RAINTREE
HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

And

INDEPENDENT AUDITOR'S REPORT

For The Year Ended December 31, 2024

W&A
WEIDNER & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
ROCKY MOUNTAIN CHAPTER
community
ASSOCIATIONS INSTITUTE

Independent Auditor's Report

To the Board of Directors of
Raintree Homeowners Association, Inc.

Opinion

We have audited the accompanying financial statements of Raintree Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2024, and the related statements of revenues, expenses, and changes in fund balances and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raintree Homeowners Association, Inc. as of December 31, 2024, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

The Association's Board of Directors and its designated agents comprise "Management" of the Association. Management 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibility for the Audit of the Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements located after the footnotes in this report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance thereon.

Weidner & Associates, P.C.

Certified Public Accountants
Denver, Colorado
September 10, 2025

Raintree Homeowners Association, Inc.
Balance Sheet
December 31, 2024

	Operating Fund	Reserve Fund	Total Funds
ASSETS:			
Cash:			
Checking and money market accounts	$206,914	$19,021	$225,935
Certificates of deposit		468,134	468,134
Total cash	206,914	487,155	694,069
Accounts receivable - members	28,809		28,809
Accounts receivable - fire damage (Note 7)	13,764		13,764
Accounts receivable - Comcast	1,837		1,837
Prepaid expenses	239,322		239,322
Prepaid income taxes	49		49
Interfund receivable (payable) (Note 4)	291,465	(291,465)	0
Total assets	**$782,160**	**$195,690**	**$977,850**
LIABILITIES AND FUND BALANCES:			
Accounts payable	$18,767		$18,767
Income taxes payable	1,342		1,342
Deferred revenue - Comcast (Note 6)	3,536		3,536
Deferred revenue - prepaid assessments	14,967		14,967
Total liabilities	38,612	0	38,612
Fund balances	743,548	195,690	939,238
Total liabilities and fund balances	**$782,160**	**$195,690**	**$977,850**

The accompanying notes are an integral part of the financial statements.

Raintree Homeowners Association, Inc.
Statement of Revenues, Expenses, and Changes in Fund Balances
For the Year Ended December 31, 2024

	Operating Fund	Reserve Fund	Total Funds
REVENUES:			
Assessments - members (Note 3)	$1,183,488		$1,183,488
Comcast (Note 6)	9,811		9,811
Legal fees, late fees, and other member charges	11,001		11,001
Interest		$28,882	28,882
Total revenues	1,204,300	28,882	1,233,182
EXPENSES:			
Administrative			
Insurance	$308,875		$308,875
Management company contract	60,696		60,696
Income tax	7,829		7,829
Other administrative	22,765	$351	23,116
Building			
Doors		670,526	670,526
Garage maintenance	33,304		33,304
Plumbing	13,115		13,115
Painting	12,795		12,795
Other building	57,354		57,354
Grounds			
Landscape services	76,308	8,200	84,508
Snow removal	70,198		70,198
Rock beds		70,081	70,081
Tree maintenance	39,555		39,555
Pool	16,997	2,623	19,620
Utilities			
Water, sewer, and storm sewer	134,827		134,827
Trash removal	33,220		33,220
Electric	17,867		17,867
Telephone	888		888
Total expenses	906,593	751,781	1,658,374
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**297,707**	**(722,899)**	**(425,192)**
Fund balances - beginning of year	470,445	893,985	1,364,430
Elimination of prior year-end interfund balance (Note 4)	(24,604)	24,604	0
FUND BALANCES - END OF YEAR	**$743,548**	**$195,690**	**$939,238**

The accompanying notes are an integral
part of the financial statements.

Raintree Homeowners Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

	Operating Fund	Reserve Fund	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (deficiency) of revenues over expenses	$297,707	($722,899)	($425,192)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	(22,628)		(22,628)
(Increase) decrease in prepaid expenses	(16,477)		(16,477)
(Increase) decrease in prepaid income taxes	(49)		(49)
Increase (decrease) in accounts payable	(547)		(547)
Increase (decrease) in income taxes payable	(5,854)		(5,854)
Increase (decrease) in deferred revenue	821		821
Net cash provided by (used in) operating activities	252,973	(722,899)	(469,926)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in investments		258,646	258,646
Net cash provided by (used in) investing activities	0	258,646	258,646
CASH FLOWS FROM FINANCING ACTIVITIES:			
Originating interfund receivable (payable)	(291,465)	291,465	0
Net cash provided by (used in) financing activities	(291,465)	291,465	0
NET INCREASE (DECREASE) IN CASH	(38,492)	(172,788)	(211,280)
Cash at beginning of year	245,406	659,943	905,349
CASH AT END OF YEAR	**$206,914**	**$487,155**	**$694,069**
Supplemental Disclosure of Cash Flows Information:			
Income taxes paid during the year	$13,732	$0	$13,732
Interest paid during the year	$0	$0	$0

The accompanying notes are an integral part of the financial statements.

