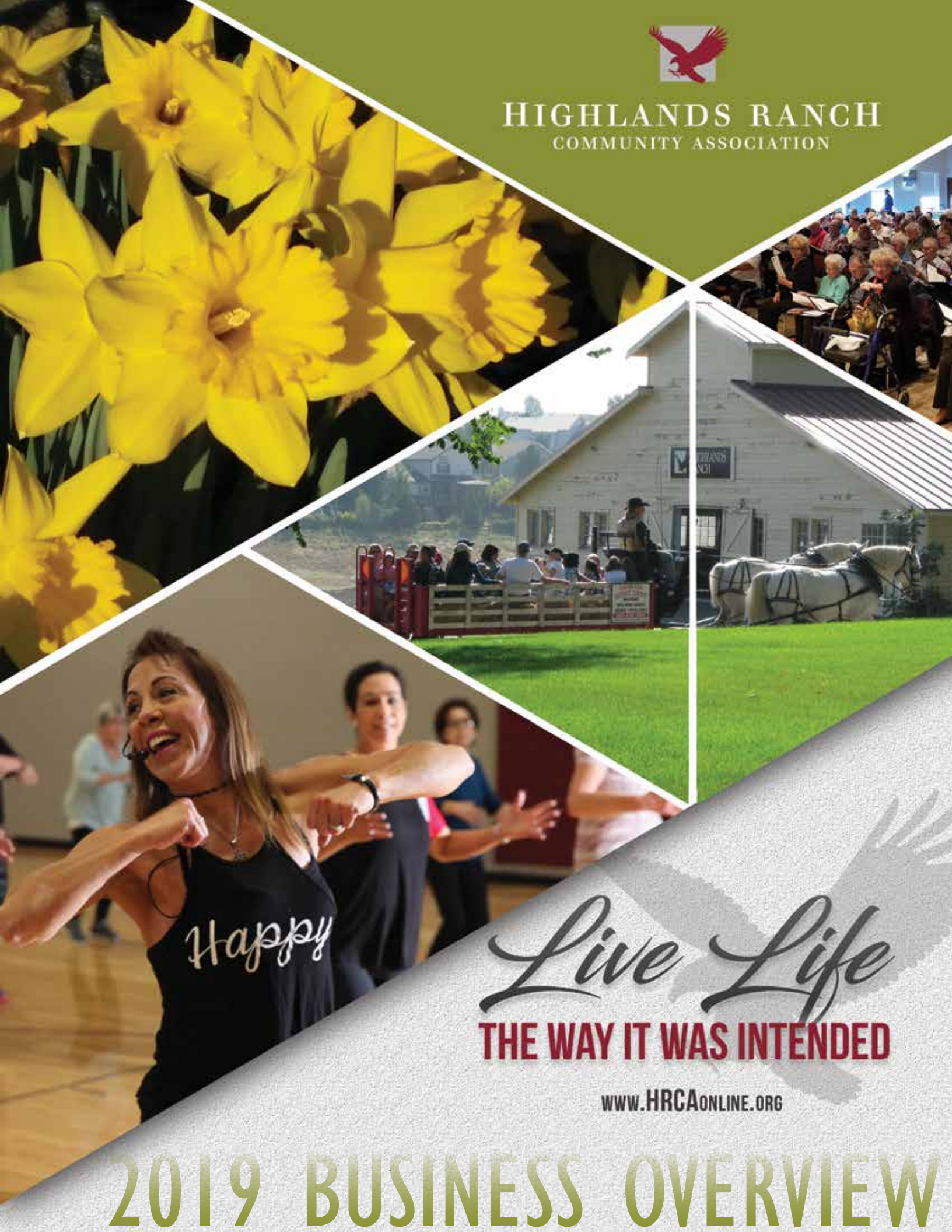




HIGHLANDS RANCH  
COMMUNITY ASSOCIATION



*Live Life*  
**THE WAY IT WAS INTENDED**

[WWW.HRCAONLINE.ORG](http://WWW.HRCAONLINE.ORG)

2019 BUSINESS OVERVIEW



# ABOUT THE HRCA

## A THRIVING COMMUNITY

Highlands Ranch is consistently ranked as one of the best places to live in the nation.

