

SaddleBrooke HOA # 1
December 31, 2009
Preliminary Summary of Operations

	December		Year to Date		
	Actual	Fav./ (Unfav)*	Actual	Fav./ (Unfav)*	Previous Year
Overall Summary					
Total Revenues	701,961	(17,298)	7,853,024	(451,963)	7,809,597
Total Expenses	<u>(590,318)</u>	<u>43,273</u>	<u>(7,088,202)</u>	<u>496,689</u>	<u>(7,650,637)</u>
Total Net Revenues (Expenses) Pretax	<u>111,643</u>	<u>25,975</u>	<u>764,822</u>	<u>44,726</u>	<u>158,960</u>
	By Operation				
HOA Revenues					
Community Service Fees	291,915	111	3,505,462	3,823	3,246,377
Board Approved Assessment (CCR § 6.6) (BAA)	54,960	0	659,520	0	636,540
Home Resale Fees	6,796	(3,398)	79,853	(42,475)	91,292
Interest	0	(252)	5,559	(29,441)	31,589
Other General Income	<u>5,674</u>	<u>(69)</u>	<u>51,389</u>	<u>(19,911)</u>	<u>56,486</u>
	<u>359,345</u>	<u>(3,608)</u>	<u>4,301,783</u>	<u>(88,004)</u>	<u>4,062,284</u>
General HOA Expenses:	(253,792)	16,852	(2,994,312)	341,914	(3,503,715)
Net (Excl. Golf & F&B)	105,553	13,244	1,307,471	253,910	558,569
Golf Course:					
Fees and Other Income	140,426	(17,439)	1,927,616	(203,084)	2,035,612
Maintenance and Operations Expenses	<u>(153,918)</u>	<u>11,602</u>	<u>(2,271,911)</u>	<u>93,380</u>	<u>(2,248,882)</u>
Course Net	(13,492)	(5,837)	(344,295)	(109,704)	(213,270)
Golf Shop:					
Sales	52,134	(4,154)	227,680	(56,820)	269,142
Expenses	<u>(40,005)</u>	<u>3,846</u>	<u>(204,507)</u>	<u>35,633</u>	<u>(268,917)</u>
Shop Net	12,129	(308)	23,173	(21,187)	225
Golf Net	(1,363)	(6,145)	(321,122)	(130,891)	(213,045)
Food and Beverage Department:					
Sales	150,056	7,903	1,395,945	(104,055)	1,442,559
Department Expenses	<u>(142,603)</u>	<u>10,973</u> **	<u>(1,617,472)</u>	<u>25,762</u>	<u>(1,629,123)</u>
F & B Net	7,453	18,876	(221,527)	(78,293)	(186,564)
Total Net Revenue (Expense)	\$ 111,643	\$ 25,975	\$ 764,822	\$ 44,726	\$ 158,960

* Favorable or (Unfavorable) compared to applicable budget.

Replacement & Capital Improvement Funds Summary

	December			Year to Date		
	Replacement Reserve Fund	Capital Improv. Fund	Total	Replacement Reserve Fund	Capital Improv. Fund	Total
Beginning Balance	\$ 2,171,348	\$ 292,458	\$ 2,463,806	\$ 1,234,062	\$ 69,297	\$ 1,303,359
CSF & BAA Contributions	-	-	-	1,113,222	166,999	\$ 1,280,221
Home Resale Fee Contributions	-	18,689	\$ 18,689	0	79,853	\$ 79,853
Interest Income	1,008	40	\$ 1,049	9,954	165	\$ 10,120
Road Repairs	-	-	\$ -	(73,546)	0	\$ (73,546)
Other Disbursements	(58,734)	(46,738)	\$ (105,472)	(149,861)	(51,864)	\$ (201,725)
Adjust to balance 12/31/09	\$ 704	(\$114)	\$ 590	\$ (19,505)	(\$114)	\$ (19,619)
Ending Balance	\$ 2,114,327	\$ 264,335	\$ 2,378,662	\$ 2,114,326	\$ 264,336	\$ 2,378,662