Raintree Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 1. ORGANIZATION

Raintree Homeowners Association, Inc. ("The Association") is a residential management association incorporated on May 11, 1972 as a Colorado nonprofit corporation. The Association was formed to maintain and preserve the common property on behalf of its members. The Association is located in Denver, Colorado and consists of the owners of 268 residences. The Members elect the Association's Board of Directors. The Board volunteers its time to manage the affairs of the Association.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis.

FUND ACCOUNTING

The accounts of the Association are maintained in accordance with fund accounting whereby resources are classified for reporting purposes into funds with specified activities or purposes. The Association's two funds are the operating fund and the reserve fund. The operating fund is used to account for the general operations of the Association. The reserve fund is used to account for money set aside and related expenses for major repairs and replacements.

DELINQUENT ASSESSMENTS

The Association's policy is to enforce collection of assessments by retaining legal counsel and by placing liens on the properties of delinquent members.

COMMON PROPERTY

Consistent with preferable accounting for residential associations the Association's property, including common areas, is not capitalized in these financial statements. That property is commonly owned by the resident-owners, cannot be detached from the development and sold, and is not used by the Association to generate revenue.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Such estimates can also affect the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 3. ASSESSMENTS

Assessments are determined by the Board of Directors upon approval of the annual budget and are intended to meet both the normal operating costs of the Association and the costs of estimated future major repairs or capital improvements. Assessments to homeowners were $368 per month during 2024. Assessments included amounts designated in the Association's budget for the reserve fund as discussed in Note 4 below. Total monthly assessments (including amounts assessed for the reserve fund) are included in revenue when billed. The Association may levy special assessments to cover costs as described in the Association's governing documents.

NOTE 4. RESERVE FUND - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents do not explicitly require that a reserve fund be accumulated for the future repair and replacement of the major components of the Association's common property. However, the Association has established a fund for that purpose. The Association's reserve study is a plan for the accumulation and disposition of reserve fund resources. The study provides estimates of the remaining useful lives of the components of the Association's common property. The study also provides estimates of annual additions to the reserve fund and of the periodic costs to repair and replace the common property. Information based on the Association's reserve study is presented on an unaudited page of this report captioned "Supplementary Information on Future Major Repairs and Replacements."

For 2024 no assessment revenues were allocated to the reserve fund and none were transferred. Future allocations of assessment revenues to the reserve fund may vary from the amounts detailed in the reserve study. Further, the timing and amount of actual reserve fund expenses may vary from the reserve study's estimates. These variations may be material. Therefore, the reserve fund may not be adequate to meet the costs of all future major repairs and replacements. If additional amounts are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. Any of these steps, or a combination of these steps, may be required to meet the Association's future repair and replacement needs.

During 2024 the operating fund paid $291,465 of reserve fund expenses. That amount comprises the interfund balance on the Balance Sheet.

As of December 31, 2023 the Association had a reserve fund payable to the operating fund of $24,604. That interfund balance was not repaid during 2024 and no plans are in place to repay that balance in future years. Therefore, the prior year-end interfund balance has been eliminated as shown in the equity section of the Statement of Revenues, Expenses, and Changes in Fund Balances.

NOTE 5. FEDERAL AND STATE CORPORATE INCOME TAXES

The Association must file annual federal and Colorado income tax returns. As a homeowner association, one of two federal forms can be filed – a Form 1120 Corporate Return, or a Form 1120-H Homeowner Association Return. Considerations made in selecting a form to be used include minimizing long-term income taxes, minimizing filing risks, and protecting the Association's reserve fund assessments from taxation.

For the year ended December 31, 2024 the Association elected to use federal Form 1120. The Association had net taxable income for the year which was taxed at a 21% rate on the federal return and at a 4.25% rate on the Colorado return. The Association's federal income taxes for 2024 were $6,351; Colorado income taxes were $1,342. At December 31, 2024, the Association has a Section 277 membership loss carryforward of $448,902. The carryforward does not have a defined expiration date and it may be useful in minimizing future income taxes.

NOTE 6. COMCAST EASEMENT PROCEEDS

In 2014 the Association received $26,800 from Comcast for a 12-year services agreement. That income is being recognized over the life of the agreement. The Association also receives quarterly revenue share payments based on Comcast services purchased by individual members.

NOTE 7. FIRE DAMAGE

In March, 2024, a fire damaged one of the units. Repair expenses totaled $28,716, of which $13,764 was incurred in 2024. Because the total repair expenses did not significantly exceed the $25,000 deductible on the policy in place at the date of loss, the Board of Directors elected not to file an insurance claim. However, as allowed by the Declarations the Association billed the owner of the unit the $25,000 which would have been the owner's responsibility had a claim been filed.

Because the owner of the unit was ultimately billed for $25,000 of repair expenses, the $13,764 of expenses incurred through December 31, 2024 are shown as Accounts Receivable – Fire Damage on the Balance Sheet.

NOTE 8. CONCENTRATION OF CREDIT RISK

The Association's cash balances held with financial institutions were insured by either the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) at December 31, 2023 up to $250,000 on all accounts. At December 31, 2024, the Association had cash account balances totaling $468,246 held at a credit union.

NOTE 9. DATE OF MANAGEMENT'S REVIEW

The Association's Board of Directors and its designated agents comprise "Management" of the Association. In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date that the financial statements were available to be issued.

