

**The Lodge at Lionshead III Condominium Association**

**Financial Report**

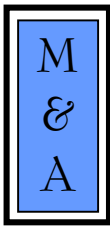
**October 31, 2016**



**The Lodge at Lionshead III Condominium Association  
(A Colorado Non-Profit Corporation)  
October 31, 2016**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**To the Board of Directors  
The Lodge at Lionshead III Condominium Association  
Vail, Colorado**

### **Report on the Financial Statements**

We have reviewed the accompanying balance sheets of The Lodge at Lionshead III Condominium Association (the "Association"), a Colorado non-profit corporation, as of October 31, 2016, and the related statements of revenues, expenses and changes in equity, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such opinion.

### **Management Responsibility**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

### **Other Matters**

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with U.S. generally accepted accounting principles. The information included in the accompanying supplemental schedules on pages 10 – 11 is presented only for the purposes of additional analysis. Such information (except the Association's budget, which was compiled from information that is the representation of management, without audit or review, and on which we do not express an opinion or provide any assurance) has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made to it.

*Member: American Institute of Certified Public Accountants*

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**Other Matters**

The supplementary Schedule of Future Major Repairs and Replacements on pages 12-15 is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have compiled the supplementary information from information that is the representation of management the Association, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**January 17, 2017**

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Balance Sheets**  
**October 31, 2016**  
**(With Comparative Totals for 2015)**

	<b>2016</b>		<b>2015</b>	
	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>	<b>Total</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash in bank	100,098	40,110	140,208	133,159
Accounts receivable	43,021	-	43,021	53,078
Prepaid expenses	13,602	-	13,602	12,534
Due (to) from other fund	(28,796)	28,796	-	-
<b>Total Current Assets</b>	<u>127,925</u>	<u>68,906</u>	<u>196,831</u>	<u>198,771</u>
<b>Fixed Assets:</b>				
Condominium Unit C-3	10,010	-	10,010	10,010
Condominium Unit 290	14,708	-	14,708	14,708
Accumulated depreciation	(19,344)	-	(19,344)	(18,726)
<b>Net Fixed Assets</b>	<u>5,374</u>	<u>-</u>	<u>5,374</u>	<u>5,992</u>
<b>Total Assets</b>	<u><u>133,299</u></u>	<u><u>68,906</u></u>	<u><u>202,205</u></u>	<u><u>204,763</u></u>
<b>Liabilities and Equity:</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable	16,281	-	16,281	9,387
Deferred assessments	64,889	-	64,889	64,889
<b>Total Current Liabilities</b>	<u>81,170</u>	<u>-</u>	<u>81,170</u>	<u>74,276</u>
<b>Equity:</b>				
Working capital	31,272	-	31,272	31,272
Fund balances	20,857	68,906	89,763	99,215
<b>Total Equity</b>	<u>52,129</u>	<u>68,906</u>	<u>121,035</u>	<u>130,487</u>
<b>Total Liabilities and Equity</b>	<u><u>133,299</u></u>	<u><u>68,906</u></u>	<u><u>202,205</u></u>	<u><u>204,763</u></u>

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Revenues, Expenses and Changes in Fund Balances**  
**For the Year Ended October 31, 2016**  
**(With Comparative Totals for 2015)**