**SaddleBrooke HOA #1
Preliminary Revenue and Expenses
December 31, 2009**

	<u>December</u>		<u>Year to Date</u>				
	<u>Actual</u>	<u>Fav./ (Unfav.)</u>	<u>Actual</u>	<u>Fav./ (Unfav.)</u>	<u>Previous Year</u>	<u>Cur/Prev Yr Variance</u>	
HOA Revenues							
Community Service Fees	\$ 291,915	111	\$ 3,505,462	3,823	3,246,377	\$ 259,085	
Board Approved Assessment (CCR§ 6.6) (BAA)	54,960	0	659,520	-	636,540	\$ 22,980	
Home Resale Fees	6,796	(3,398)	79,853	(42,475)	91,292	\$ (11,439)	
Interest	0	(252)	5,559	(29,441)	31,589	\$ (26,030)	
Other General Income	5,674	(69)	51,389	(19,911)	56,486	\$ (5,097)	
	<u>359,345</u>	<u>(3,608)</u>	<u>4,301,783</u>	<u>(88,004)</u>	<u>4,062,284</u>	<u>239,499</u>	
HOA Departmental Expenses:							
Administration:							
General & Administrative	88,645	813	931,911	87,715	944,202	\$ (12,291)	
Services:							
Road Repairs	-	-	117,346	2,891	561,430	\$ (444,084)	
Common Areas	26,765	5,396	370,986	39,598	376,097	\$ (5,111)	
Facilities Maintenance	24,081	3,007	260,076	79,550	319,580	\$ (59,504)	
Janitorial	26,962	1,251	285,046	32,355	257,504	\$ 27,542	
Patrol	15,446	1,808	165,105	40,725	202,989	\$ (37,884)	
Amenities:							
Activities Center	1,925	481	26,147	3,805	26,824	\$ (677)	
Arts & Crafts	2,294	276	30,214	2,947	29,284	\$ 930	
Clubhouse	39,744	1,353	493,318	3,480	491,444	\$ 1,874	
Fitness Center	10,881	2,181	148,691	21,206	142,358	\$ 6,333	
Pool	12,073	1,085	115,597	15,314	96,703	\$ 18,894	
Tennis	4,976	(799)	49,875	12,328	55,300	\$ (5,425)	
Total	<u>253,792</u>	<u>16,852</u>	<u>2,994,312</u>	<u>341,914</u>	<u>3,503,715</u>	<u>(509,403)</u>	
Net (Exc. Golf & F&B)	<u>105,553</u>	<u>13,244</u>	<u>1,307,471</u>	<u>253,910</u>	<u>558,569</u>	<u>748,902</u>	
Golf Course:							
Revenue:							
Annual Golf Fees	85,983	(15,617)	1,153,953	(65,247)	1,203,507	\$ (49,554)	
Daily Golf Fees	50,333	(2,087)	719,653	(136,347)	773,141	\$ (53,488)	
Other Golf Income	4,110	265	54,010	(1,490)	58,964	\$ (4,954)	
Total	<u>140,426</u>	<u>(17,439)</u>	<u>1,927,616</u>	<u>(203,084)</u>	<u>2,035,612</u>	<u>\$ (107,996)</u>	
Expenses:							
Golf Maintenance	129,856	17,846	2,022,269	108,777	2,006,410	\$ 15,859	
Golf Operations	24,062	(6,244)	249,642	(15,397)	242,472	\$ 7,170	
Total	<u>153,918</u>	<u>11,602</u>	<u>2,271,911</u>	<u>93,380</u>	<u>2,248,882</u>	<u>\$ 23,029</u>	
Golf Course Net	<u>(13,492)</u>	<u>(5,837)</u>	<u>(344,295)</u>	<u>(109,704)</u>	<u>(213,270)</u>	<u>\$ (131,025)</u>	
Golf Shop:							
	<u>% Sales</u>		<u>% Sales</u>				
Golf Shop Net Sales		52,134	(4,154)	227,680	(56,820)	269,142	\$ (41,462)
Cost of Goods	73.8%	38,465	2,686	174,071	30,729	200,191	\$ (26,120)
Other Expenses	3.0%	1,540	1,160	30,436	4,904	68,726	\$ (38,290)
Golf Shop Net	23.3%	<u>12,129</u>	<u>(308)</u>	<u>23,173</u>	<u>(21,187)</u>	<u>225</u>	<u>\$ 22,948</u>
Golf Net		<u>(1,363)</u>	<u>(6,145)</u>	<u>(321,122)</u>	<u>(130,891)</u>	<u>(213,045)</u>	<u>(108,077)</u>
Sales per Square Foot - Pro Shop		<u>39</u>		<u>170</u>	<u>42</u>		
Food & Beverage Department:							
	<u>% Sales</u>		<u>% Sales</u>				
Sales		150,056	7,903	1,395,945	(104,055)	1,442,559	\$ (46,614)
Cost of Sales	30.3% **	45,466	1,277	473,653	45,022	510,515	\$ (36,862)
Labor Costs	55.1%	82,732	8,173	928,380	(17,980)	916,972	\$ 11,408
Other Expenses	9.6%	14,405	1,523	215,439	(1,280)	201,636	\$ 13,803
F&B Net	5.0%	<u>7,453</u>	<u>18,876</u>	<u>(221,527)</u>	<u>(78,293)</u>	<u>(186,564)</u>	<u>(58,265)</u>
Total Net Revenue (Expense)		<u>\$ 111,643</u>	<u>\$ 25,975</u>	<u>\$ 764,822</u>	<u>\$ 44,726</u>	<u>\$ 158,960</u>	<u>\$ 582,560</u>
Add Depreciation							
Less CSF & BAA to Replacement Reserve Fund							
Less Home Resale Fees to Replacement Reserve Fund							
Road Repairs paid from Replacement Reserve Fund							
Less CSF & BAA to Cap. Improv. Fund							
Less Home Resale Fees to Cap Improv. Fund							
Net After Fund Transfers		<u>\$ 111,643</u>	<u>\$ 25,975</u>	<u>\$ 764,822</u>	<u>\$ 44,726</u>	<u>158,960</u>	

