

The Lodge at Lionshead II Condominium Association

Financial Report

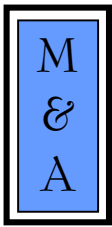
April 30, 2020



**The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
April 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Lodge at Lionshead II Condominium Association (the "Association"), a Colorado non-profit corporation, which comprise the balance sheet as of April 30, 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. The prior year summarized information has been derived from the Association's fiscal year 2019 financial statements and, in our report dated July 13, 2018; we expressed an unqualified opinion on those financial statements.

Management's Responsibilities

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 of material misstatement.

An audit includes 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 purposes 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
The Lodge at Lionshead II Condominium Association
Vail, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lodge at Lionshead II Condominium Association as of April 30, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on page 12-13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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, the information, except for that portion marked "unaudited", on which we express no opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion 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 pages 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 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 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
July 13, 2020

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Balance Sheets
April 30, 2020
(With Comparative Totals for 2019)

	2020		2019	
	Operating Fund	Replacement Fund	Total	Total
Assets:				
Current Assets:				
Cash in bank	80,781	125,308	206,089	275,951
Accounts receivable	69,840	-	69,840	65,420
Prepaid expenses	300	-	300	-
Due (to) from other fund	(43,351)	43,351	-	-
Total Current Assets	107,570	168,659	276,229	341,371
Fixed Assets:				
Condominium unit C-3	14,530	-	14,530	14,530
Condominium unit 290	27,210	-	27,210	27,210
Accumulated depreciation	(35,002)	-	(35,002)	(34,322)
Net Fixed Assets	6,738	-	6,738	7,418
Total Assets	114,308	168,659	282,967	348,789
Liabilities and Equity:				
Liabilities:				
Current Liabilities:				
Accounts payable	12,103	1,962	14,065	25,414
Deferred assessments	78,463	-	78,463	82,636
Total Current Liabilities	90,566	1,962	92,528	108,050
Equity:				
Working capital	31,556	-	31,556	31,556
Fund balances	(7,814)	166,697	158,883	209,183
Total Equity	23,742	166,697	190,439	240,739
Total Liabilities and Equity	114,308	168,659	282,967	348,789

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended April 30, 2020
(With Comparative Totals for 2019)

	2020			2019
	Operating Fund	Replacement Fund	Total	Total
Revenues:				
Common assessment	243,820	80,980	324,800	318,030
Special assessment	-	100,000	100,000	-
Miscellaneous	-	-	-	135
Interest income	-	1,217	1,217	1,633
Total Revenues	243,820	182,197	426,017	319,798
Expenses:				
Building maintenance	17,215	-	17,215	16,514
Cable, phone, and internet	27,482	-	27,482	26,652
C-3 assessments	6,363	-	6,363	5,253
Common cleaning	11,393	-	11,393	13,202
Depreciation	681	-	681	773
Directors expense	900	-	900	-
Electricity	19,446	-	19,446	17,701
Elevator	4,764	-	4,764	5,667
Employee housing costs	1,870	-	1,870	1,677
Fire sprinkler & alarm test	2,302	-	2,302	3,399
Gas - Pool, spa, drive & site	13,121	-	13,121	14,740
Insurance	22,203	-	22,203	20,660
Landscape	11,217	-	11,217	10,615
Maintenance man	28,778	-	28,778	28,127
Management fee	37,694	-	37,694	34,267
Meeting expense	301	-	301	298
Office	595	-	595	750
Professional fees	5,974	-	5,974	6,283
Pool maintenance	6,623	-	6,623	5,349
Snow removal	1,954	-	1,954	1,933
Trash removal	4,108	-	4,108	6,249
Water and sewer	19,567	-	19,567	19,604
Replacement expenses	-	231,766	231,766	142,468
Total expenses	244,551	231,766	476,317	382,181
Excess (Deficiency) of Revenues Over Expenses	(731)	(49,569)	(50,300)	(62,383)
Beginning Fund Balances	(7,083)	216,266	209,183	271,566
Ending Fund Balances	(7,814)	166,697	158,883	209,183

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended April 30, 2020
(With Comparative Totals for 2019)