Highlands Ranch is rich in history, wildlife, and recreation. Highlands Ranch was originally part of the Louisiana Purchase and has been a working ranch for over 100 years. To the immediate south of the community is 8200 acres of pristine wilderness that has an abundance of wildlife. Homeowners enjoy a plethora of trails for hiking and bicycling in the Backcountry along with the multitude of activities and events at the four recreation centers.

Not only is the Highlands Ranch community exceptional for the lifestyle, it is also unique in its governance. Located in unincorporated Douglas County, many of its municipal services, parks, and trails are owned and operated by Highlands Ranch Metro District while the Highlands Ranch Community Association (HRCA) owns and manages the four recreation centers and the Backcountry Wilderness Area.

The history of Highlands Ranch can be found on the HRCA web site at [www.HRCAonline.org](http://www.HRCAonline.org). Find out about our founders and the early days of Highlands Ranch.

## HRCA's MISSION

Enhancing property values and creating quality of life through recreation, community events, and leadership.

The HRCA is a nationally award-winning nonprofit organization for over 32,000 homeowners in Highlands Ranch. The HRCA maintains four state-of-the-art recreation centers, provides architectural control and covenant enforcement, programs, fitness, sports and educational opportunities, manages the Backcountry Wilderness Area, and hosts over 100 community events annually.

## STRUCTURE

The HRCA is a proactive organization governed by a five-member volunteer Board of Directors. Highlands Ranch has 93 Delegate Districts.

Delegates are elected by their district's residents to represent their neighborhoods. Delegates propose amendments to the HRCA Bylaws, authorize the Board of Directors to borrow funds on behalf of the HRCA, and make recommendations to the Board of Directors on matters outlined in the Community Declaration.

Delegates elect the Board of Directors. The Board of Directors serve two-year staggered terms and set policy for the community in order to manage the duties of the association.

## LEADERSHIP

### BOARD OF DIRECTORS

The HRCA is considered a forerunner in the industry not only because of its size, but also because of the member involvement and innovation of its leaders.

### VOLUNTEERISM

Members bring incredible value to Highlands Ranch by volunteering their expertise on HRCA committees such as the Board of Directors, District Delegates, and ad-hoc committees. All committees play an important role in administering the Board policies of the HRCA. Standing committees include Architectural Control, Finance, Development Review and Commercial Review. These committees provide reports to Delegates and to Board members, who with staff input, make decisions for the betterment of the HRCA systems, policies, procedures, and overall management objectives for the community. There are more than 500 member volunteers that generously give of their time.

## 2019 HRCA OVERVIEW

### TABLE OF CONTENTS

About HRCA.....	2
Leadership .....	2
Delegate Districts & Map .....	3
Volunteer Committees.....	4
Community Events .....	5
Backcountry Wilderness Area .....	5
Recreation Programs .....	6
Vision .....	6
Key Performance Indicators.....	7
Financial Reporting.....	8
HRCA's Nonprofits:	
Cultural Affairs Association .....	8
Community Scholarship Fund.....	8
Backcountry Conservation Fund.....	8
Therapeutic Recreation Fund .....	8