* Favorable or (Unfavorable) compared to applicable budget.
** See summary page

SaddleBrooke HOA # 1
Cash Statement
November 30, 2009

Cash and Other Assets (\$ 000's)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Operating Funds												
Current Year	\$ 1,556	\$ 1,391	\$ 1,348	\$ 1,076	\$ 883	\$ 1,864	\$ 1,704	\$ 1,482	\$ 1,215	\$ 418	203	1,991
Prior Year	1,595	1,338	1,461	1,267	993	2,187	1,394	1,120	822	415	169	2,034
Replacement Fund												
Current Year	1,784	1,829	1,985	1,980	1,954	1,958	1,959	1,961	1,962	2,171	2,171	2,114
Prior Year	1,451	1,475	1,496	1,541	1,539	1,342	1,473	1,466	1,414	1,360	1,315	1,234
Capital Improvement Fund												
Current Year	158	159	168	171	179	179	168	167	168	292	292	264
Prior Year	109	104	110	114	117	119	125	126	128	79	81	69
Total												
Current Year	\$ 3,498	\$ 3,379	\$ 3,499	\$ 3,227	\$ 3,016	\$ 4,001	\$ 3,831	\$ 3,610	\$ 3,345	\$ 2,881	\$ 2,666	4,370
Prior Year	3,155	2,917	3,067	2,922	2,649	3,648	2,992	2,712	2,364	1,854	1,565	3,337
Current +/- Prior Year	343	462	432	305	367	353	839	898	981	1,027	1,101	1,033