	<b>2016</b>		<b>2015</b>	
	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>	<b>Total</b>
<b>Revenues:</b>				
Common assessment	219,712	-	219,712	219,712
Replacement assessments	-	39,840	39,840	39,840
Special assessments	-	35,000	35,000	36,032
Interest income	-	152	152	115
<b>Total Revenues</b>	<b>219,712</b>	<b>74,992</b>	<b>294,704</b>	<b>295,699</b>
<b>Expenses:</b>				
Owner's meeting	476	-	476	546
Building maintenance	16,844	-	16,844	13,715
Unit C-3 expenses	3,610	-	3,610	3,169
Cable TV	8,502	-	8,502	8,359
Common cleaning	7,008	-	7,008	5,455
Depreciation	618	-	618	618
Electricity	8,211	-	8,211	8,371
Elevator	11,708	-	11,708	9,230
Fire System - test & inspect	2,218	-	2,218	2,259
Unit 290 expenses	1,226	-	1,226	1,149
Gas - Snowmelt systems	5,474	-	5,474	4,530
Gas - Pool	3,447	-	3,447	4,157
Insurance	26,135	-	26,135	24,313
Landscape maintenance	11,882	-	11,882	12,878
Management fee	40,968	-	40,968	39,017
Internet service	1,895	-	1,895	2,165
Office	798	-	798	523
Legal fees	4,839	-	4,839	8,757
Accounting fees	3,750	-	3,750	3,625
Maintenance man	20,786	-	20,786	19,728
Pool maintenance	7,629	-	7,629	7,659
Snow removal	6,313	-	6,313	8,423
Trash removal	5,025	-	5,025	4,784
Water and sewer	11,840	-	11,840	10,663
Replacement expenses	-	92,954	92,954	65,279
<b>Total Expenses</b>	<b>211,202</b>	<b>92,954</b>	<b>304,156</b>	<b>269,372</b>
<b>Excess of Revenues Over Expenses</b>	<b>8,510</b>	<b>(17,962)</b>	<b>(9,452)</b>	<b>26,327</b>
<b>Beginning Fund Balances</b>	<b>12,347</b>	<b>86,868</b>	<b>99,215</b>	<b>72,888</b>
<b>Ending Fund Balances</b>	<b>20,857</b>	<b>68,906</b>	<b>89,763</b>	<b>99,215</b>

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Cash Flows**  
**For the Year Ended October 31, 2016**  
**(With Comparative Totals for 2015)**

	<b>2016</b>			<b>2015</b>
	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from owners	229,769	74,840	304,609	272,313
Cash received from interest	-	152	152	115
Transfers	(37,975)	37,975	-	-
Cash paid for goods and services	(204,758)	(92,954)	(297,712)	(270,277)
<b>Net Cash Provided by Operating Activities</b>	<u>(12,964)</u>	<u>20,013</u>	<u>7,049</u>	<u>2,151</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(12,964)	20,013	7,049	2,151
<b>Net Cash and Cash Equivalents - Beginning of Year</b>	<u>113,062</u>	<u>20,097</u>	<u>133,159</u>	<u>131,008</u>
<b>Net Cash and Cash Equivalents - End of Year</b>	<u><u>100,098</u></u>	<u><u>40,110</u></u>	<u><u>140,208</u></u>	<u><u>133,159</u></u>
<b>Reconciliation of Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:</b>				
Excess of revenues over expenses	<u>8,510</u>	<u>(17,962)</u>	<u>(9,452)</u>	<u>26,327</u>
<b>Adjustments to reconcile:</b>				
Depreciation	618	-	618	618
(Increase) decrease in accounts receivable	10,057	-	10,057	(27,011)
(Increase) decrease in prepaid expenses	(1,068)	-	(1,068)	(750)
Increase (decrease) in accounts payable	6,894	-	6,894	(768)
Increase (decrease) in deferred assessments	-	-	-	3,735
Transfers	(37,975)	37,975	-	-
<b>Total Adjustments</b>	<u>(21,474)</u>	<u>37,975</u>	<u>16,501</u>	<u>(24,176)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>(12,964)</u></u>	<u><u>20,013</u></u>	<u><u>7,049</u></u>	<u><u>2,151</u></u>

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**October 31, 2016**

**1. Organization**

The Lodge at Lionshead III Condominium Association ("Association") is a statutory condominium association organized as a not-for-profit corporation in the State of Colorado for the purposes of maintaining and preserving the common property. The Association consists of twelve (12) residential units and began operations in 1978.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting. The common expenses of the Association are paid by the Association for its members. The Board of Managers estimates the expenses, and the Association's members are assessed for their pro-rata share.

**B. Fund Accounting**

The Association uses the fund method of accounting, which requires that funds, such as the Operating Fund and funds for future major repairs and replacements (Replacement Fund), be classified separately for accounting and reporting purposes. Disbursements from the Operating Fund are generally at the discretion of the Board of Managers or Property Manager. Disbursements from the Replacement Fund may be made only for their designated purposes.

**C. Cash Equivalents**

For purposes of the statements of cash flows, the Association defines cash equivalents as all highly liquid investments with a maturity of less than three months.

**D. Interest Allocation**

For the year ending October 31, 2016, all interest earnings have been allocated to the Replacement Fund.

