THE BEAVER CREEK LODGE CONDOMINIUM ASSOCIATION, INC.
Financial Statements
December 31, 2021
With Independent Auditor's Report

The Beaver Creek Lodge Condominium Association, Inc.
Table of Contents
December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members,
The Beaver Creek Lodge Condominium Association, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Beaver Creek Lodge Condominium Association, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2021, and the related statements of revenue and expenses, changes in members' equity (deficit), and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Beaver Creek Lodge Condominium Association, Inc. as of December 31, 2021, 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 ("GAAS"). 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 these 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 for one year after the date that the financial statements are available to be issued.

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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 GAAS 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 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 GAAS, 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.

Future Major Repairs and Replacements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 6 are adequate to meet such future costs because that determination is outside the scope of our audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenses - operating fund on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for that portion marked "unaudited," on which we express no opinion or any assurance, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of future major repairs and replacements on page 15 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 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 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.

WithumSmith+Brown, PC

November 30, 2022

The Beaver Creek Lodge Condominium Association, Inc.
Balance Sheet
December 31, 2021

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Assets				
Cash and cash equivalents	$ 380,493	$ 350,419	$ 809,446	$ 1,540,358
Assessments receivable	149,255	-	-	149,255
Other receivables	3,447	-	-	3,447
Prepaid expenses	1,908	-	-	1,908
Due from other funds	-	415,609	-	415,609
Total assets	$ 535,103	$ 766,028	$ 809,446	$ 2,110,577
Liabilities and Members' Deficit				
Liabilities				
Accounts payable and accrued expenses	$ 108,050	$ 351,757	$ -	$ 459,807
Prepaid assessments	18,818	-	128,106	146,924
Contract liabilities for replacements	-	414,271	-	414,271
Due to related parties	342,271	-	-	342,271
Due to other fund	184,952	-	230,657	415,609
Note payable	-	-	2,370,438	2,370,438
Total liabilities	654,091	766,028	2,729,201	4,149,320
Members' deficit	(118,988)	-	(1,919,755)	(2,038,743)
Total liabilities and members’ deficit	$ 535,103	$ 766,028	$ 809,446	$ 2,110,577

The Notes to Financial Statements are an integral part of this statement.

The Beaver Creek Lodge Condominium Association, Inc.
Statement of Revenue and Expenses
Year Ended December 31, 2021

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Revenue				
Member assessments	$ 1,038,186	$ 299,106	$ 212,009	$ 1,549,301
Interest and other income	28,020	-	-	28,020
	1,066,206	299,106	212,009	1,577,321
Expenses				
Administration	188,596	-	78,449	267,045
Payroll	439,355	-	-	439,355
Maintenance and replacements	207,661	299,106	711,158	1,217,925
Utilities	270,412	-	-	270,412
	1,106,024	299,106	789,607	2,194,737
Deficiency of revenues over expenses	$ (39,818)	$ -	$ (577,598)	$ (617,416)

The Notes to Financial Statements are an integral part of this statement.

The Beaver Creek Lodge Condominium Association, Inc.
Statement of Changes in Members' Equity (Deficit)
Year Ended December 31, 2021

	Working Capital	Operating Fund Deficit	Total Operating Fund Deficit	Replacement Fund Balance	S Ass Fur
Balance (deficit), January 1, 2021	$ 194,325	$ (280,641)	$ (86,316)	$ -	$
Deficiency of revenue over expenses	-	(39,818)	(39,818)	-	
Working capital contributions	7,146	-	7,146	-	
Balance (deficit), December 31, 2021	$ 201,471	$ (320,459)	$ (118,988)	$ -	$

The Notes to Financial Statements are an integral part of this statement.