	2020			2019
	Operating Fund	Replacement Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from owners	235,227	180,980	416,207	334,094
Other cash received	-	-	-	135
Cash received from interest	-	1,215	1,215	1,633
Transfers	51,301	(51,301)	-	-
Cash paid for goods and services	(257,480)	(229,804)	(487,284)	(369,865)
Net Cash Provided (Used) by Operating Activities	<u>29,048</u>	<u>(98,910)</u>	<u>(69,862)</u>	<u>(34,003)</u>
Cash Flows from Financing Activities:				
Cash received from members for working capital reserve	-	-	-	1,657
Net Increase (Decrease) in Cash and Cash Equivalents	29,048	(98,910)	(69,862)	(32,346)
Net Cash and Cash Equivalents - Beginning of Year	<u>51,733</u>	<u>224,218</u>	<u>275,951</u>	<u>308,297</u>
Net Cash and Cash Equivalents - End of Year	<u><u>80,781</u></u>	<u><u>125,308</u></u>	<u><u>206,089</u></u>	<u><u>275,951</u></u>
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:				
Excess (deficiency) of revenues over expenses	<u>(731)</u>	<u>(49,569)</u>	<u>(50,300)</u>	<u>(62,383)</u>
Adjustments to reconcile:				
Depreciation	681	-	681	771
(Increase) decrease in accounts receivable	(4,420)	-	(4,420)	9,798
(Increase) decrease in prepaid expenses	(300)	-	(300)	-
(Increase) decrease in due to (from) other fund	51,301	(51,301)	-	-
Increase (decrease) in accounts payable	(13,310)	1,960	(11,350)	11,543
Increase (decrease) in deferred assessments	(4,173)	-	(4,173)	6,268
Total Adjustments	<u>29,779</u>	<u>(49,341)</u>	<u>(19,562)</u>	<u>28,380</u>
Net Cash Provided (Used) by Operating Activities	<u><u>29,048</u></u>	<u><u>(98,910)</u></u>	<u><u>(69,862)</u></u>	<u><u>(34,003)</u></u>

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
April 30, 2020

1. Organization

The Lodge at Lionshead II 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 Condominium Declarations are dated April 15, 1976. The Association began operations in 1977. The Association consists of twenty-seven (27) units and is located in Vail, Colorado.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared on the accrual basis of accounting which recognizes revenues when incurred or assessed, and expenses when incurred.

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, be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the Operating Fund are generally at the discretion of the Board of Managers of the Association and the Association's managing agent. Disbursements from the Replacement Fund may be made only for their designated purposes.

C. Cash Equivalents

The Association considers all checking, money market, savings accounts, and certificate of deposits to be cash equivalents for the purpose of the Statements of Cash Flow, since all such funds are highly liquid.

D. Interest Allocation

All interest earned during the year has 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 by the original homeowners are not recognized on the financial statements of the Association because it is commonly owned by the individual unit owners and its disposition by the Board is restricted.

F. Allowance for Uncollectible Amounts

The Association utilizes the allowance method to recognize assessments receivable that are uncollectible from owners. No allowance for bad debt was recorded at April 30, 2020 since all receivables were considered collectible.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
April 30, 2020
(Continued)

2. Summary of Significant Accounting Policies (continued)

G. Deferred Assessments

The Association bills owners for quarterly assessments in advance. The deferred assessments represent payments received for the quarter beginning May 1, 2020.

H. 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.

I. Common Assessments

Common assessments are the primary source of funding for the Association. The Board, together with the Association's managing agent, prepares an annual budget to estimate the annual expenses of maintaining the Association's common elements.

On a quarterly basis, members of the Association are assessed for their pro-rata share of these estimated expenses. Since the Association is designed only to operate as a conduit to collect assessments and pay operating expenses on behalf of members, any excess or deficiency of revenues over expenses is repaid to, or recovered from, the members in a subsequent period by reducing or increasing assessments, or, with approval of the Association's membership, transferred to the Replacement Fund.

J. Income Taxes

While the Association has been organized under Colorado non-profit statutes as a corporation without capital stock or shareholders, the Association is not a tax-exempt organization. Consequently, the Association is subject to Federal and state income taxes on net income derived from investments and other non-membership sources.

