

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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1987 Wadsworth Blvd., Suite A
Lakewood, Colorado 80214



Phone: 303.988.5648
Fax: 303.988.5919

www.mcnurlincpa.com

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Crested Butte South Property Owners Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2022, and the related statement of revenues, expenses, and changes in fund balances, and cash flows for the years 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 the Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance 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 other ethical responsibilities in accordance with the 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.

Responsibilities of Management for the Financial Statements

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 Responsibilities 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.

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.



McNurlin, Hitchcock & Associates, P.C.
August 9, 2023

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

Balance Sheet
December 31, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>(Memo Only) Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 269,605	\$ 408,179	\$ 677,784
Assessments receivable	1,971	-	1,971
Accounts receivable	16,799	15,817	32,616
Prepaid insurance	29,474	-	29,474
Due from Reserve Fund	-	86,382	86,382
Total Current Assets	<u>317,849</u>	<u>510,378</u>	<u>828,227</u>
Property and Equipment, net	<u>443,330</u>	<u>-</u>	<u>443,330</u>
Total Assets	<u><u>\$ 761,179</u></u>	<u><u>\$ 510,378</u></u>	<u><u>\$ 1,271,557</u></u>
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts Payable	\$ 11,562	\$ -	\$ 11,562
Payroll liabilities	2,151	-	2,151
Refundable deposits, other	3,210	-	3,210
Refundable performance deposits	225,864	-	225,864
Due to Operating Fund	86,382	-	86,382
Total Current Liabilities	<u>329,169</u>	<u>-</u>	<u>329,169</u>
Fund Balances	<u>432,010</u>	<u>510,378</u>	<u>942,388</u>
Total Liabilities and Fund Balances	<u><u>\$ 761,179</u></u>	<u><u>\$ 510,378</u></u>	<u><u>\$ 1,271,557</u></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, 2022

	Operating Fund	Replacement Fund	(Memo Only) Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Member assessments	\$ 387,989	\$ -	\$ 387,989
Application fees	21,800	-	21,800
Donations and grants	15,626	-	15,626
Forfeited deposits	6,961	-	6,961
Hockey rink	6,860	-	6,860
Interest	717	2,438	3,155
Late fees and other charges	3,519	-	3,519
Miscellaneous	2,396	-	2,396
Property transfer fees	10,400	-	10,400
Rental income	34,600	-	34,600
Total Revenue	<u>490,868</u>	<u>2,438</u>	<u>493,306</u>
EXPENSES			
Bad debt expense	3,897	-	3,897
Board meetings	4,529	-	4,529
Cleaning	664	-	664
Depreciation	35,841	-	35,841
Design review	45,178	-	45,178
Electricity	4,413	-	4,413
Employee benefits	11,153	-	11,153
Employee training	776	-	776
Insurance	45,498	-	45,498
Miscellaneous	802	-	802
Newsletter	7,194	-	7,194
Office supplies	4,321	-	4,321
Parks and recreational facilities	23,047	-	23,047
Payroll taxes	13,758	-	13,758
Postage	1,807	-	1,807
Professional fees	80,258	-	80,258
Property repairs and maintenance	19,883	-	19,883
Salaries and wages	161,576	-	161,576
Snow removal	70	-	70
Technology	4,405	-	4,405
Telephone and internet	1,998	-	1,998
Trash, water, and sewer	3,067	-	3,067
Total Expenses	<u>474,135</u>	<u>-</u>	<u>474,135</u>
Revenues over expenses	16,733	2,438	19,171
Fund balances, beginning of year	441,390	481,827	923,217
Fund transfers	<u>(26,113)</u>	<u>26,113</u>	<u>-</u>
Fund balances, end of year	<u>\$ 432,010</u>	<u>\$ 510,378</u>	<u>\$ 942,388</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, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>(Memo Only) Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Revenues over expenses	\$ 16,733	\$ 2,438	\$ 19,171
Adjustments to reconcile revenues over expenses to net cash provided by operating activities:			
Depreciation	35,841	-	35,841
(Increase) decrease in assets:			
Assessments receivable	3,730	-	3,730
Accounts receivable	(15,722)	-	(15,722)
Increase (decrease) in liabilities:			
Accounts Payable	4,068	-	4,068
Payroll liabilities	1,961	-	1,961
Prepaid assessments	(3,674)	-	(3,674)
Refundable deposits, other	190	-	190
Refundable performance deposits	8,365	-	8,365
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>51,492</u>	<u>2,438</u>	<u>53,930</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	<u>(30,640)</u>	<u>-</u>	<u>(30,640)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(30,640)</u>	<u>-</u>	<u>(30,640)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Fund transfers	<u>(26,113)</u>	<u>26,113</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(26,113)</u>	<u>26,113</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(5,261)</u>	<u>28,551</u>	<u>23,290</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>274,866</u>	<u>379,628</u>	<u>654,494</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 269,605</u></u>	<u><u>\$ 408,179</u></u>	<u><u>\$ 677,784</u></u>
SUPPLEMENTAL DISCLOSURE			
Cash paid for income taxes			<u><u>\$ -</u></u>
Cash paid for interest			<u><u>\$ -</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, 2022

