

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Crested Butte South Property Owners Association, Inc.  
Crested Butte, Colorado

We have audited the accompanying financial statements of Crested Butte South Property Owners Association, Inc., which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crested Butte South Property Owners Association, Inc. at December 31, 2020, 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.

*McNurlin, Hitchcock & Associates, P.C.*

McNurlin, Hitchcock & Associates, P.C.  
August 25, 2021

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Balance Sheet  
December 31, 2020

	Operating Fund	Replacement Fund	(Memo Only) Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 160,185	\$ 139,451	\$ 299,636
Certificates of deposit	-	214,305	214,305
Assessments receivable	6,402	-	6,402
Accounts receivable	5,414	-	5,414
Prepaid insurance	23,055	-	23,055
Due from Reserve Fund	-	6,032	6,032
Total Current Assets	<u>195,056</u>	<u>359,788</u>	<u>554,844</u>
Property and Equipment, net	<u>470,695</u>	<u>-</u>	<u>470,695</u>
Total Assets	<u>\$ 665,751</u>	<u>\$ 359,788</u>	<u>\$ 1,025,539</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities			
Payroll liabilities	\$ 5,653	\$ -	\$ 5,653
Prepaid assessments	1,936	-	1,936
Refundable deposits, other	2,410	-	2,410
Refundable performance deposits	105,720	-	105,720
Due to Operating Fund	6,032	-	6,032
Total Current Liabilities	<u>121,751</u>	<u>-</u>	<u>121,751</u>
Fund Balances	<u>544,000</u>	<u>359,788</u>	<u>903,788</u>
Total Liabilities and Fund Balances	<u>\$ 665,751</u>	<u>\$ 359,788</u>	<u>\$ 1,025,539</u>

See accompanying notes to the financial statements and the independent auditors' report.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Statement of Revenues, Expenses and Changes in Fund Balances

For the year ended December 31, 2020

	Operating Fund	Replacement Fund	(Memo Only) Total
<b>REVENUES</b>			
Member assessments	\$ 329,052	\$ -	\$ 329,052
Application fees	29,650	-	29,650
Donations and grants	13,022	-	13,022
Forfeited deposits	3,210	-	3,210
Hockey rink	7,390	-	7,390
Interest	658	4,262	4,920
Late fees and other charges	2,380	-	2,380
Miscellaneous	574	-	574
Property transfer fees	13,800	-	13,800
Rental income	14,473	-	14,473
Total Revenue	<u>414,209</u>	<u>4,262</u>	<u>418,471</u>
<b>EXPENSES</b>			
Bad debt expense	346	-	346
Board meetings	2,249	-	2,249
Bus service	17,500	-	17,500
Cleaning	3,336	-	3,336
Depreciation	25,460	-	25,460
Electricity	4,686	-	4,686
Employee benefits	9,104	-	9,104
Employee training	1,971	-	1,971
Insurance	33,874	-	33,874
Interest expense	310	-	310
Miscellaneous	863	-	863
Newsletter	4,199	-	4,199
Office supplies	1,845	-	1,845
Parks and recreational facilities	16,159	-	16,159
Payroll taxes	13,335	-	13,335
Postage	861	-	861
Professional fees	25,056	-	25,056
Property repairs and maintenance	22,531	-	22,531
Salaries and wages	161,023	-	161,023
Snow removal	1,055	-	1,055
Technology	4,048	-	4,048
Telephone and internet	2,506	-	2,506
Trash, water, and sewer	1,641	-	1,641
Total Expenses	<u>353,958</u>	<u>-</u>	<u>353,958</u>
Revenues over expenses	60,251	4,262	64,513
Fund balances, beginning of year	<u>483,749</u>	<u>355,526</u>	<u>839,275</u>
Fund balances, end of year	<u>\$ 544,000</u>	<u>\$ 359,788</u>	<u>\$ 903,788</u>

