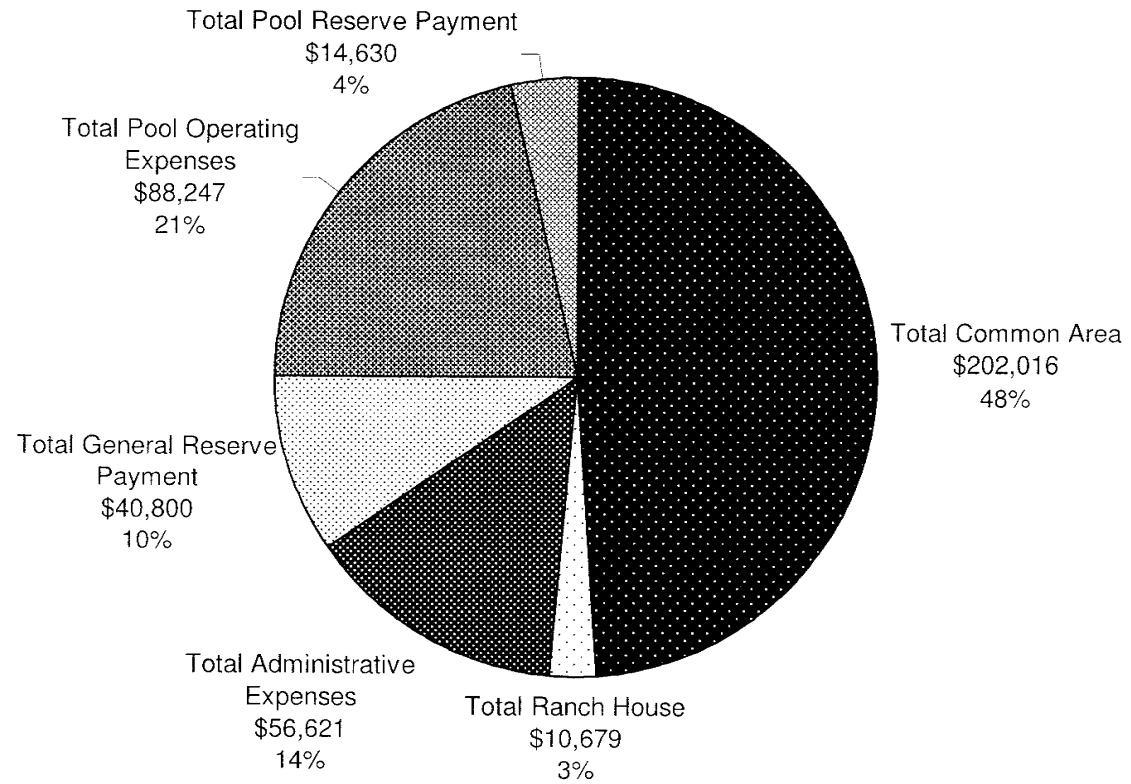


FOSSIL LAKE RANCH 2009 EXPENSES



Fossil Lake Ranch Budget Year	Budget 2008	Actual 2008	Variance	Budget 2009
Fossil Lake Common Areas				
				719 homes at \$420 each (as annexed over the year)
Annual Dues	282080	279267	-2813	301980
Interest Income	3600	5768	2168	4800
Directory Advertisement	200	200	0	150
Misc. Income - Fines and Fees	0	5967	5967	2640
ARC Review Fees	3000	1310	-1690	1200
Capital Expenses - Reserve Transfer to Operating	14120	62263	48143	38772
Total Income	303000	354775	51775	349542
Common Areas:				
Ditch Water Assessment (Irrigation)	4000	4490	490	4700 LCUWUA Budget
Fence Painting	20000	16448	-3552	16000 Perimeter fence staining
Foot Bridge at Pump House Pond	2000	0	-2000	0
French Drains - Mtc and Repairs	2400	0	-2400	0
Insurance (fire and liability)	6000	3666	-2334	4216 Increases as homes build
Landscape Maintenance (Mtc & Flower Beds)	103814	87442	-16372	128000 Includes Pond Mtc
Maintenance - General	12000	7622	-4378	7500
Miscellaneous common	1200	4537	3337	600
Pump, Water Features	4800	0	-4800	4800
Reserve, Capital Improvement Expense	0	0	0	0
Snow Removal	8000	3233	-4767	8000 Common area walks/paths
Sprinkler Repairs	0	10193	10193	6000 Broken out for detail
Utilities, Electricity (waterfall, irrigation pumps)	15600	14718	-882	22000 Increasing for Kasey's Garden
Total Expense of Common Area:	179814	152348	-27466	202016
Ranch House:				
Electricity (30%)	1520	1235	-285	1300 Per City invoices
Deck Railings, Paint	2000	0	-2000	2000
Fireplace Cleaning	100	65	-35	100
Gas (30%)	1200	2272	1072	2499 Per Xcel invoices
Interior Bldg, Maintenance (cleaning & repairs)	1260	1263	3	1260
Light Fixtures in Landscaping at Ranch House	600	679	79	0
Miscellaneous Ranch House - Flooring/Cabinets	0	0	0	0
Railings, Metal, Front Walkways Painting	800	0	-800	2000
Water & Sewer (30%)	1520	1697	177	1520 Per City invoices
Total Expense of Ranch House:	9000	7211	-1789	10679
Administrative Expenses:				
ARC Review Fees Paid	12000	8115	-3885	4000 Paid by applicant
Bad Debt	2621	269	-2352	3020 1% of total dues
Bank Charges	0	0	0	0
Brochures & Flyers	3490	6579	3179	4200 Higher in 2008 for special mtg
Federal & State Tax Payable	3400	1189	-2211	1580
Management Fees	26000	27423	1423	28041 Same per unit since 2005
Postage	2800	5510	2710	3600 Higher in 2008 for special mtg
Professional Services (Tax Prep/Audit/Reserve Study)	2800	5400	2600	5000
Professional Services - Legal fees (offset by fines)	3600	4007	407	4200
Social/Community Events Fund	0	177	177	2000 Need volunteers to help plan
Tax Payable - Property (Ranch house)	0	67	67	100
Website	720	860	140	880
Total Other Expenses:	57541	59594	2053	56621
Total Expenses:	246355	219154	-27201	269316
Net Income	56645	135621	78976	80226
Total Capital Projects - Reserve Study	0	0	0	38772 See enclosed detail
Transfer to Reserves	42000	42000	0	40800
Net Cash Balance	14645	93621	78976	654
Pool Details				
Pool Fees	91800	96436	4636	103600 280 members at \$370 each
Non-Member Pool Fees	4500	0	-4500	0 Zero outside members in '09
Interest Income	800	1937	1137	1550
Pool/Clubhouse Rental	0	100	100	0
Transfer in from Reserves for Projects	0	3436	3436	7700
Total Pool Income	97100	98473	1373	112850
