

GLACIER VIEW
ROAD & RECREATION
ASSOCIATION

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

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Independent Accountants' Compilation Report

Board of Directors
Glacier View Road and
Recreation Association
Livermore, Colorado

Management is responsible for the accompanying financial statements of the Glacier View Road and Recreation Association which comprise the balance sheet as of June 30, 2021 and 2020 and the related statements of revenues and expenses, changes in members' equity and cash flows for the years then ended and the related notes to the financial statements in accordance with generally accepted accounting principles in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information on future repairs and replacements is presented for purposes of additional analysis and is a required part of the basic financial statements. This information is the responsibility of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, conclusion, nor provide any form of assurance on such supplementary information.

Valor CPAs LLC

Julian Tolliver, CPA

Fort Collins, CO
February 7, 2022

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

BALANCE SHEETS

June 30	2021	2020
<u>ASSETS</u>		
Current Assets:Cash		
	\$ 389,870	\$ 365,116
Dues and accounts receivable, net of allowance	83	(1,087)
Prepaid expenses	5,070	4,299
Deferred charges	(2,872)	85
Total Current Assets	392,151	368,413
Cash - designated for repairs and replacements	145,790	172,600
Property and Equipment, net	243,683	211,651
TOTAL ASSETS	\$ 781,624	\$ 752,664
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 7,455	\$ 627
Accrued expenses	15,944	13,510
Prepaid dues and assessments	221,885	211,233
ARC trash deposits	-	6,750
Total Liabilities	245,284	232,120
<u>MEMBERS' EQUITY</u>		
Undesignated	390,550	347,944
Designated for repairs and replacements	145,790	172,600
TOTAL MEMBERS' EQUITY	536,340	520,544
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 781,624	\$ 752,664

See Accompanying Notes to Financial Statements and Independent Accountants' Compilation Report.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30	2021	2020
Revenue:		
Membership dues and assessments	\$ 418,189	\$ 411,825
Member service and assessed fees	29,835	28,450
Interest earned	225	653
Other income	1,450	4,500
Total Revenue	449,699	445,428
Expenses:		
Salaries	140,413	144,943
Payroll taxes	14,673	13,863
Employee benefits	16,500	20,775
Office expense	9,032	8,285
Cost of providing member services	76,815	55,585
Professional services	1,071	8,911
Insurance	23,738	22,524
Utilities	5,854	4,659
System operations and maintenance	88,280	81,408
Loss on sale of truck	-	-
Bad debts	2,872	(4,668)
Depreciation	54,185	53,330
Taxes and Licenses	245	5,752
Total Expenses	433,679	415,367
Excess of Revenue over Expenses	\$ 16,020	\$ 30,061

See Accompanying Notes to Financial Statements and Independent Accountants' Compilation Report.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years Ended June 30, 2021 and 2020	Undesignated	Designated for Repairs and Replacement	Total
Balance, June 30, 2019	\$ 378,826	\$ 111,657	490,483
Revenue over expenses for the year ended June 30, 2020	30,061	-	30,061
Interest	(305)	305	-
Transfers from operating funds	(127,900)	127,900	-
Major repairs and replacements	67,262	(67,262)	-
Balance, June 30, 2020	\$ 347,944	\$ 172,600	\$ 520,320
Revenue over expenses for the year ended June 30, 2021	16,020	-	16,020
Interest	-	-	-
Transfers from operating funds	(40,127)	40,127	-
Major repairs and replacements	66,937	(66,937)	-
Balance, June 30, 2021	\$ 390,550	\$ 145,790	\$ 536,340

See Accompanying Notes to Financial Statements and Independent Accountants' Compilation Report.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended June 30	2021	2020
Cash Flows from Operating Activities:		
Dues and fees received	\$ 431,211	\$ 440,275
Disbursements to vendors and employees	(367,780)	(335,013)
Net Cash Provided by Operating Activities	63,431	105,262
Cash Flows from Investing Activities:		
Proceeds of sale of assets	1,450	6,000
Equipment purchases	(66,937)	(73,261)
Net Cash Used by Investing Activities	(66,937)	(67,261)
Net Increase in Cash	(2,056)	38,001
Cash, Beginning of Year	537,716	499,715
Cash, End of Year	\$ 535,660	\$ 537,716