See accompanying notes to the financial statements and the independent auditors' report.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Statement of Cash Flows  
For the year ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>(Memo Only) Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Revenues over expenses	\$ 60,251	\$ 4,262	\$ 64,513
Adjustments to reconcile revenues over expenses to net cash provided by operating activities:			
Depreciation	25,460	-	25,460
(Increase) decrease in assets:			
Assessments receivable	4,383	-	4,383
Accounts receivable	(4,154)	-	(4,154)
Prepaid insurance	(4,878)	-	(4,878)
Due from Reserve Fund	9,522	(6,032)	3,490
Increase (decrease) in liabilities:			
Payroll liabilities	5,631	-	5,631
Prepaid assessments	(43)	-	(43)
Refundable deposits, other	(50)	-	(50)
Refundable performance deposits	(55,735)	-	(55,735)
Due to Operating Fund	6,032	(9,522)	(3,490)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>46,419</u>	<u>(11,292)</u>	<u>35,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Reinvested interest on certificates of deposit	-	(3,803)	(3,803)
Purchases of property and equipment	(71,362)	-	(71,362)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(71,362)</u>	<u>(3,803)</u>	<u>(75,165)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Principal payment on notes payable	(11,942)	-	(11,942)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>(11,942)</u>	<u>-</u>	<u>(11,942)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(36,885)</u>	<u>(15,095)</u>	<u>(51,980)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>197,070</u>	<u>154,546</u>	<u>351,616</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 160,185</u></u>	<u><u>\$ 139,451</u></u>	<u><u>\$ 299,636</u></u>
<b>SUPPLEMENTAL DISCLOSURE</b>			
Cash paid for income taxes			\$ -
Cash paid for interest			<u><u>\$ 310</u></u>

See accompanying notes to the financial statements and the independent auditors' report.

# CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

Notes to the Financial Statements

December 31, 2020

## Note 1 NATURE OF ORGANIZATION

Crested Butte South Property Owners Association, Inc. (the "Association") is a statutory property owner association organized as a non-profit corporation incorporated in the State of Colorado in June 1979. The Association is responsible for the operation and maintenance of the common property and parks space of Crested Butte South, which is 460+ acres with a mix of residential, land, and commercial lots. As of December 31, 2020 there were a total of 956 property owners, including 607 residential, 315 land, and 34 commercial units.

## Note 2 DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated subsequent events and transactions for potential required recognition or disclosure through the date on the audit report.

## Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when the product or service has been received and the liability incurred.

### Fund Accounting

In accordance with generally accepted accounting principles in the United States of America (US GAAP), the Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the Operating Fund are generally at the discretion of the board of directors and property manager. Disbursements from the Replacement Fund generally may be made for designated purposes. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operation of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs, replacements, and acquisitions.

### Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See accompanying independent auditors' report.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Notes to the Financial Statements

December 31, 2020

Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Association considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Member Assessments and Assessments Receivable

Association members are subject to annual assessments based on type of unit to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The Board of Directors determines the annual budget and the assessment of owners. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Assessment receivables represents dues receivable from unit owners. At December 31, 2020 assessments receivable was \$6,402, as reported on the Balance Sheet. Given the leverage of the Association's collection policy, and the past collection history of the Association, an allowance for uncollectable assessments is not considered necessary.

Accounts Receivable

Account receivables represents amounts owed to the Association from fines, post office rental fees, and miscellaneous reimbursements. As of December 31, 2020, accounts receivable was \$5,414, as reported on the Balance Sheet.

Collection Policy

The annual assessment is due and payable on the first day of January and becomes delinquent on the first day of March. The Association may impose a late charge of five dollars (\$5.00) on each past due and delinquent property each month and interest on the amount owed at a rate of eight percent (8%) per annum until paid. All fees are due and payable immediately upon charged.

The Association has the right to enforce the collection of assessments by placing a lien on the underlying title to the property. The Association will file the lien, if the owner has not responded after fifteen (15) days from the second notice of delinquency. The owner is responsible for any collection's costs, attorney fees, and lien filing expenses incurred from the collection's procedures.