The Beaver Creek Lodge Condominium Association, Inc.
Statement of Cash Flows
Year Ended December 31, 2021

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Operating activities				
Deficiency of revenues over expenses	$ (39,818)	$ -	$ (577,598)	$ (617,416)
Adjustments to reconcile deficiency of revenue over expenses to net cash provided by (used in) operating activities				
Noncash interest expense	-	-	37,399	37,399
Changes in				
Assessments receivable	10,223	-	-	10,223
Other receivables	(3,447)	-	-	(3,447)
Prepaid expenses	2,556	-	-	2,556
Accounts payable and accrued expenses	51,266	343,193	-	394,459
Prepaid assessments	(9,089)	-	121,506	112,417
Contract liabilities for replacements	-	57,575	-	57,575
Due from and to related parties	215,438	-	-	215,438
Net cash provided by (used in) operating activities	227,129	400,768	(418,693)	209,204
Financing activities				
Interfund borrowings, net	50,429	(126,017)	75,588	-
Working capital contributions	7,146	-	-	7,146
Repayments of note payable	-	-	(129,561)	(129,561)
Borrowings on note payable	-	-	1,130,774	1,130,774
Net cash provided by (used in) financing activities	57,575	(126,017)	1,076,801	1,008,359
Net change in cash and cash equivalents	284,704	274,751	658,108	1,217,563
Cash and cash equivalents				
Beginning of year	95,789	75,668	151,338	322,795
End of year	$ 380,493	$ 350,419	$ 809,446	$ 1,540,358
Supplemental cash flow information				
Cash paid for interest	$ -	$ -	$ 41,050	$ 41,050

The Notes to Financial Statements are an integral part of this statement.

1. ORGANIZATION AND PURPOSE

The Beaver Creek Lodge Condominium Association, Inc. (the "Association") was incorporated under the laws of the state of Colorado as a not-for-profit corporation for the purpose of managing, operating, and maintaining the common properties of the Beaver Creek Lodge resort located in Beaver Creek, Colorado. Operations of the Association began on November 6, 1990, under the administration of the original developer, Beaver Creek Lodge Associates, a Colorado general partnership. In 2004, The Kessler Collection (the "Developer") assumed all of the developer's rights and obligations as a successor developer. At December 31, 2021, the Association consists of one office unit, 11 commercial units, 17 residential units, one grantor unit, one restaurant unit, one manager unit, and 70 hotel units (of which, 27 units are owned by an entity affiliated with the Developer by common management). Each unit is entitled to one vote in all issues of the Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Basis of Presentation

The Association's governing documents provide guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. 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 operations of the Association.

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

Special Assessment Fund - This fund is used to accumulate financial resources designated for special assessment projects.

Cash and Cash Equivalents

The Association considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Assessment Revenue

Association members are subject to annual assessments to provide funds for the Association's operating expenses and major repairs and replacements. The Association's ability to collect assessments is affected by a variety of factors, including general economic conditions and each individual owner's financial capability. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. For the year ended December 31, 2021, no variable consideration was considered to be constrained and excluded from revenue.

Assessments Receivable and Allowance for Doubtful Accounts

Assessments receivable represent amounts due from unit owners for annual maintenance and special assessments. The budgeted amount of the annual assessment for the replacement fund is funded from annual cash receipts. Operating and replacement assessments receivable are presented in the Operating Fund and special assessments receivable are presented in the Special Assessment Fund.

The Association provides for estimated future losses to be incurred due to uncollectible assessments. The allowance is based on past collection and industry experience at amounts sufficient to sustain any material losses that may result from unpaid accounts. Receivables are considered delinquent when they are 30 days past due. When all collection efforts have been exhausted, delinquent receivables are charged against the allowance. Factors which influence management’s judgment in determining the appropriate allowance for doubtful accounts, and for charging off uncollectible accounts, include past collection experience and industry standards. There was no bad debt expense recorded for the year ended December 31, 2021.

The balances of assessments receivable as of the beginning and end of the year are $159,478 and $149,255, respectively.

Property and Equipment

Common property acquired from the Developer and others and related improvements to such property are not recognized in the Association’s financial statements. Those properties are owned by the individual unit owners in common and not by the Association. Replacements, major repairs, and the purchase of additional commonly owned assets are accounted for as expenditures in the Replacement Fund.