**JERRY FLANNERY**  
CEO/General Manager, HRCA



**JIM ALLEN**  
Director  
Term Expires: 03/21



**SCOTT LEMMON**  
Director  
Term Expires: 03/20



**BROCK NORRIS**  
Director  
Term Expires: 03/21



**MELISSA PARK**  
Director  
Term Expires: 03/20

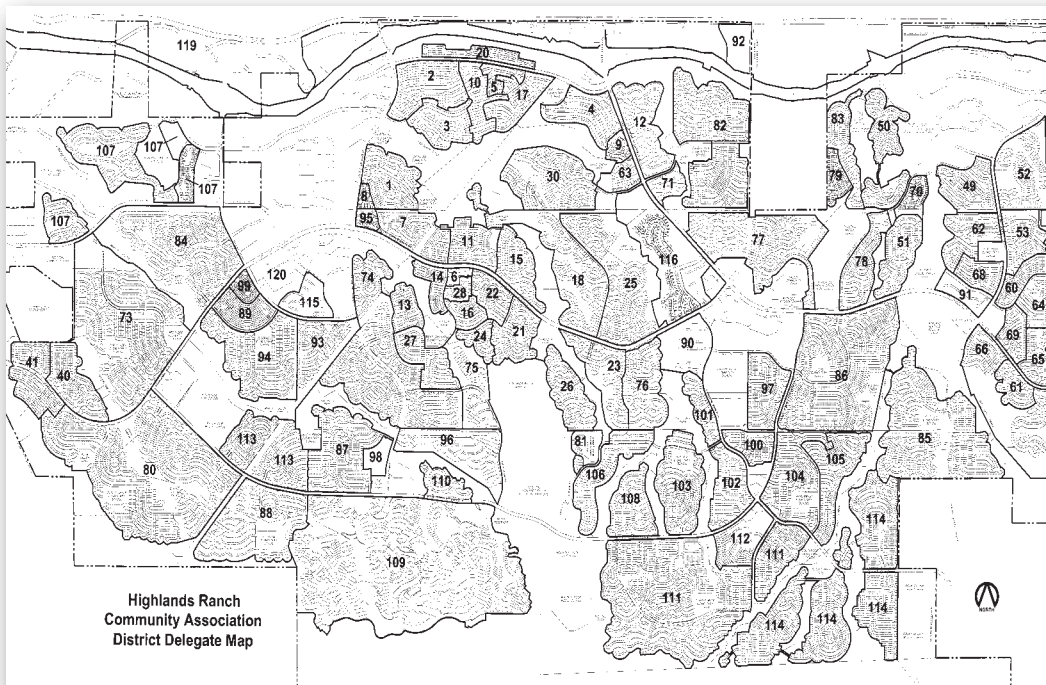


**KRYSTAL WOODBURY**  
Director  
Term Expires: 03/20



## DISTRICT DELEGATES MAP

District Delegates are elected by homeowners in their District for two-year terms. Currently, there are 93 Districts in Highlands Ranch. Delegates are listed on [HRCAonline.org/Delegates](http://HRCAonline.org/Delegates).



## DELEGATE DISTRICTS

Highlands Ranch is divided into Districts with each District having an elected representative.

Delegate Districts were established by the developer as the community of Highlands Ranch was platted in 1981.

An Annual Meeting of Members is held each April for homeowners to elect a Delegate to represent their district. Delegates serve two-year terms. Once a Delegate is elected, they cast their vote on behalf of their residents at monthly Delegate Meetings.

Delegates have duties and responsibilities that pertain to the recreation function and budget of HRCA, and serve as an advisory committee to the Board of Directors.

Delegates elect the Board of Directors, and may cast one vote for each property they represent on recreation matters and to amend the Bylaws.



# MAKING A DIFFERENCE

## VOLUNTEER COMMITTEES

According to HRCA's mission statement, to enhance property values and create a high quality of life, we rely on over 500 volunteers annually to assist in the planning and development of our finances, architectural reviews, community and cultural events, as well as overall management of the organization. All HRCA committee meetings are open to the public.

### Architectural Review Committee

The Architectural Review Committee (ARC) is comprised of homeowners with expertise in home improvement and construction. They meet regularly to review plans and submittals made by homeowners to assure they comply with HRCA Residential Improvement Guidelines (RIGs) and the Community Declaration, By-Laws, and Supplemental Declarations.

### Backcountry Planning Areas Advisory Committee

This ad-hoc committee monitors the development application process for the Backcountry Wilderness Area and performs duties assigned by the HRCA Board.

### Tribunal

The Tribunal Committee hears appeals of Architectural Committee rulings on non-compliance issues or improvements to property. Recommendations of the Tribunal are based on compliance to governing documents and are forwarded to the Board of Directors.

### Finance Committee

Finance Committee members review and make recommendations regarding the monthly financial statements, annual audit, budget and additional financial items as directed by the Board of Directors.

### Development Review Committee

The Development Review Committee (DRC) reviews development plans in Highlands Ranch and areas adjacent to the community.

### Commercial Review Committee

HRCA Commercial Review Committee (CRC) is the approval authority for smaller commercial projects such as revisions or modifications to site improvement plan, commercial signage, improvements to the exterior of commercial property, including paint, awnings, etc.

### Backcountry Conservation & Education Fund Committee

Committee members will work together to help fundraise to enhance the Backcountry's mission in order to conserve and restore wildlife habitat and to provide experiences in nature, science, and the outdoors for all ages.

