Grounds Contract	-	10,000	10,000	-	-	10,000	10,000	-	Not until conveyed
Repairs & Maintenance	950	-	(4,000)	4,000	2,989	-	(2,989)	1,500	Lights, misc other
Electric- Street Lights	592	600	(500)	1,100	967	600	(367)	1,500	All lights now working
Snow Plowing	4,738	6,960	-	6,960	6,210	6,960	750	4,560	Based on new contract price
Weed Control	1,470	2,500	2,500	-	-	2,500	2,500	2,500	
Road Maintenance	617	-	-	-	-	-	-	-	
Contingency/ Other	-	2,000	-	2,000	-	2,000	2,000	10,000	
<b>Total Common Area Maintenance Exp.</b>	<b>8,367</b>	<b>22,060</b>	<b>8,000</b>	<b>14,060</b>	<b>10,166</b>	<b>22,060</b>	<b>11,894</b>	<b>20,060</b>	
<b>Total Expenses</b>	<b>81,633</b>	<b>188,432</b>	<b>(142,616)</b>	<b>331,048</b>	<b>295,553</b>	<b>188,432</b>	<b>(107,121)</b>	<b>193,030</b>	
<b>Change in Fund Balance</b>	<b>243,004</b>	<b>19,712</b>	<b>(1,530)</b>	<b>18,182</b>	<b>88,174</b>	<b>19,712</b>	<b>68,462</b>	<b>(265)</b>	
Operations Fund Balance - Beginning	(108,477)	134,527	-	134,527	134,527	134,527	(0)	152,710	
<b>Operations Fund Balance - Ending</b>	<b>134,527</b>	<b>154,239</b>	<b>(1,530)</b>	<b>152,710</b>	<b>222,701</b>	<b>154,239</b>	<b>68,462</b>	<b>152,445</b>	

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