Contract Liabilities for Replacements

The Association recognizes revenue from owners as the related performance obligations are satisfied. A contract liability for replacements is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement fund assessments. The balance of contract liabilities for replacements as of the beginning and end of the year are $356,696 and $414,271, respectively.

Prepaid Assessments

Prepaid assessments consist of 2022 and future maintenance and special assessments received by the Association as of December 31, 2021.

Working Capital

At the time of closing, the purchasers of individual units are required to make a contribution to the Association in an amount equal to three times the monthly assessment amount in effect at the date of closing. These contributions shall be deposited in the Association’s account for the intended purpose of establishing initial operating funds and working capital as specified in the Declaration of Covenants, Conditions, and Restrictions. At December 31, 2021, the amount contributed by purchasers was $201,471.

Income Taxes

For the year ended December 31, 2021, the Association elected to be taxed as a regular corporation. Membership income is exempt from taxation if certain elections are made. Consequently, the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate tax rates. When applicable, interest and penalties will be reported as interest expense and administration expenses, respectively.

Subsequent Events

The Association has evaluated subsequent events through November 30, 2022, the date which the financial statements were available to be issued. Based upon this evaluation, the Association has determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

3. MEMBER ASSESSMENTS

Pursuant to the Declaration of Covenants, Conditions, and Restrictions and By-Laws of the Association, assessments (both regular and special) are allocated to the unit owners in the proportions or percentages provided in the Declaration. The annual budget and owners' assessments are determined by the Board of Directors.

The 2021 quarterly assessments to each of the unit owners were as follows:

	Maintenance	Replacement Fund	Special Assessment Fund	Total
Commercial	$ 137 - 2,965	$ 140 - 3,043	$ 83 - 1,799	$ 360 - 7,807
Residential	2,475 - 10,722	762 - 3,697	450 - 2,185	3,687 - 16,654
Hotel owners	1,399 - 2,653	398 - 775	235	2,032 - 3,663
Hotel operator	3,511	-	-	3,511
Restaurant	8,381	2,272	1,343	11,996
Grantor	2,246	398	235	2,879
Manager	1,744	689	407	2,840

The Association does not collect and remit real estate taxes on behalf of unit owners as they are billed directly by the county's property tax collector.

A significant amount of assessments from hotel owners is derived from one owner as described in Note 1. Assessment revenue from this owner comprises 15% of regular owner assessment revenue for 2021.

4. NOTE PAYABLE

The Association has a note payable to a bank collateralized by bank accounts and special assessment rights. Under the modified terms, interest accrues at the swap yield, as defined in the agreement, plus 2.30% per annum, with a floor of 3.90% (3.90% at December 31, 2021), with monthly principal and interest payments beginning July 2021, balance due in June 2028. The note allows the Association to borrow additional funds so that the total principal balance on the note does not exceed $2,500,000. Under the terms of the note, the Association is required to achieve a certain debt service coverage ratio, as defined in the agreement, commencing December 31, 2022, and is required to maintain a minimum liquidity measured on a quarterly basis.

Based on the interest rate in effect and the outstanding balance at December 31, 2021, future maturities under the note payable are as follows:

2022	$	326,800
2023		339,775
2024		353,266
2025		367,292
2026		381,875
Thereafter		601,430
	$	2,370,438

5. MANAGEMENT AGREEMENT

The property and affairs of the Association are managed by Enterprise Hotels of Colorado, Inc. (the "Management Company"), an affiliate of the Developer. The agreement is automatically renewed for successive periods of three years unless canceled by either party with 90 days written notice. The agreement renewed subsequent to year-end with a new termination date of December 31, 2022, and automatically renews for a three-year term unless canceled under the provisions of the agreement.

Under the management agreement, the Association agrees to pay the Management Company as compensation for the management services 5% of annual budgeted assessments. Management fees incurred during 2021 amounted to $51,910.