### Cultural Affairs Association Advisory Committee

The Cultural Affairs Association (CAA) Advisory Committee is a group of individuals who have experience in the cultural arena: dance, theater, music, and fundraising. The committee meets to help strategize and envision the direction of the CAA, to enhance our cultural platform in the community and helps raise funds.

### Scholarship Fund Advisory Committee

This committee selects scholarship recipients from graduating seniors attending a Highlands Ranch high school or living in the Highlands Ranch community. The recipients receive a \$2,500 scholarship their designated post-secondary school. The annual applicant review takes place over a three-week period in March.



## COMMUNITY ENGAGEMENT

The HRCA, in partnership with the Cultural Affairs Association (CAA), produces nearly 100 events and programs that enrich the lives of Highlands Ranch and surrounding community residents. Events range from small and intimate affairs to large community events and festivals. There's something for everyone and it's all right here!

### CAA Cultural Events

The annual Winter Cultural Series, Culture on the Green, and Classical Music series offer a variety of dance, music, and theatrical entertainment. The Summer Concert Series is attended by over 30,000 people each year. As summer sizzles so does the Classic Car Show and Jazz at the Mansion and Classical Music Series. Students learn about the history of Colorado at the annual Highlands Ranch Days, and all are welcome to celebrate Oktoberfest.

### HRCA Community Events

Traditions such as the July 4th Celebration begin with a 5K race followed by the annual community parade in Town Center, and end with in a spectacular celebration and fireworks display. Other seasonal events like the Easter Egg Hunt, the Taste of Highlands Ranch, Breakfast with Santa, craft shows, Touch-a-Truck, and Film in the Park continue to be crowd favorites with our members in mind. Community events are funded through business sponsorships and ticket sales. The annual Beer Festival continues to attract large audiences and the proceeds benefit our Highlands Ranch Community Scholarship Fund. HRCA also hosts a series of beverage tastings for everything from whiskey to spirits to fine wines.

### Art Encounters

Art Encounters is an outdoor sculpture exhibit that showcases art, in various media and styles, displayed throughout Douglas County. The CAA produces and manages this exciting program, which displays eight rotating outdoor sculptures in Highlands Ranch each year.

### Community Outreach

HRCA partners with other Highlands Ranch nonprofits to produce events like the 9Health Fair, Rotary Peach Sale, Senior Fair, Volunteer Fair and the annual community Menorah Lighting. The Taste of Highlands Ranch silent auction benefits a local charity.

### Community Partners

The HRCA and CAA are able to produce quality cultural and special events with family appeal at low or no-cost thanks in part to our Community Partners. This sponsorship program provides businesses marketing opportunities while the sponsorship dollars go to supplement funding for our events. The HRCA depends on partnerships with local businesses to support our community-wide events.



### Backcountry Wilderness Area

8,200 acres dedicated to ensure the wildlife and habitat will continue to thrive in the Backcountry. Our trails are designed to minimize impact by building in strategically less vital areas and using less intrusive building techniques. We also institute seasonal closures of certain trails in order to protect wintering elk and nesting eagles. Furthermore, each of our activities considers time of year, place, and other factors to wildlife and habitat disturbance. Lastly, because wildlife need open spaces to roam with little human disturbance, the majority of the Backcountry is managed primarily for wildlife and accessible only through guided hikes and programs.