Raintree Homeowners Association, Inc.
Supplementary Information on Future Major Repairs and Replacements
December 31, 2024
Unaudited

The Association's Board of Directors updated the reserve plan in August 2024 to estimate the remaining useful lives and the repair and replacement costs of the major components of the Association's common property. The Board-generated plan follows and provides detail of the components and anticipated timing of major repairs and replacements. Some of the items in the study may have already been repaired or replaced as of the date of this report.

Raintree Homeowners Association
20 Year Reserve Plan
8/26/24

Inflation 2%
Return on Reserve Account 1%

Future Projects	Useful Life	2024 Value	Date New	NPV	2025	2026	2027	2028	2029	2030	2031
Roof replacement - 67 bldgs	50	$ 1,725,225	2019	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pool roof replace	50	$ -	2019	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mailsheds roof replace	50	$ -	2019	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gutter replace - 67 bldgs	30	$ -	2019	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Siding replacement	30	$ 1,000,000	2017	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Asphalt overlay - Ph 1	20	$ 93,000	2017	$103,881	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Asphalt overlay - Ph 2	20	$ 195,000	2018	$220,015	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Asphalt overlay - Ph 3	20	$ 33,400	2020	$38,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Asphalt sealcoat - Ph 1	5	$ 10,000	2021	$32,262	$ -	$ 10,202	$ -	$ -	$ -	$ -	$ 11,275
Asphalt sealcoat - Ph 2	5	$ 12,000	2022	$39,105	$ -	$ -	$ 12,490	$ -	$ -	$ -	$ -
Asphalt sealcoat - Ph 3	5	$ 14,625	2023	$48,141	$ -	$ -	$ -	$ 15,529	$ -	$ -	$ -
Arizona Concrete Sidewalk	45	$ 65,000	1981	$65,006	$ -	$ 66,313	$ -	$ -	$ -	$ -	$ -
Balconies - Ph 1 (22 decks)	30	$ 119,000	2018	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balconies - Ph 2 (23 decks)	30	$ 138,000	2019	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balconies - Ph 3 (22 decks)	30	$ 134,700	2020	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mailboxes	25	$ 35,700	2018	$42,355	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wood fencing - South side	15	$ 74,000	2022	$82,658	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wood fence stain - South si	3	$ 7,500	2024	$49,083	$ -	$ -	$ 7,806	$ -	$ -	$ 8,289	$ -
Iron fencing - entrance	30	$ 10,250	2017	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Iron fencing - pool	30	$ 47,000	2021	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pool pergola	15	$ 20,000	2021	$22,117	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pool resurface	12	$ 30,000	1993	$65,806	$ -	$ -	$ -	$ -	$ 32,499	$ -	$ -
Pool heater	12	$ 7,000	1993	$15,355	$ -	$ -	$ -	$ -	$ 7,583	$ -	$ -
Pool cover	12	$ 6,000	2015	$12,899	$ -	$ -	$ 6,245	$ -	$ -	$ -	$ -
Pool bathroom remodel	15	$ 9,500	2010	$20,342	$ 9,500	$ -	$ -	$ -	$ -	$ -	$ -
Irrigation repairs	8	$ 28,000	2017	$90,325	$ 28,000	$ -	$ -	$ -	$ -	$ -	$ -
Irrigation controllers	15	$ 8,000	2010	$17,130	$ 8,000	$ -	$ -	$ -	$ -	$ -	$ -
		$ 3,822,900		$ 964,930	$ 45,500	$ 76,515	$ 26,541	$ 15,529	$ 40,082	$ 8,289	$ 11,275
					$ 732,589	$ 684,163	$ 685,712	$ 698,272	$ 686,280	$ 706,080	$ 722,894

End of 2024 Reserve Balance $ 750,000
NPV Shortfall $ 214,930
Yearly Payment $ 28,089

Other not in Reserve Study
Plumbing (water / sewer)
Entrance Signage
Irrigation replacement

2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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$ -	$ -	$ -	$ -	$ -	$ 118,226	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ 252,901	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,085	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ 13,771	$ -	$ -	$ -
$ 13,803	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ 16,859	$ -	$ -
$ -	$ 17,163	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ 20,962	$ -
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$ -	$ -	$ -	$ -	$ -	$ 94,072	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ 8,801	$ -	$ -	$ 9,346	$ -	$ -	$ 9,923	$ -	$ -	$ 10,537	$ -	$ -
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$ -	$ -	$ -	$ -	$ 24,922	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,640	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,939	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,824	$ -	$ -	$ -	$ -
$ -	$ 32,858	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,560	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,799	$ -	$ -	$ -	$ -
$ 13,803	$ 58,822	$ -	$ -	$ 34,267	$ 212,299	$ 252,901	$ 17,862	$ 68,708	$ 103,285	$ 27,396	$ 72,132	$ -
$ 737,180	$ 706,447	$ 734,537	$ 762,626	$ 756,448	$ 572,239	$ 347,426	$ 357,653	$ 317,035	$ 241,840	$ 242,532	$ 198,489	$ 226,579