The Federal income tax returns of the Association are subject to examination by the Internal Revenue Service and Colorado Department of Revenue. The Company is no longer subject to examination for tax years prior to 2017.

K. 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.

L. Comparative Information

The financial statements include certain prior year comparative information in total but not by fund class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended April 30, 2019, from which the comparative totals were derived.

**The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
April 30, 2020
(Continued)**

3. Fixed Assets

On August 1, 1978, the Association purchased a 37% 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 \$14,530. At April 30, 2020, the assessed value for this unit was \$304,820, per the Eagle County Treasurer.

On April 10, 1990, the Association purchased a 37% 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 \$27,210. At April 30, 2020, the assessed value for this unit was \$387,790, per the Eagle County Treasurer.

The units are being depreciated over their estimated useful life of forty years. Depreciation expense for the year ended April 30, 2020, was \$681.

During fiscal year 2007, the Association undertook a major renovation to the property, which included the condominium unit C-3. Condominium Unit #290 was last renovated in 2002. The Association elected not to increase the value of the units for the renovations undertaken.

4. Management Contract and Related Party Transactions

A. Managing Agent

The Association entered into an agreement with Peak Resort Services, Inc. ("Peak Resort"), to act as the Association's managing agent. The term of this contract is from May 1, 2019 through April 30, 2024. The contract includes a monthly management fee of \$3,141 for services to maintain and upkeep the common elements of the Association and a project supervision fee of 5% of total actual expenditures on all capital replacement projects approved at annual homeowner's meetings. Peak Resort has been the managing agent for the Lodge at Lionshead Associations since 1983.

The Association incurred the following expenses to Peak Resort for the year ended April 30, 2020:

Management fee	37,694
Snow removal	1,954
Landscape	5,813
Other	563
Pool maintenance	4,738
Building maintenance	12,983
Maintenance man	29,078
Common area cleaning	9,251
	\$ 102,072

At April 30, 2020, the Association owed Peak Resort \$1,692 for services rendered under the terms of this agreement.

Peak Resort owns unit C-2 and unit 320 is owned by a corporation that has the same ownership interest as Peak Resort.

**The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
April 30, 2020
(Continued)**

4. Management Contract and Related Party Transactions (continued)

B. Cost Sharing and Related Associations

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

	Phase I	Phase II	Phase III	Management Company	Total
Front driveway	60%	40%	-	-	100%
Pool	50%	50%	-	-	100%
Lawn/landscaping	50%	50%	-	-	100%
Snow removal (labor)	50%	50%	-	-	100%
Spa	50%	50%	-	-	100%
General use - Maintenance man	37%	37%	26%	-	100%
Equipment/supplies/tools	37%	37%	26%	-	100%
Unit #290	37%	37%	20%	6%	100%
Unit #C-3	37%	37%	26%	-	100%
Fitness Center	37%	37%	26%	-	100%
East Driveway	-	66%	34%	-	100%

5. 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.

Peak Resort Services provides the Association with a professionally prepared Capital Replacement Study. This study details all of the major components that make up the buildings and common elements, estimates for replacement costs and remaining useful lives of these components. Management and the Board of Managers use this comprehensive study to prepare budgets, propose assessments and plan for future major repairs. This document is in addition to the summary contained in these financial statements and is posted on the Lodge at Lionshead web-site.

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 April 30, 2020 were \$80,980

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 \$166,697 at April 30, 2020.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
April 30, 2020
(Continued)

6. Special Assessment

In 2019 the board approved a special assessment for \$100,000. The Assessment was assessed for capital improvement expenses.

7. Subsequent Event

Management has evaluated subsequent events through July 13, 2020, the date these financial statements were available to be issued.