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 park space of Crested Butte South, which is 460+ acres with a mix of residential, land, and commercial lots. As of December 31, 2022 there were a total of 1,030 property units, including 714 residential, 287 land, and 29 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, 2022

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 the 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. 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, a donation receivable for construction of a skate park (see Note 11), and miscellaneous reimbursements. The Association has evaluated these receivable amounts and believes all amounts are fully collectible and no allowance for uncollectable amounts is necessary.

Collection Policy

Owners may be charged late fees and interest on delinquent balances, as determined based on the collection policies of the Association, and any applicable laws and regulations. The Association has the right to pursue legal action in collecting delinquent balances, including placing a lien of the underlying title to the property. All reasonable attorney's fees related to collections are the responsibility of the owner.

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.

Prepaid Assessments

Member assessments received in advance of the period earned are presented as prepaid assessments on the balance sheet. As of December 31, 2022, the Association had no prepaid assessments.

Compensated Absences

The Association recognizes a liability for compensated absences. No carry forward is allowed for unused sick time.

See accompanying independent auditors' report.

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

Notes to the Financial Statements

December 31, 2022

Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, a net amount of \$26,113 was transferred from the Operating Fund to the Replacement Fund.

During the year ended December 31, 2022, the Replacement Fund's investment accounts earned \$2,438 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.

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, 2022. 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, 2022.

The standards on accounting for uncertainty in income taxes address 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.

See accompanying independent auditors' report.

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

Notes to the Financial Statements

December 31, 2022

Note 6 PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$	131,876
Building		172,058
Maintenance barn		128,460
Park equipment		227,679
Property improvements		155,219
Furniture and equipment		130,957
Vehicles		89,411
Total property and equipment		<u>1,035,660</u>
Less: accumulated depreciation		<u>(592,330)</u>
Property and equipment, net	\$	<u>443,330</u>

Depreciation expense for the year ended December 31, 2022 was \$35,841.

Note 7 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 through the 2024-2025 Nordic skiing season. The Nordic skiing trails are free of charge to Association residents, property owners, and their accompanying guests. The Organization does not believe these lease commitments are significant enough to warrant capitalization of the present value of future minimum lease payments under FASB ASC 842, Leases.

Note 8 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, 2022, the Association held funds totaling \$225,893 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, 2022, the Association recognized \$6,961 in forfeited deposits, as seen on the Statement of Revenues, Expenses and Changes in Fund Balances.

Note 9 EMPLOYER RETIREMENT CONTRIBUTION

The Association contributes a matching retirement contribution to employees. During the year ended December 31, 2022, the Association contributed \$2,939 in matching retirement contributions.

See accompanying independent auditors' report.

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

Notes to the Financial Statements

December 31, 2022

Note 10 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, 2022 fees were collected for residential and commercial applications in the amounts of \$18,650 and \$3,150, 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, 2022, the Association collected \$10,400 in transfer fees, which is recorded as property transfer fees on the Statement of Revenues, Expenses and Changes in Fund Balances.

Note 11 BOARD DESIGNATED SKATE PARK FUND

The Association plans on funding the construction of a skate park to offer another recreational amenity to the Association's property owners. The Association raised funds of \$24,722 during the year ended December 31, 2021 to help pay for the skate park, which have been designated by the Association to pay for the construction. The funds were contributed through third-party and in-house fundraising campaigns. There was no activity related to this planned construction during the year ended December 31, 2022. This designated balance is included in the Replacement Fund balance on the Balance Sheet.

SUPPLEMENTAL INFORMATION

1987 Wadsworth Blvd., Suite A
Lakewood, Colorado 80214



Phone: 303.988.5648
Fax: 303.988.5919

www.mcnurlincpa.com

**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, 2022, and our report thereon dated August 9, 2023 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.

McNurlin, Hitchcock & Associates, P.C.

McNurlin, Hitchcock & Associates, P.C.
August 9, 2023

CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION, INC.