6. REPLACEMENT FUND AND SPECIAL ASSESSMENTS

The Association's governing documents and Colorado Statutes require the Association to accumulate funds for future major repairs and replacements. The funds are held in segregated accounts and generally are not available for expenditures for normal operations.

An independent specialist conducted a study in 2019 to estimate the remaining useful lives and the current replacement costs of the components of common property. The table included in the supplementary information on future major repairs and replacements, which is unaudited, is based on the study as summarized by management.

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering the amounts previously accumulated in the Replacement Fund. Accordingly, funding of $345,814 has been included in the 2022 budget.

Funds are being accumulated in the replacement fund based on the estimated current costs for repairs and replacements of common property components. The Association has not allocated the replacement fund balance to the specific components it anticipates could be replaced. Actual expenditures and interest income may vary from the estimated amounts, and the variation may be material. Consequently, the amounts accumulated in the replacement fund may not be adequate to meet future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to developer approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

In April 2019, the Association passed a special assessment payable over seven years for repayment of the debt acquired for capital improvements. The special assessment will be approximately $2.5 million and is assessed over seven years with payments beginning in 2021. The annual assessment amounts will approximate the debt service payment requirements for that year.

At December 31, 2021, the Operating Fund and Special Assessment Fund owed the Replacement Fund $184,952 and $230,657, respectively.

7. RELATED PARTY TRANSACTIONS

Due to related parties at December 31, 2021, consists of informal noninterest bearing advances which are in the nature of trade payables with the Developer and Management Company, due on demand.

In addition to the management fees referred to in Note 5, the Association paid the following amounts to the Management Company for the year ended December 31, 2021:

Salaries and wages	$	439,355
Other		59,235
	$	498,590

8. INCOME TAXES

For the year ended December 31, 2021, non-membership income did not exceed the related expenses. Therefore, no federal or state income tax expense has been recorded.

The Association has no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded.

The Association has analyzed its various federal and state income tax filing positions and believes that no accruals for tax liabilities related to uncertain income tax positions are required at December 31, 2021. Therefore, no reserves for uncertain income tax positions have been recorded. During 2021, there were no increases or decreases in unrecognized tax benefits for current or prior years and no significant increases or decreases in unrecognized tax benefits are expected to occur within the next 12 months. Further, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months.

9. EXPENSE ALLOCATIONS

In accordance with the Association’s Amended and Restated Declaration of Covenants, Conditions, and Restrictions, the Association’s Board of Directors has determined an equitable allocation of expenses that are shared with the hotel units. Certain expenses incurred by the Association and owners of the hotel units are combined on a common invoice due to consolidated metering or combined invoicing. Allocations have been determined by the Board of Directors based on reliable historical data and square footage percentages. Based on this information, these allocations are being assessed to the individual unit owners, the restaurant, and the hotel for December 31, 2021.

10. COMMITMENTS AND CONTINGENCIES

Concentrations of Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts with balances, at times, in excess of amounts insured by the Federal Deposit Insurance Corporation and assessments receivable. Management of the Association evaluates the financial stability of its depositories and considers the risk of loss to be remote. The Association's assessments receivable is related to billed assessments. The Association monitors the collectability of these assessments receivable and pursues collection. Management routinely assesses the collectability of the Association's assessments receivable and provides for allowances for doubtful accounts based on this assessment.

Litigation

During the course of its operations, the Association is subject to various claims, torts, and actions. Management reviews the validity of such actions and acts accordingly. Management does not believe the outcome of any current actions will result in a material loss to the Association.

Insurance Matters

In the event of a disaster, the Association could be exposed to losses for damages in excess of insurance coverage limits. Management considers this risk of loss to be remote and its insurance coverage adequate.

11. MEMBERS' DEFICIT AND MANAGEMENT'S PLAN

The Association's members' deficit balance was $2,038,743 as of December 31, 2021.

Management's Plan

The Association's management and Board of Directors have reviewed the current financial position and results of operations and have developed a plan to address the members' deficit of $2,038,743, which is primarily attributable to the significant costs of various renovations, such as replacing its boiler, replacing elevators, and refurbishing its restrooms, which were substantially financed by a note payable.