Pool Expense:				
Computerized Check In System	1500	0	-1500	0
Electricity - water feature, pool, clubhouse (70%)	3600	3180	-420	3498 Per City invoices
Furniture and Fixtures	0	0	0	1200
Gas (70%) Xcel	2800	5301	2501	5831 Per Xcel invoices
Insurance	4800	8564	1764	7548 Increases as members increase
Landscape Maintenance (3% of HOA expense)	3114	2730	-384	3200
Miscellaneous	1600	591	-1009	0
Pool Management (Splash guards & cleaning)	48900	50324	1424	52000
Pumps and Filters	2000	971	-1029	2000
Signs	600	0	-600	600
Swimming Pool Maintenance	2600	280	-2320	2500 General repairs over season
Swimming Pool Supplies - office/chemicals	5600	4772	-828	5750 Based on previous years est.
Telephone (100%) no phone in Ranch House	320	345	25	320
Trash Removal	160	276	116	200
Utilities (Water and Sewer 70%)	3600	4522	922	3600 Per City invoices
Total Expense:	81194	79853	-1341	88247
Net Income	15906	16620	2714	24603
Total Capital Projects - Reserve Study	0	3596	3596	7700 See enclosed detail
Transfer to Reserves	2503	15705	13202	14630
Net Cash Balance	13403	-681	-14084	2273

December 31 2008 Balances *

Assets:

Operating Cash	
Common Area Checking	\$ 707.40
Pool Checking	\$ 13,518.11
Common Area Money Market	\$ 23,259.81
Subtotal Operating Cash	\$ 37,485.32

Reserve Cash

Common Area CD	\$ 132,331.09
Pool CD	\$ 84,678.33
Subtotal Reserve Cash	\$ 217,009.42

Membership Accounts Receivable \$ 14,203.68

TOTAL ASSETS \$ 268,698.42

Liabilities & Equity:

Current Liabilities:

Accounts Payable - Homeowner Refund	\$ 104.25
Assessments Paid in Advance	\$ 6,033.00
Mgt Co Reimbursements	\$ 1,167.50
Builder Deposit	\$ 6,250.00
Subtotal Current Liabilities	\$ 13,554.75

Reserve Equity

Equity	\$ 1,957.42
Reserve - Income	\$ 85,000.00
Reserve Income - Interest General	\$ 8,759.89
Reserve Income - Interest Pool	\$ 1,705.43
Subtotal Reserve Equity	\$ 97,422.74

Operating Equity

Retained Earnings	\$ 244,923.99
Current Year Net Income/(Loss)	\$ (87,203.06)
Subtotal Operating Equity	\$ 157,720.93

TOTAL LIABILITIES & EQUITY \$ 268,698.42

*Financial Statements are not audited and may be subject to revisions by the Association's Certified Public Accountant at the time of the audit. Once audit is complete, copies will be available upon request by any member. Please contact Colorado Association Services if you would like a copy sent to you once completed.

Association Name: Fossil Lake Homeowners Association, Inc.

Management Company: Colorado Association Services, Inc.

Physical Address and Phone for Management Company: 702 West Drake Road, B1: Fort Collins Colorado 80526. (970) 407-9990

Declaration: Reception #95049841 Dated 6/7/1999; Larimer County Recorder

Date Fiscal Year Commences: January 1, 2009

Adopted Policies/Rules and Regulations/Bylaws/Articles can be found on the community website at www.FossilLakeRanchHOA.com

Build Out Assessments:

FL 1st: 215 Lots @ \$420.00 = \$90,300
 FL 2nd: 224 Lots @ \$420.00 = \$94,080
 Village: 48 Lots @ \$420.00 = \$20,160
 Swift: 116 Lots @ \$420.00 = \$48,720
 FL 5th: 33 Lots @ \$420.00 = \$13,860
 FL 6th: 43 Lots @ \$420.00 = \$18,060
 Tract A: 80 Units @ \$420.00 = \$33,600
 Total 759 Residences = \$318,780