### Experiential Opportunities

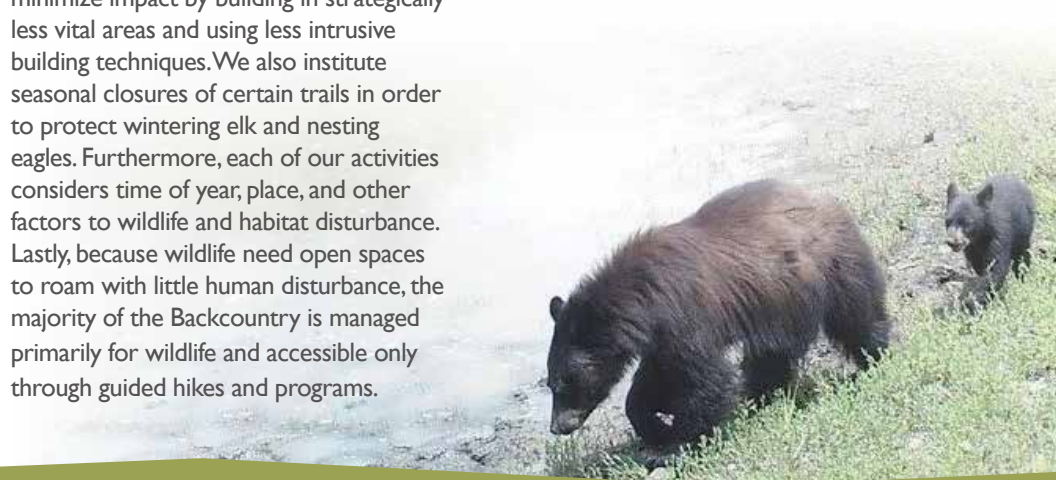
The Backcountry provides outdoor opportunities which connect people with nature through activities based in science and culture, shooting sports and hunting, horseback riding, hayrides, and recreation such as trail running, and mountain biking.

### Programs

The HRCA has made great strides expanding our Backcountry Wilderness Area offerings to the community with hikes and educational programs for all interests and ages. Camp Backcountry offers full-day, outdoor youth camps during the entire summer. Summer is also the season for guided horseback trail rides and basic horse riding lesson and horse-drawn hayrides. We also offer elk, deer, turkey, and coyote hunting to a limited number of residents each year. Hunters are selected at an annual banquet that raises money for natural resource management in the Backcountry Wilderness Area.

### Trails

HRCA has over 26 miles of natural surface, private trails open for residents and accompanied guests. The Douglas County East/West Regional Trail (open to the general public) crosses through the Backcountry Wilderness Area and adds an additional 12 miles of natural surface trails. Most HRCA trails are open to pedestrians, bikes, and equestrians, except for the Rocky Gulch Trail. To keep the wildlife safe, dogs are not allowed on the HRCA trails.





# PROGRAMS AND SERVICES

The HRCA owns and maintains four state-of-the-art recreation centers providing fitness, recreation, sports, and leagues, as well as art, music, and educational classes.

## Arts & Education

Art kindles creativity and education stimulates the mind. HRCA's Arts and Educational classes expand horizons of both young and old. The Preschool and Enrichment program is based on a play environment with developmentally appropriate activities which give children the foundation for future academic learning. Senior classes and programs are geared specifically for seniors who want to become or remain active. Creativity and learning are critical for growth and development of children and necessary for adults and seniors to remaining youthful and vital.

- Day Camp • Arts • Pottery • Music • Drama
- Cooking • Education • Dance/Cheer • Tumbling and Gymnastics

## Aquatics

Knowing how to swim could save a life one day. But aside from that, it is just plain fun! Learn to swim for safety or take up snorkeling or stand-up paddleboarding, just for the fun of it. Already a proficient swimmer and want more of a challenge? Our coached and competitive swim program is just for you. The HRCA's aquatics programs help to assure a lifetime of enjoying water activities.

- HRCA Learn to Swim • Coached Aquatic
- Adult Swim • Springboard Diving • Stand-Up Paddleboard • Pool Parties • Infant Swim Resource • Learn to Snorkel • Discover Scuba

## Sports & Fitness

Sports and recreation go hand-in-hand and the HRCA has opportunities for you to participate! Need a personal trainer or want to join a drop-in yoga or kick boxing class? Want to run a 5K or a Tri? How about learning a new sport or joining a team? Sign-up for racquetball, tennis, lacrosse, pickleball, basketball, volleyball, soccer, or leagues. No matter your skill level, join us to play your game!

- Sports: Tennis • Pickleball • Basketball • Martial Arts • Race Series • Soccer • Volleyball
- Fitness: Group Exercise • Zumba • Yoga • Pilates • Boot Camp • Wellness Services • Drop in Fitness
- Personal Training

## Therapeutic Recreation

The HRCA's Therapeutic Recreation (TR) program strives to provide appropriate activities, events, and programs to give participants with special needs the foundation for increased confidence, self-esteem, and greater independence. The participants engage in dance, sports, yoga, art, cooking, swimming, and a variety of other recreational and social opportunities to develop their skills.

