

Settlers Village Sub-Association, Inc.

Financial Statements Overview for the five months ending May 31, 2008

Balance Sheet

We continue to monitor the delinquent AR Homeowner Assessment closely with your attorney.

Income Statement

Revenues:

Revenues are favorable to budget by \$2,506.17 due to Late and Legal Fee Revenue.

Expenses:

1) Operating expenses are favorable to budget by \$5,532.81 due to savings in all line items with the largest variance of \$4,646.50 in Water / Irrigation.

2) Maintenance expenses are favorable to budget by \$15,759.68 due to savings in all but two line items. The largest savings are in Snow Removal (\$7,020.00), Irrigation Repairs & Maintenance (\$1,996.81), Roof & Gutter Repairs (\$1,514.60), Building Maintenance (\$1,238.43), Contracted Lawn care / Grounds (\$1,208.11), and Landscape Maintenance (\$1,120.00). The unfavorable variances are in Pest Control (\$906.00) and Exterior Lights (\$127.61).

3) Administrative expenses are unfavorable to budget by \$99.31 due to Legal of \$834.52. We also created the new unbudgeted line item Newsletter Expense with an unfavorable variance of \$105.00. However, there are off-setting savings in Audit (\$505.00) and Office Supplies (\$119.88).

4) Net Operating Income year to date is \$29,072.20 versus the budgeted \$5,372.85 for a favorable variance of \$23,699.35 due to items mentioned above.

Replacement Fund

Replacement Fund Net Income is favorable to budget by \$41,215.78 due to savings in Painting (\$19,854.26), Asphalt (\$14,085.49) and Landscaping (\$4,081.82). The Painting and Landscape variance will reduce as more expenses come in for those projects already approved.

Kind Regards,



Brian Sheppelman
HRCA, Property Manager

Settler's Village Subassociation, Inc.
Balance Sheet
May 31, 2008

Account	Description	Operating	Reserve	Total
ASSETS				
	Current Assets			
1010	Operating - Wells Fargo	\$49,565.10	\$0.00	\$49,565.10
1036	Reserve - Market Adjustment	0.00	(2,667.42)	(2,667.42)
1034	Reserve - Dain Rauscher	0.00	494,105.61	494,105.61
1100	AR Homeowners Assessments	5,828.17	0.00	5,828.17
1200	Prepaid Insurance	3,289.75	0.00	3,289.75
1350	Due from Reserve to Operating	66,791.42	0.00	66,791.42
	Total Assets	<u>125,474.44</u>	<u>491,438.19</u>	<u>616,912.63</u>
LIABILITIES & EQUITY				
	Current Liabilities			
2000	Accounts Payable	48,779.38	0.00	48,779.38
2005	Accrued Accounts Payable	2,955.20	0.00	2,955.20
2100	Prepaid Assessments	10,115.19	0.00	10,115.19
2300	Due to Operating from Reserves	0.00	66,791.42	66,791.42
	Total Liabilities	<u>61,849.77</u>	<u>66,791.42</u>	<u>128,641.19</u>
3900	Fund Balance	34,552.47	449,774.58	484,327.05
3800	Current Year Earnings	29,072.20	(25,127.81)	3,944.39
	Total Fund Balance	<u>63,624.67</u>	<u>424,646.77</u>	<u>488,271.44</u>
	Toal Liabilities & Fund Balance	<u>125,474.44</u>	<u>491,438.19</u>	<u>616,912.63</u>