Reconciliation of Change in Members' Equity to Net Cash from Operating Activities:

Excess of revenue over expenses	\$ 16,020	\$ 30,061
Adjustments:		
Depreciation expense	54,185	53,330
Loss on sale of truck	(1,450)	-
(Increase) decrease in operating assets:		
Accounts receivable	(20,674)	6,900
Prepaid expenses	(771)	(359)
Deferred charges	2,957	141
Increase (decrease) in operating liabilities:		
Accounts payable	6,828	(416)
Accrued expenses	2,434	2,507
Prepaid dues and assessments	10,652	11,348
Members ARC trash deposits	(6,750)	1,750
Net Cash Provided by Operating Activities	\$ 63,431	\$ 105,262

See Accompanying Notes to Financial Statements and Independent Accountants' Compilation Report.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of Glacier View Road and Recreation Association (the Association) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Association's financial statements.

Organization:

Glacier View Road and Recreation Association (the Association) is organized as a not-for-profit corporation in the State of Colorado for the purpose of promoting the general well-being of property owners in the Glacier View development. The Association's membership consists of property owners with diverse backgrounds from across the United States. The Association controls approximately 3,800 acres containing 965 lots. The significant activities of the Association include the maintenance of roads and grounds and promotion of recreational facilities for property owners and their guests in the development. Funding of the Association's activities is derived from membership assessments and fees from member services.

Basis of Presentation:

The Association maintains its accounting records on the accrual basis of accounting as required under generally accepted accounting principles in the United States.

Cash and Cash Equivalents:

The Association considers all demand bank deposits and highly-liquid investments with a maturity of three months or less at the date of acquisition to be cash and cash equivalents for purposes of the cash flow statement.

Concentrations of Credit Risk:

The Association's cash accounts are held at financial institutions and at times are above the insurance limits of the Federal Deposit Insurance Corporation (FDIC). No losses have been incurred on these accounts.

Common Property:

The Association owns various common properties. The properties directly associated with the lots, primarily roads and greenbelts, are not reported on the accompanying financial statements according to generally accepted accounting principles.

Properties not associated with the lots are reported at cost less accumulated depreciation. These properties include a maintenance shop, office building, equipment, and lake facilities.

The Association is responsible for the repair and maintenance of the common property. Funding the maintenance is provided by member assessments.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the accountants' compilation report.

Income Taxes:

The Association may elect to be taxed as a homeowners association under the provisions of the Internal Revenue Code or as a regular corporation. Generally this does not result in a significant difference. The Association makes the homeowners election only in the years in which it would create a tax savings. For the year ended June 30, 2021, the Association filed as a regular corporation and paid no tax.

In any year the election is made to be taxed as a homeowners association, membership dues and general operating expenses are not taxable or deductible. Only income for special services received from members and nonmembers, gains on the sale of assets, the expenses related to providing these services, and cost of assets sold are considered in computing taxable income.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – Owners' Assessments:

Association members are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Dues and accounts receivable at the balance sheet date represent fees due from owners. Any excess assessments at year-end are retained by the Association for use in the succeeding years.

The timing of revenue recognition is based on a time-based measure of progress as the Association provides access to the benefits evenly over the course of the year. Opening balances of contract assets and liabilities as of July 1, 2020 were \$(1,087) of net accounts receivable and \$211,233 of prepaid dues and assessments.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

NOTE 2 – Owners’ Assessments – Continued:

The Association has adopted the reserve method of accounting for uncollectible receivables. When membership dues become delinquent for a substantial period of time, it has been the Association’s policy to file liens on the property owner’s real estate located in the development. Effective January 1, 1994, Colorado statutes have made homeowner association dues an automatic lien against the property with no formal filing required by the Association. Collection efforts may be hindered by bankruptcy proceedings, by security interests subordinated to those of other creditors, and by the relative expense of collection procedures. Allowances for doubtful accounts are based on a review of the status of existing accounts coupled with past collection experience and are \$17,172 and \$14,308 at June 30, 2021 and 2020, respectively. Billings for annual assessments cover the period from July 1 through June 30. Such billings are recorded as receivables and prepaid dues and assessments on July 1 of each operating year. Amounts collected prior to the assessment date are recorded as a liability in the account titled “prepaid dues and assessments” on the balance sheet of the Association.