Account Status

Operating Funds

Cash & Cash Equivalents

Petty Cash

Bank of the West Checking Accounts

1,300

120,212

Main Account

Morgan Stanley Active Assets Money Trust

466,702

Morgan Stanley U.S. Government Securities Trust

1,393,186

Payroll Account

Morgan Stanley Active Assets Money Trust

9,657

Total MS Operating Funds

1,869,545

Total Operating Funds

1,991,057

Replacement Reserves Fund

Cash & Cash Equivalents

Morgan Stanley

Morgan Stanley Bank Money Market Funds

75,921

Morgan Stanley U.S. Government Securities Trust

216,836

292,757

Investments

Morgan Stanley

Accrued Interest on C/D's

1,706

Ally Bank C/D .65%, Due 4/30/10

240,000

Cathay Bank C/D, 1.00%, Due 7/23/10

240,000

481,706

Total Morgan Stanley Reserve

774,463

Merrill Lynch

Bank of America CD 1.49%, Due 5/12/10

225,000

FIA Card Service CD 1.49%, Due 5/12/10

225,000

Midfirst Bank CD .85% Due 5/20/10

19,000

Capital One Bank CD 4.055 Due 6/8/2010

25,000

Various Small CD's , rates .85% to 5%. Due June/July 2010

81,000

Accrued Interest on C/D's

1,616

Merrill Lynch Cash Account

33,114

Total Merrill Lynch

609,730

So Arizona Community Bank (CDARS)

Accrued Interest on C/D's

1,367

Great Souther Bank CD, 1.25%, Due 5/27/2010

240,000

Park National Bank, 1.15% due 3/10/10

244,500

Banco Popular de Puerto Rico, 1.15% due 3/10/10

58,129

543,996

So Arizona Community Bank

Money Market Fund earning 1.19%

186,137

Total So Az Community Bank

730,134

Total Replacement Funds

2,114,327

Capital Improvement Fund

Cash & Cash Equivalents

Morgan Stanley Bank

69,323

Morgan Stanley U.S. Government Securities Trust

195,012

Total MS Capital Fund

264,335

Account Reference	CURRENT YEAR	PRIOR YEAR
ASSETS		

CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,991,057	\$ 1,826,998
Capital Reserve cash	2,114,327 ✓	1,317,035
Capital Improvement cash	264,335	80,944
Receivables - HOA Accounts	0	100,776
Receivables - Golf Fees	0	258,574
Receivables - Comm Svc Fees	793,577	336,891
Receivables-Board authorized assessment	431,066	422,718
Receivables - Other	0	2,454
Reserve for Uncollectibles	(15,000)	(10,000)
Inventories	118,329	160,977
Deposits and prepaids	30,581	129,163
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Total Current Assets	5,728,272	4,626,530
Property and Equipment, net	19,104,388	19,483,704
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Total Assets	\$ 24,832,659	\$ 24,110,234
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LIABILITIES AND FUND BALANCE		

CURRENT LIABILITIES:		
Accounts payable	\$ 126,625	\$ 262,468
Accrued Liabilities	28,284	35,983
Accrued Payroll & Vacation	161,130	100,292
Prepaid Member Assessments	2,652,532	2,439,827
Privilege Card Purchases	16,217	0
Prepaid Annual Golf Fees	641,427	802,272
Other Deferred Revenues	23,675	60,130
Current portion-Capital leases	5,664	8,925
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Total Current Liabilities	3,655,554	3,709,896
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Long Term Debt :		
Capital Leases, less current portion	(1,522)	3,439
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Total Long Term Debt	(1,522)	3,439
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MEMBERS' EQUITY:		
Undesignated Members' Equity	18,242,649 ✓	18,899,998
Designated for Reserves & Replacement	1,982,457	1,234,063
Designated for Capital Improvements	171,793	69,297
Current Operations	781,729	193,542
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Total Fund Balance	21,178,628	20,396,899
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Total Liabilities and Fund Balance	\$ 24,832,659	\$ 24,110,234
	=====	=====