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

For the year ended December 31, 2022

	Unaudited Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Member assessments	\$ 381,892	\$ 387,989	\$ 6,097
Application fees	37,400	21,800	(15,600)
Donations and grants	7,175	15,626	8,451
Forfeited deposits	-	6,961	6,961
Hockey rink	7,170	6,860	(310)
Interest	1,308	3,155	1,847
Late fees and other charges	2,150	3,519	1,369
Miscellaneous	2,180	2,396	216
Property transfer fees	16,700	10,400	(6,300)
Rental income	29,597	34,600	5,003
	<u>485,572</u>	<u>493,306</u>	<u>7,734</u>
EXPENSES			
Bad debt expense	1,000	3,897	(2,897)
Board meetings	4,875	4,529	346
Cleaning	3,000	664	2,336
Depreciation	35,452	35,841	(389)
Design review	-	45,178	(45,178)
Electricity	4,800	4,413	387
Employee benefits	15,853	11,153	4,700
Employee training	3,480	776	2,704
Insurance	41,850	45,498	(3,648)
Miscellaneous	17,515	802	16,713
Newsletter	5,500	7,194	(1,694)
Office supplies	3,750	4,321	(571)
Parks and recreational facilities	16,788	23,047	(6,259)
Payroll taxes	24,686	13,758	10,928
Postage	900	1,807	(907)
Professional fees	44,840	80,258	(35,418)
Property repairs and maintenance	18,740	19,883	(1,143)
Salaries and wages	239,606	161,576	78,030
Snow removal	1,100	70	1,030
Technology	2,910	4,405	(1,495)
Telephone and internet	1,776	1,998	(222)
Trash, water, and sewer	1,933	3,067	(1,134)
	<u>490,354</u>	<u>474,135</u>	<u>16,219</u>
Revenues over (under) expenses	<u>\$ (4,782)</u>	<u>\$ 19,171</u>	<u>\$ 23,953</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, 2022

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)	18	\$ 28,000
Metal Root - Replace (office, mail)	5	46,200
Building Ext Surfaces - Repaint	0	14,000
Gravel Parking Lot/Path - Replenish	0	13,500
Asphalt Pathway - Resurface	0	56,100
Garage Doors - Replace (Zamboni Barn)	10	3,200
Garage Doors - Replace (Office)	1	1,600
Doors/Windows - Replace	0	9,500
Composite Deck - Replace	2	5,325
Water Heater- Replace (Zamboni Barn}	10	1,800
Monument - Rebuild	1	27,000
Mailboxes - Replace	9	18,900
Wood Fencing - Replace (Garden)	11	7,000
Wood Fencing - Replace (Tennis)	5	7,525
Chain Link Fencing - Replace	0	22,600
Ranch Fencing - Partial Replace	0	4,200
Rail Fencing - Replace	12	5,325
Tennis Court Asphalt - Replace	17	50,000
Tennis Court - Recoat/Paint	0	12,000
Tennis Court Windscreen - Replace	1	1,350
Basketball Court/Skate Park - Replace	0	1,500
Play Equipment - Replace	2	70,000
Play Equipment - Replace (rock wall, etc)	11	29,000
Tot Lot Groundcover - Refill	0	2,100
Picnic Tables - Partial Replace	9	5,600
Benches - Partial Replace	0	7,200
Wood Benches - Replace	4	2,600

(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, 2022

	<u>Estimated Remaining Useful Life In Years</u>	<u>Estimated Cost to Repair or Replace</u>
Hockey Rink/Boards - Replace	2	33,500
Hockey Rink Scoreboard - Replace	0	10,000
Baseball Field - Rebuild	1	25,000
Cabinets/Countertops - Replace	2	29,000
Sunset Hall Interior - Remodel	6	15,000
Locker Rooms - Remodel	8	4,500
Office Equipment - Replace	0	4,500
Carpeting - Replace	0	6,000
Wood Flooring - Refinish	3	3,400
Sports Area Lighting - Replace	9	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)	0	19,425
Gravel Paths - Replenish (3)	0	26,425
Truck - Replace	0	35,000
Riding Mower - Replace (John Deere)	0	9,500
Scotts Tractor - Replace	0	9,500
Zamboni - Replace	0	30,000
Tool Cat - Replace	12	50,000
Nordic Track Groomer - Replace	11	4,000
Snowmobile - Replace	0	9,000
Speed Sign Trailer - Replace	0	2,000
Snow Blower - Replace	0	4,000
Pressure Washer - Replace	2	6,500
Bus Stop - Renovate	0	5,000
		<u>\$ 846,575</u>

See accompanying independent auditors' report on supplemental information.