NOTE 3 – Reserve Fund:

The Association’s governing documents do not require the accumulation of funds to finance future major repairs and replacements. The Board of Directors has designated amounts to be accumulated for the estimated costs of future major repairs and replacements, required projects and for the expansion of existing common property. At June 30, 2021 and 2020, there was \$145,790 and \$172,600, respectively, designated for capital replacement funds.

The Association’s management conducts an ongoing study to estimate the remaining useful lives and the replacement costs of the components of common property. The Association will fund for such major repairs and replacements over the estimated useful lives of the components based on the study’s estimate of future replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures may vary from the estimated amounts and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs.

NOTE 4 – Related Party Transactions:

Glacier View Road and Recreation Association and Glacier View Meadows Water and Sewer Association are organizations that consist primarily, but not exclusively, of the Glacier View property owners. The Associations share certain administrative, employee and operating costs. The two associations share joint ownership of several greenbelt areas with Glacier View developments. There were no related party balances at June 30, 2021 and 2020.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

NOTE 5 – Property and Equipment:

June 30	2021	2020
Land and Improvements	\$ 49,307	\$ 49,307
Development Improvements	160,796	160,796
Building Improvements	103,193	102,213
Vehicles	85,667	73,191
Office Furniture and Equipment	12,336	12,336
Machinery and Equipment	461,754	388,996
Less: Accumulated depreciation	(629,370)	(575,185)
	\$ 243,683	\$ 211,651
<u>Depreciation expense</u>	<u>\$ 54,185</u>	<u>\$ 53,330</u>

NOTE 6 – Employee Benefit Plans:

The Glacier View Road and Recreation Association employs certain personnel jointly with the Glacier View Meadows Water and Sewer Association. The following is a summary of employee benefit plans currently in effect:

Vacation leave – The Association presently has a policy that allows full-time employees ten days annual vacation after one full year of service. After five years of service, employees earn fifteen vacation days annually and vacation pay is a vested benefit. Employees may accrue a maximum of one year of vacation days based on their years of service. At June 30, 2021 and 2020, \$10,351 and \$9,206, respectively, were accrued as unpaid vacation days.

Flex days – Full-time employees may accumulate six days of compensated flextime per year of service to the Association. Employees may accumulate a maximum of twenty- five days of unused flextime and flextime is a vested benefit. At June 30, 2020 and 2019, \$3,030 and \$2,599, respectively, were accrued as flex days.

Deferred compensation – All regular full-time employees are eligible to participate in a Simple IRA deferred compensation retirement plan. The Association contributes two percent (2%) of salary for those employees making tax deferred contributions of compensation to the retirement plan. For the years ended June 30, 2020 and 2019, the Association contributed \$2,815 and \$3,027, respectively, to the employees deferred compensation retirement plan.

GLACIER VIEW ROAD AND RECREATION ASSOCIATION

SUPPLEMENTARY INFORMATION ON FUTURE REPAIRS AND REPLACEMENTS

The Association's management conducts an ongoing study to estimate the remaining useful lives and the replacement costs of the components of common property. The latest study was conducted in March 2020 as part of the annual budget process. The Association will fund for such major repairs and replacements over the estimated useful lives of the components based on the study's estimate of future replacement costs, considering amounts previously accumulated in the replacement fund.

The following is a table based on the study and presents significant information about the components of common property:

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Cost, Net of Trade Value	2020 Funding Requirement	Components of Members' Equity at June 30, 2020
Office Equipment	3	\$ 5,000	\$1,594	\$ 5,760
Road Grader	15	245,000	13,676	74,426
Mower/Plows	1	20,000	(5,594)	10,406
Building/Yards	--	20,750	758	758
2014 GMC	7	13,000	4,714	10,513
2013 Ford F350	7	13,000	1,398	7,198
2005 Ford F250	2	13,000	(12,597)	(2,464)
Kioti Tractor	14	23,000	11,433	12,500
2011 Dodge Ram Truck	5	13,000	2,467	10,000
Front End Loader	18	68,000	12,788	2,287
Backhoe	7	25,000	21,300	13,800
Dam Repairs	--	25,000	(25,000)	--
Contingency	--	15,000	--	605
Recreation	--	--	--	--
		\$ 526,750	\$ 26,936	\$ 145,790