Prepaid Expenses

Prepaid expenses are expenditures made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods. The Association's prepaid expenses totaled \$23,055 as of December 31, 2020 as reported on the Balance Sheet.

See accompanying independent auditors' report.



**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Notes to the Financial Statements

December 31, 2020

Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Assessments

Member assessments received in advance of the period earned are presented as prepaid assessments on the balance sheet. As of December 31, 2020, the Association had a balance of \$1,936 in prepaid assessments as reported on the Balance Sheet.

Compensated Absences

The Association recognizes a liability for compensated absences. As of December 31, 2020 the Association had a compensated absence liability of \$5,539 as reported in payroll liabilities on the Balance Sheet. No carry forward is allowed for unused sick time.

Recognition of Assets and Depreciation Policy

Real property and common areas acquired from the developer and related improvements to such property are owned by the individual unit owners in common as well as by the Association. Accordingly, these common area assets are recorded on the Association's financial statements. The real property consists of buildings, maintenance barn, landscape, parking, etc. The Association recognizes property at cost. The property and improvements are depreciated over the estimated useful lives ranging from 5 to 35 years using the straight-line method.

Note 4 FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents do not require that funds be accumulated for future major repairs and replacements. Upon assessment collection, monies are deposited in non-restricted operating accounts. During the year ended December 31, 2020, a net amount of \$25,000 was transferred from the Operating Fund to the Replacement Fund.

During the year ended December 31, 2020, the Replacement Fund's investment accounts earned \$4,262 in interest income.

Funds are being accumulated in the Replacement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts accumulated in the Replacement Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, borrow funds or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Notes to the Financial Statements

December 31, 2020

Note 5 INCOME TAXES

Homeowner associations may be taxed as regular corporations, subject to the provisions of Internal Revenue Code Section 277, or as homeowner associations subject to Internal Revenue Code Section 528. The Association elected to be taxed as a regular corporation for the year ended December 31, 2020. According to the Internal Revenue Code Section 277 and Internal Revenue Service regulation, any excess of "common" revenues over "common" expenses can be applied to future assessments. However, any income unrelated to member activities is considered to be taxable income and will be taxed according to Internal Revenue Service regulations. The Association did not report taxable income for the year ended December 31, 2020.

The standards on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include deciding on an allocation of income and expenses between member and nonmember activities and deciding whether to file Form 1120 or Form 1120-H. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The Association has assessed its tax positions for all open tax years and has concluded that there are currently no significant unrecognized tax benefits or liabilities to be recognized.

Note 6 CERTIFICATES OF DEPOSIT

The Association has invested in certificates of deposit. Interest earned on these certificates of deposit is compounded monthly and reinvested when paid. The certificates of deposit are carried at cost, including interest earned from the purchase date. The certificates of deposit held in the Replacement Fund are as follows at December 31, 2020:

<u>Institution</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cost Basis</u>
Synchrony Bank	0.03%	October 29, 2021	\$ 53,177
Synchrony Bank	1.98%	January 29, 2021	54,036
Synchrony Bank	1.49%	April 29, 2021	53,807
Synchrony Bank	0.05%	July 29, 2021	53,285
			<u>\$ 214,305</u>

See accompanying independent auditors' report.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Notes to the Financial Statements

December 31, 2020

Note 7 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$	131,789
Building		172,058
Maintenance barn		128,460
Park equipment		224,507
Property improvements		152,073
Furniture and equipment		114,323
Vehicles		69,626
Total property and equipment		<u>992,836</u>
Less: accumulated depreciation		<u>(522,141)</u>
Property and equipment, net	\$	<u><u>470,695</u></u>

Depreciation expense for the year ended December 31, 2020 was \$25,460.

The Association leased office space to an architectural firm for a total of \$1,920, which is included in Rental income on the Statement of Revenues and Expenses and Changes in Fund Balances.

Note 8 OPERATING LEASES

The Association leases property from Spann Ranches for use as a Nordic skiing trail system for an annual fee of \$2,500 per year due and payable on December 1 of each year through the end of the 2022 Nordic skiing season. The Nordic skiing trails are free of charge to CB South residents, property owners, and their accompanying guests.