**E. Recognition of Assets**

Real and personal property acquired by the Association is recognized on the Association's financial statements as capitalized fixed assets and is recorded at cost. The property is depreciated over its estimated useful life using the straight-line method of depreciation.

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

**F. Accounts Receivable**

The Association recognizes bad debts by the allowance method. No provision for doubtful accounts has been made because all amounts are considered collectable.



**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**October 31, 2016**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**G. Prepaid Expenses**

Prepaid expenses represent goods and services paid for in fiscal year 2016 for expenses associated with fiscal year 2017.

**H. Accounts Payable**

Accounts payable represented goods and services rendered in fiscal year 2016, but not paid for until fiscal year 2017.

**I. Deferred Assessments**

The Association bills owners for quarterly assessments in advance. The deferred assessments represent payments received for the quarter beginning November 1, 2016.

**J. Due To/From Other Funds**

At times cash is disbursed or received on behalf of another fund. Processing transactions in this manner results in a liability to or receivable from the other fund. All interfund receivables and payables are periodically settled.

**K. Working Capital**

According to the Declarations of the Association, each owner is required to pay two months of common assessments as working capital. The assessment is refunded when a unit is sold and the new unit owner is assessed for working capital.

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**M. Income Taxes**

The income tax returns of the Association are subject to examination by the Internal Revenue Service and the Colorado Department of Revenue. The Association's returns are no longer subject to examination for tax years prior to 2013 by the Internal Revenue Service and for tax years prior to 2012 by the Colorado Department of Revenue.

**3. Fixed Assets**

On August 1, 1978, the Association purchased a 26% interest in the office space known as condominium Unit C-3, in The Lodge at Lionshead. The total purchase price was \$38,500. The Association's share of the cost was \$10,010.

On April 10, 1990, the Association purchased a 20% interest in an employee housing unit known as condominium Unit 290, in The Lodge at Lionshead. The total purchase price was \$73,000 and the Association's share of the cost was \$14,708.

The units are being depreciated over their estimated useful life of forty years.

**The Lodge at Lionshead III Condominium Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
October 31, 2016  
(Continued)**

**4. Owners' Assessments**

The annual budget and assessments of owners are determined by The Board of Managers and are approved by the owners. The Association retains excess operating funds at the end of the operating year for use in future operating periods.

**5. Federal and State Taxes**

The Association has filed for and obtained non-profit status from the State of Colorado. The Association is not tax exempt for Federal and State income tax purposes and therefore must file Federal and State income tax returns as a corporation for profit.

**6. Management Contract**

Peak Resorts Services, Inc. has been the managing agent for the Association since 1983. The contract term ended April 2016 and was subsequently renewed for the term May 2016 through April 2019. The contract includes a monthly management fee for services to maintain and upkeep the common elements of the Association. The contract also includes a 5% Capital Replacement Project Planning and Supervision Fee, based on the actual expenditures of all capital replacement projects.

The Association incurred the following expenses to Peak Resort Services, Inc. for the year ended October 31, 2016:

Management fee	40,968
Replacement expense	3,762
Snow removal	3,313
Lawn care	2,833
Office expense	310
Pool maintenance	5,319
Building maintenance	10,986
Maintenance man	20,786
Common area cleaning	5,128
	<u>\$ 93,403</u>

At October 31, 2016, the Association had \$6,249 payable to Peak Resort Services, Inc.

**7. Future Major Repairs and Replacements**

The Association's governing documents allow for the accumulation of funds for future major repairs and replacements. Accumulated funds are held in separate savings accounts and generally are not available for expenditures for operations.

The Board of Managers commissioned an independent engineering study to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited Supplementary Information for the Schedule of Future Major Repairs and Replacements is based on the study.

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 amounts previously accumulated in the Replacement Fund. The Replacement Fund assessments for the year ended October 31, 2016 were \$39,840.

**The Lodge at Lionshead III Condominium Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
October 31, 2016  
(Continued)**

**7. Future Major Repairs and Replacements (continued)**

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, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The Replacement Fund had a balance of \$68,906 at October 31, 2016.