Management has strategically planned to reduce the deficit by passing a special assessment payable over seven years for the repayment of the debt acquired for capital improvements. The special assessment will be approximately $2.5 million and is assessed over seven years with payments beginning in 2021. The annual assessment amounts will approximate the debt service payment requirements for that year. Additionally, the Board of Directors has the right to approve an additional special assessment to the Association's members to address the deficit, if necessary. For 2022, the Association also budgeted a deficit reduction of $65,000.

The Association's ability to fund operations is dependent upon the success of management's plans. The accompanying financial statements do not include any adjustments that might be necessary related to recoverability or classification of recorded assets or the amounts or classification of liabilities in the event management's plans are not successful.

SUPPLEMENTARY INFORMATION

The Beaver Creek Lodge Condominium Association, Inc.
Schedule of Revenue and Expenses - Operating Fund
Year Ended December 31, 2021

	Actual	Budget (Unaudited)
Revenue		
Owner assessments	$ 1,038,186	$ 1,038,116
Interest and other income	28,020	18,800
Total revenue	1,066,206	1,056,916
Expenses		
Administration		
Activity charge	5,300	8,135
Cable TV and internet	34,455	35,500
HOA website	980	1,242
Insurance	69,278	64,500
Management fee	51,910	51,906
Miscellaneous	-	3,000
Professional fees	16,525	16,212
Office supplies	788	500
Telephone	9,360	13,500
Travel and entertainment	-	2,500
	188,596	196,995
Payroll		
Administrative salaries and wages	134,796	140,100
Housekeeping salaries and wages	129,636	129,636
Maintenance salaries and wages	174,923	175,026
	439,355	444,762
Maintenance		
Building repairs	22,693	34,000
Cleaning	4,500	11,000
Electrical and mechanical equipment	5,675	4,000
Elevators	24,750	18,600
Engineering supplies	9,581	4,000
Floor covering repairs	5,168	3,500
HVAC maintenance	10,685	13,000
Landscaping	33,398	27,000
Life and safety repairs	17,236	12,000
Lightbulbs	4,163	3,000
Painting and decorating	2,881	2,500
Pest control	1,493	2,060
Plumbing and heating repairs	15,077	11,000
Pool and spa	15,648	10,000
Snow removal	4,112	6,000
Waste removal	29,901	18,499
Window cleaning	700	5,000
	207,661	185,159
Utilities		
Electric	93,403	80,000
Gas	67,978	56,000
Water	109,031	94,000
	270,412	230,000
Total expenses	1,106,024	1,056,916
Deficiency of revenue over expenses	$ (39,818)	$ -

See Independent Auditor’s Report.

The Beaver Creek Lodge Condominium Association, Inc.
Schedule of Future Major Repairs and Replacements (Unaudited)
December 31, 2021

An independent specialist estimated the remaining useful lives and the current replacement costs of the components of common property in 2019. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the estimate. Estimated current replacement costs do not take into account the effects of inflation between the date of the estimate and the date that the components will require repair or replacement.

The following table, which presents significant information about the components of common property, is based on that estimate as summarized by management:

Components	Remaining Estimated Useful Lives	Estimated Current Replacement Costs	Contract Liabilities at December 31, 2021
Unallocated	N/A	$ -	$ 414,271
Roofs	0 - 17 years	1,202,850	-
Siding	-	55,640	-
Painting	0 - 1 year	274,080	-
Windows	2 years	809,250	-
Lighting	-	25,200	-
Garage	0 - 12 years	120,760	-
Interior finishes	0 - 25 years	1,016,706	-
Pool and equipment	0 - 17 years	148,376	-
Metal railings	-	103,360	-
Grounds	0 - 2 years	86,506	-
Equipment	0 - 25 years	2,851,160	-
		$ 6,693,888	$ 414,271

See Independent Auditor’s Report.