Note 9 PERFORMANCE DEPOSITS

The Association bills and collects performance deposits from owners who are making improvements to their properties. The deposits are retained in a dedicated account until the work is completed to the satisfaction of the Architectural Review Committee. At December 31, 2020, the Association held funds totaling \$105,731 from various owners, which is included in cash and cash equivalents on the Balance Sheet. Property improvements generally are finished within twelve months. Under certain circumstances performance deposits may be forfeited. For the year ended December 31, 2020, the Association recognized \$3,210 in forfeited deposits, as seen on the Statement of Revenues, Expenses and Changes in Fund Balances.

Note 10 EMPLOYER RETIREMENT CONTRIBUTION

The Association contributes a matching retirement contribution to employees. During the year ended December 31, 2020, the Association contributed \$2,992 in matching retirement contributions.

See accompanying independent auditors' report.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Notes to the Financial Statements

December 31, 2020

Note 11 ARCHITECTURAL AND CLOSING STATEMENT FEE

The Association collects an application fee when an owner requests changes or improvements to their property. Application fees are collected for residential and commercial properties. For the year ended December 31, 2020 fees were collected for residential and commercial applications in the amounts of \$17,650 and \$12,000, respectively. These amounts are recorded as application fees on the Statement of Revenues, Expenses and Changes in Fund Balances.

A transfer fee occurs upon the transfer of property ownership. For the year ended December 31, 2020, the Association collected \$13,800 in transfer fees, which is recorded as property transfer fees on the Statement of Revenues, Expenses and Changes in Fund Balances.

**SUPPLEMENTAL INFORMATION**

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors  
Crested Butte South Property Owners Association, Inc.  
Crested Butte, Colorado

We have audited the financial statements of Crested Butte South Property Owners Association, Inc. as of and for the year ended December 31, 2020, and our report thereon dated August 25, 2021 which expressed an unqualified opinion on those financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The statement of revenues and expenses - budget versus actual, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Accounting principles generally accepted in the United States of America require that supplemental information on future major repairs and replacements on pages 13 and 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who 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 supplemental 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.

A handwritten signature in blue ink that reads "McNurlin, Hitchcock &amp; Associates, P.C." The signature is written in a cursive, flowing style.

McNurlin, Hitchcock & Associates, P.C.  
August 25, 2021

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**

Statement of Revenues and Expenses - Budget Versus Actual (non-GAAP)

For the year ended December 31, 2020

	Unaudited <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Member assessments	\$ 327,948	\$ 329,052	\$ 1,104
Application fees	18,025	29,650	11,625
Donations and grants	1,200	13,022	11,822
Forfeited deposits	-	3,210	3,210
Hockey rink	3,950	7,390	3,440
Interest	7,000	4,920	(2,080)
Late fees and other charges	4,000	2,380	(1,620)
Miscellaneous	430	574	144
Property transfer fees	8,000	13,800	5,800
Rental income	14,792	14,473	(319)
	<u>385,345</u>	<u>418,471</u>	<u>33,126</u>
<b>EXPENSES</b>			
Bad debt expense	1,000	346	654
Board meetings	4,375	2,249	2,126
Bus service	16,500	17,500	(1,000)
Cleaning	3,600	3,336	264
Depreciation	25,459	25,460	(1)
Electricity	4,500	4,686	(186)
Employee benefits	10,962	9,104	1,858
Employee training	1,500	1,971	(471)
Insurance	30,435	33,874	(3,439)
Interest expense	308	310	(2)
Miscellaneous	2,752	863	1,889
Newsletter	2,750	4,199	(1,449)
Office supplies	2,900	1,845	1,055
Parks and recreational facilities	16,834	16,159	675
Payroll taxes	17,495	13,335	4,160
Postage	1,000	861	139
Professional fees	34,500	25,056	9,444
Property repairs and maintenance	16,740	22,531	(5,791)
Salaries and wages	168,715	161,023	7,692
Snow removal	2,000	1,055	945
Technology	2,340	4,048	(1,708)
Telephone and internet	1,740	2,506	(766)
Trash, water, and sewer	1,489	1,641	(152)
Unanticipated expenses	7,399	-	7,399
	<u>377,293</u>	<u>353,958</u>	<u>15,282</u>
Revenues over expenses	<u>\$ 8,052</u>	<u>\$ 64,513</u>	<u>\$ 56,461</u>

See accompanying independent auditors' report on supplemental information.