**8. Cost Sharing and Related Associations**

The Association is located adjacent to Lionshead Phase I and Phase II condominium associations. Common expenses are shared between the associations and management company as follows:

<u>Expense</u>	<u>Lionshead Phase I</u>	<u>Lionshead Phase II</u>	<u>Lodge at Lionshead III</u>	<u>Peak Resort Service, Inc.</u>
General use <i>(includes maintenance man, supplies, equipment and tools)</i>	37%	37%	26%	-
Driveway <i>(includes operating and capital expenses)</i>	-	66%	34%	-
Unit 290 Employee housing <i>(includes assessments, taxes and maintenance)</i>	37%	37%	20%	6%
Unit C-3 Office space <i>(includes assessments, taxes and maintenance)</i>	37%	37%	26%	-
Fitness center equipment	37%	37%	26%	-

**9. Special Assessments**

The Association levied Special Assessments of \$35,000 in 2016, which were used to pay for upcoming capital replacement projects.

**10. Subsequent Events**

Management has evaluated subsequent events through January 17, 2017; the date these financial statements were available to be issued.

**11. Pending Litigation**

The Association has updated and modernized documents to conform to Colorado Common Interest Ownership Act ("CCIOA") statutes. The Association's membership voted in March 2012 to approve the Association's amended and restated Declaration, By-laws, and Articles of Incorporation. An owner has sued the Association objecting to certain provisions of the approved documents. The Association has referred the matter to its insurance company under the provisions of their Directors and Officers liability policy. The Association is responsible for and paid a \$5,000 deductible relating to this matter.

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Comparison of Operating Fund Revenues and Expenses**  
**Budget (Non-GAAP Basis) to Actual**  
**With Reconciliation to GAAP Basis**  
**For the Year Ended October 31, 2016**  
**(With Comparative Totals for 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Assessments	219,712	219,712	-	219,712
<b>Total Revenues</b>	<u>219,712</u>	<u>219,712</u>	<u>-</u>	<u>219,712</u>
<b>Expenses:</b>				
Owner's meeting	600	476	124	546
Building maintenance	14,000	16,844	(2,844)	13,715
Unit C-3 expenses	3,200	3,610	(410)	3,169
Cable TV	8,900	8,502	398	8,359
Common cleaning	6,500	7,008	(508)	5,455
Contingency	168	-	168	-
Electricity	8,500	8,211	289	8,371
Elevator	9,500	11,708	(2,208)	9,230
Fire System - Test & Inspect	2,500	2,218	282	2,259
Unit 290 expense	1,100	1,226	(126)	1,149
Gas - Snowmelt systems	5,675	5,474	201	4,530
Gas - Pool	4,500	3,447	1,053	4,157
Insurance	29,000	26,135	2,865	24,313
Landscape maintenance	13,000	11,882	1,118	12,878
Management fee	42,919	40,968	1,951	39,017
Internet service	1,750	1,895	(145)	2,165
Office	750	798	(48)	523
Legal fees	10,000	4,839	5,161	8,757
Accounting fees	3,750	3,750	-	3,625
Maintenance man	20,000	20,786	(786)	19,728
Pool maintenance	8,000	7,629	371	7,659
Snow removal	10,000	6,313	3,687	8,423
Trash removal	4,900	5,025	(125)	4,784
Water and sewer	10,500	11,840	(1,340)	10,663
<b>Total Expenses (Budget Basis)</b>	<u>219,712</u>	<u>210,584</u>	<u>9,128</u>	<u>203,475</u>
<b>Reconciliation to GAAP Basis:</b>				
Depreciation		618		618
<b>Total Expenses (GAAP Basis)</b>		<u>211,202</u>		<u>204,093</u>

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association  
(A Colorado Non-Profit Corporation)  
Schedule of Replacement Fund Expenses  
For the Year Ended October 31, 2016  
(With Comparative Totals for 2015)**

	<u>2016</u>	<u>2015</u>
<b>Replacement Fund Expenses:</b>		
Bike path	-	9,698
Mechanical systems	3,067	-
Project Planning & Supervision	3,104	3,205
Electrical	-	1,300
Landscaping	19,693	1,549
Door Treshold / Waterproofing	-	3,119
Pool / Spa	2,780	35,900
Exterior Stairwell	61,584	-
Miscellaneous equipment	183	1,827
Interior Painting	2,065	-
Backflow Preventer	-	1,690
Garage door	477	3,739
Owned Units Special Assessments	-	2,752
Wi-Fi	-	500
<b>Total Expenses (Budget Basis)</b>	<u>92,954</u>	<u>65,279</u>

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association  
(A Colorado Non-Profit Corporation)  
Supplementary Information  
Schedule of Future Major Repairs and Replacements  
October 31, 2016**

The Association commissioned a study in 2008 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were prepared by Peak Resort Services, Inc.