## VISION FOR THE FUTURE

The Vision for the Future is the ideal desired condition of the community at a future point in time, it is a dream rooted in reality that contains some existing conditions, along with future ambitions.

## Public Services

The HRCA will provide discounted services through negotiated volume rates which benefit our residents by providing community services at a lower cost. The HRCA currently has an agreement with a preferred trash provider at lower costs to homeowners.

## Backcountry Wilderness Area

Provide members with unprecedented opportunities to enjoy nature near where we live, while protecting and conserving natural, cultural, archaeological, and historical resources for the enjoyment of future generations. The conservation of the Backcountry Wilderness Area, along with the variety of activities offered, will distinguish Highlands Ranch as a healthy, active, outdoor community.

## Recreation Facilities

HRCA keeps outstanding recreation centers that are the equal to private facilities in the area. Facilities are operated efficiently to provide value, recreational programs, and opportunities for all members.



The HRCA operates and maintains four recreational centers with over 329,000 square feet. The recreation centers have exercise equipment, meeting rooms, event and classroom space, running tracks, basketball and sports courts, pools, and tennis courts, all for use by its members. HRCA has a wide variety of programs and activities for all ages and abilities.

## Operational Excellence

Optimize processes, people, products, and services so that customer satisfaction and financial results are maximized through a culture of continuous improvement.



## OBJECTIVES & GOALS

The HRCA utilizes Key Performance Indicators (KPIs) to help measure progress toward our organization's objectives and goals. Departments assure that these KPIs align with the Board's mission and vision for the organization, and strengthens our strategic goals and objectives.

## Safety

Safety is the top priority in the HRCA. We strive to maintain a safe environment for all employees and our members. A safe environment depends on a culture where safety awareness and policies and procedures are strictly followed. The HRCA takes pride in providing a consistent safety training program and strictly following safety protocols that provide a safe environment.

Operational excellence and customer service are promoted throughout all departments. HRCA strives to offer the most up-to-date facilities that are maintained at a first-class level. Staff participates in training sessions to enhance our customer service. Administrative departments operate at a high level with the transparency provided to our members.

## Community

Partner with and influence local and regional agencies and organizations to enhance the quality of life enjoyed by the residents of Highlands Ranch. Build community lifestyle by providing community events that bring

people together through leadership and volunteerism.



## Customer Satisfaction, Member Retention

In an effort to maintain first-class facilities and superior programs, classes, and events; surveys are distributed in person as well as online to maximize the response rate and to give the ability to make improvements on an ongoing basis in order to ensure the quality of the programs and that they are meeting the needs of the community. Through surveys, the HRCA can ensure that the experiences for customers meet their needs, piques their interest, and keeps them coming back.

## Operational Excellence

We strive to offer the most up-to-date facilities that are maintained at a first-class level. Staff participates in on-going training sessions to enhance our customer service throughout the year. Administrative departments operate at a high level with ultimate transparency provided to our members. Program areas work to control costs, purchase responsibly, and care for all equipment as appropriate. Planning for future budgets provides input on future operational needs, capital purchases, and reserve, repairs, and replacement.

## Program Success

HRCA continues to maintain a positive satisfaction rate from current program participants. The goal is to create a system that monitors all program and event participants on a consistent basis and to respond accordingly to any suggestions or concerns. This in turn will help the organization respond and plan programs that are relevant and fit the needs and desires of our community. By listening to our audience we can assure the programs and events are enhancing the quality of life in our community and is consistent with our motto of living intentionally.





## FINANCIAL SUMMARY

The \$23 million annual budget for the HRCA is a financial and operational document that is designed to carry out the obligations of the organization. The annual budget process is approximately six months long, beginning in mid-June and ending in mid-November. The process includes internal staff preparation, direction from the CEO and Board of Directors, meetings with the Finance Committee and input from the Delegates throughout the preparation process. The quarterly and annual assessment amounts, annual expenses and allocation of assessment revenues between the Administrative and Recreation Fund are established during the annual budget process.