**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**  
 Supplemental Information on Future Major Repairs and Replacements (Compiled)  
 December 31, 2020

The Association engaged Aspen Reserve Specialties to conduct a formal study in September 2018 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

	<u>Estimated Remaining Useful Life In Years</u>	<u>Estimated Cost to Repair or Replace</u>
Metal Roof - Replace (Zemboni Barn)	20	\$ 28,000
Metal Root - Replace (office, mail)	7	46,200
Building Ext Surfaces - Repaint	0	14,000
Gravel Parking Lot/Path - Replenish	1	13,500
Asphalt Pathway - Resurface	0	56,100
Garage Doors - Replace (Zamboni Barn)	12	3,200
Garage Doors - Replace (Office)	3	1,600
Doors/Windows - Replace	0	9,500
Composite Deck - Replace	4	5,325
Water Heater- Replace (Zamboni Barn)	12	1,800
Monument - Rebuild	3	27,000
Mailboxes - Replace	11	18,900
Wood Fencing - Replace (Garden)	13	7,000
Wood Fencing - Replace (Tennis)	7	7,525
Chain Link Fencing - Replace	2	22,600
Ranch Fencing - Partial Replace	0	4,200
Rail Fencing - Replace	14	5,325
Tennis Court Asphalt - Replace	19	50,000
Tennis Court - Recoat/Paint	0	12,000
Tennis Court Windscreen - Replace	3	1,350
Basketball Court/Skate Park - Replace	0	1,500
Play Equipment - Replace	4	70,000
Play Equipment - Replace (rock wall, etc)	13	29,000
Tot Lot Groundcover - Refill	0	2,100
Picnic Tables - Partial Replace	11	5,600
Benches - Partial Replace	0	7,200
Wood Benches - Replace	6	2,600
Hockey Rink/Boards - Replace	4	33,500
Hockey Rink Scoreboard - Replace	0	10,000
Baseball Field - Rebuild	3	25,000
Cabinets/Countertops - Replace	4	29,000
Sunset Hall Interior - Remodel	8	15,000
Locker Rooms - Remodel	10	4,500
Office Equipment - Replace	0	4,500

(Continued)

See accompanying independent auditors' report on supplemental information.



**CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.**  
 Supplemental Information on Future Major Repairs and Replacements (Compiled)  
 December 31, 2020

	Estimated Remaining Useful Life In Years	Estimated Cost to Repair or Replace
Carpeting - Replace	0	\$ 6,000
Wood Flooring - Refinish	5	3,400
Sports Area Lighting - Replace	11	9,500
Irrigation System - Rebuild	0	10,000
Gravel Paths - Replenish (1)	0	18,500
Gravel Paths - Replenish (2)	0	14,200
Gravel Paths - Replenish (4)	1	19,425
Gravel Paths - Replenish (3)	0	26,425
Truck - Replace	2	35,000
Riding Mower - Replace (John Deere)	0	9,500
Scotts Tractor - Replace	0	9,500
Zamboni - Replace	2	30,000
Tool Cat - Replace	14	50,000
Nordic Track Groomer - Replace	13	4,000
Snowmobile - Replace	2	9,000
Speed Sign Trailer - Replace	0	2,000
Snow Blower - Replace	0	4,000
Pressure Washer - Replace	4	6,500
Bus Stop - Renovate	0	5,000
		\$ 846,575

See accompanying independent auditors' report on supplemental information.