The Board has elected not to allocate the balance of the Replacement Fund at October 31, 2016 to individual components of the general common elements.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at October 31, 2016</u>
<b>Site Work:</b>			
Main driveway shared II and III	1	50,000	
Building re-key	1	5,000	
Carport roof	2	17,500	
Ski lockers	2	10,500	
Carport snowmelt system	3	60,000	
Building sprinkler and fire alarm retrofit	3	850,000	
Lighting exterior lamps	3	3,500	
Elevator modernization	3	116,699	
Perimeter fence stain	5	5,000	
Handrail at south stairs	5	1,000	
Fencing perimeter replacement	5	25,000	
Snowmelt system west walk and steps	5	40,000	
Elevator cab remodel	5	17,500	
Common area interior flooring	5	19,000	
Common area renovation	5	54,636	
Patio stone flatwork	6	19,963	
Property signage	6	3,461	
Concrete retaining wall at driveway	7	1,598	
Plaza membrane and brick pavers	10	151,259	
Common area interior flooring	12	22,000	
<b>Total Site Work</b>		<u>1,423,616</u>	

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Supplementary Information**  
**Schedule of Future Major Repairs and Replacements**  
**October 31, 2016**  
**(Continued)**

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at October 31, 2016</u>
<b>Mechanical/Electrical:</b>			
Fire system engineering	1	10,079	
Elevator/Hydraulic jacks	2	101,296	
Fire alarm panel	2	15,000	
Common area heaters	3	8,000	
Electrical panel replacements	10	20,000	
<b>Total Mechanical/Electrical</b>		<u>154,375</u>	
<b>Architectural/Structural:</b>			
Roof	2	65,000	
Deck and waterproofing replacement	2	42,436	
Main roof chimney caps	2	12,731	
Roof skylight replacement	2	10,609	
Exterior building resurfacing	2	65,239	
Exterior stucco major patch	2	9,786	
Fire escapes north spiral stairs	3	33,765	
Interior single access doors	3	5,871	
East and west exterior side doors	5	6,524	
Fire escape east and west side stairs	10	70,000	
Exterior building resurfacing	10	80,235	
Exterior stucco major patch	10	12,035	
Exterior building resurfacing	17	98,679	
Exterior stucco major patch	18	14,802	
Roof	20	96,692	
<b>Total Architectural/Structural</b>		<u>624,404</u>	

See accompanying notes and Independent Accountant's Review Report.

**The Lodge at Lionshead III Condominium Association**  
**(A Colorado Non-Profit Corporation)**  
**Supplementary Information**  
**Schedule of Future Major Repairs and Replacements**  
**October 31, 2016**  
**(Continued)**

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at October 31, 2016</u>
<b>Pool and Spa Equipment:</b>			
Pool/Spa heat exchangers	1	5,500	
Pool/Filter system	2	1,750	
Pool/Spa covers	2	500	
Pool/Spa pumps	3	850	
Pool/Spa covers	5	500	
Pool/Spa heat exchangers	6	6,500	
Pool/Filter system	7	2,150	
Pool furniture	7	17,303	
Pool/Spa - Replastering and tile replacement	8	40,000	
Metal roof pool equipment building	10	15,383	
Pool/Spa - Replastering and tile replacement	15	56,197	
Brick pavers around pool	15	15,782	
<b>Total Pool and Spa Equipment</b>		<u>162,415</u>	

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**Supplementary Information**  
**Schedule of Future Major Repairs and Replacements**  
**October 31, 2016**  
**(Continued)**

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at October 31, 2016</u>
<b>Parking Garage:</b>			
Garage overhead lighting	1	4,500	
Garage wall resurfacing	2	1,688	
Garage door replacement	2	5,000	
Fire sprinkler system garage	3	16,883	
Garage floor resurfacing	3	3,939	
Garage runners	3	3,209	
Garage owner storage lockers	5	3,500	
Garage door opener	8	5,500	
<b>Total Parking Garage</b>		<u>44,219</u>	
<b>Total</b>		<u><u>2,409,029</u></u>	<u><u>68,906</u></u>

See accompanying notes and Independent Accountant's Review Report.