### Fund Accounting

HRCA is structured as a 501(c)(4) non-profit corporation and has elected certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, HRCA maintains its accounting using fund accounting. Financial resources are classified for accounting and reporting purposes into the following funds established according to their nature and purpose:

- **Administrative Functions; including:**
  - Administrative Operating Fund (including Community Improvement Services, Community Relations & Events, and Financial Services)
  - Administrative Reserve Fund
- **Open Space Conservation Agreement (OSCA) Fund** (including transactions with Shea Homes and funding for new Backcountry capital projects)
- **Recreation Functions; including:**
  - Recreation Operating Fund (including Facilities Operations, Financial Services, and Recreation Programs such as Arts & Education, Aquatics, and Sports & Fitness)
  - Recreation Reserve Fund (including the Capital Improvement Fund, which was established to fund new projects and assist in funding reserve projects)
  - Backcountry Operating Fund (including Backcountry Recreation Programs and Natural Resource Management)
  - Backcountry Reserve Fund
  - Debt Service & Plant Fund (established to account for all recreational property and equipment and related debt in the form of bonds)

HRCA's Community Declaration requires the accumulation of funds for future repairs and replacements of common areas, and for general operations to ensure availability of funds when needed. HRCA funds these reserves on a monthly basis, and annually reviews the reserve funding program as part of its budgeting process.

HRCA retained an engineering firm to perform a study of its recreational buildings and equipment in 2014. Based on this analysis, HRCA has accumulated funds totaling \$2,807,031 in the Recreation Reserve Fund, \$257,713 in the Administrative Reserve Fund and \$172,926 in the Backcountry Reserve Fund for the future repair and replacement of recreation facilities and equipment, future repair and replacement of administrative office equipment, and backcountry trails and property improvements, respectively, as of December 31, 2018. The HRCA has established funding requirements of \$2,006,000, \$118,625 and \$10,000 in the 2019 Recreational Reserve Fund budget, the 2019 Administrative Reserve Fund budget, and the 2019 Backcountry Reserve Fund budget, respectively. Reserve funds are held in separate bank accounts and are designated for future repair and replacement expenditures. Therefore, they are generally unavailable for expenditure for normal operations.

## HRCA NONPROFITS - SERVING OUR COMMUNITY



### BACKCOUNTRY CONSERVATION & EDUCATION FUND

The Highlands Ranch Backcountry Conservation and Education Fund (HRBCEF) is a 501(c)(3) nonprofit organization formed in 2015 to enhance funding to

the Backcountry in order to conserve and restore wildlife habitat and to provide experiences in nature, science, and the outdoors for all ages. The 501(c)(3) is a fundraising branch for the Backcountry and receives contributions from individuals, corporations, and other institutions. The Backcountry Wilderness Area is a valuable resource for our residents. As a designated 501(c)(3) nonprofit, it will allow those who truly value the Backcountry to contribute to its care and success.



### HIGHLANDS RANCH CULTURAL AFFAIRS ASSOCIATION

The Cultural Affairs Association (CAA) is a 501(c)(3) nonprofit organization formed in February 2001 to address the need for a cultural foundation in the rapidly growing community of Highlands Ranch. The CAA provides a central organization from which educational, artistic, musical, theatrical and dance events are provided to the more than 90,000 Highlands Ranch residents and surrounding communities. The CAA produces its own events and

collaborates with other organizations for events with a primary purpose of providing enlightenment and entertainment, including Oktoberfest, the Summer Concert Series, the Classic Car Show, Highlands Ranch Days, and recycling events that raise funds for the CAA. It produces quality cultural events which have family appeal and are low or no-cost thanks in part to funding received from Scientific and Cultural Facilities District (SCFD).



### HIGHLANDS RANCH COMMUNITY SCHOLARSHIP FUND

The Community Scholarship Fund is a 501(c)(3) nonprofit organization formed in 2003 that provides post-secondary education scholarships for students residing in Highlands Ranch or attending a Highlands Ranch high school. The Scholarship Fund was created to reward Highlands Ranch students who have demonstrated well-rounded participation in their community or school through volunteerism and/or community service hours. Applications are reviewed throughout March, notification letters are sent to all recipients in April, and an award ceremony for recipients is in May. Over \$351,500 in scholarships have been awarded to date. The HRCA produces events and programs each year such as the Beer Festival and Cars for Charity that benefit the Scholarship Fund. Additional specific scholarships for specific Therapeutic Recreation programs are available through the Scholarship Fund as well.

*Adventure ☆ Choice ☆ Community ☆ Culture ☆ Value*