The Lodge at Lionshead II 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 April 30, 2020
(With Comparative Totals for 2019)

	<u>2020</u>			<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Assessments	243,820	243,820	-	237,050
Miscellaneous	-	-	-	135
Total Revenues	<u>243,820</u>	<u>243,820</u>	<u>-</u>	<u>237,185</u>
Expenses:				
Building maintenance	16,500	17,215	(715)	16,514
Cable, phone, and internet	27,000	27,482	(482)	26,652
C-3 assessments	4,500	6,363	(1,863)	5,253
Common cleaning	13,000	11,393	1,607	13,202
Contingency	23	-	23	-
Directors expense	900	900	-	-
Electricity	18,000	19,446	(1,446)	17,701
Elevator	6,000	4,764	1,236	5,667
Employee housing costs	2,000	1,870	130	1,677
Fire sprinkler & alarm test	3,000	2,302	698	3,399
Gas - Pool, spa, drive & site	14,000	13,121	879	14,740
Insurance	22,203	22,203	-	20,660
Landscape	11,500	11,217	283	10,615
Maintenance man	29,500	28,778	722	28,127
Management fee	37,694	37,694	-	34,267
Meeting expense	50	301	(251)	298
Office	750	595	155	750
Professional fees	5,700	5,974	(274)	6,283
Pool maintenance	6,000	6,623	(623)	5,349
Snow removal	2,500	1,954	546	1,933
Trash removal	4,000	4,108	(108)	6,249
Water and sewer	19,000	19,567	(567)	19,604
Total Expenses (Budget Basis)	<u>243,820</u>	<u>243,870</u>	<u>(50)</u>	<u>238,940</u>
Reconciliation to GAAP Basis:				
Depreciation		681		773
Total Expenses (GAAP Basis)		<u>244,551</u>		<u>239,713</u>

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Replacement Fund Expenditures
For the Year Ended April 30, 2020
(With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
Replacement Expenses:		
Decks	-	81,106
Lower Level Improvement Project	152,756	25,884
Penthouse roof	27,762	-
Pool and spa	4,985	4,948
Interior painting	850	-
Stairwell carpets	14,548	-
Stairwell doors	2,174	-
Mechanical systems	11,685	-
Mechanical and electrical	2,610	17,839
Landscaping	1,382	-
Garage door	957	-
Elevator	3,525	-
Project management & supervision fee	6,726	7,943
Misc tools and equipment	1,806	-
Tools, Parts, and Equipment	-	1,284
Garage	-	2,113
Flower Boxes	-	1,351
Total Replacement Expenses	<u>231,766</u>	<u>142,468</u>

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Supplementary Information
Schedule of Future Major Repairs and Replacements
April 30, 2020

Peak Resorts conducted a study on July 9, 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The study takes into account Peak Resorts previous experience with the property and is updated annually.

The balance of the Replacement Fund has not been designated by the Board for specific components of common property. The following table, based on the study, 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 04/30/20</u>
Flooring/Lobby stair carpet and nosing	0	1,500	
Garage Door Opener	0	2,500	
Pool and Spa/Covers	0	600	
Pool and Spas/Plaster & Tile	1	19,570	
Pool/ Pumps	1	6,180	
Ski Lockers	1	7,416	
Boilers/VFD Drives Site Snowmelt,Pool & Spas	2	1,326	
Deck / Railing Recoating	2	12,200	
Fire Sprinkler System	2	7,957	
Flooring/Lobby Level	2	24,931	
Garage Doors	2	7,957	
Hydronic Pumps/Site Snowmelt, Pool & Spas	2	4,774	
Lighting/ Emergency Exit	2	1,804	
Paint / Garage Floor, Walls and parking Striping	2	13,261	
Paint / Stairwell Floors, Walls, Handrails & Ceilings	2	7,957	
Paint/Stain Deck Posts	2	3,077	
Painting & Stain/Building Exterior	2	53,575	
Pool/Filters	2	1,591	
Property Signage	2	10,609	
Boilers/Site Snowmelt, Pool & Spas	3	54,636	
Common Area/Front Entry Doors	3	7,321	
Common Area/Public Restrooms	3	43,709	
Fencing/Perimeter	3	4,676	
Lobby Furnishings	3	10,927	
Paint and Stain Common Area Walls, Doors and Trim	3	23,330	
Pool and Spa/Covers	3	656	
Pool/Heat Exchangers	3	4,808	
Rekeying Exterior Locks/ Unit Doors	3	5,327	
Flower Boxes	4	5,402	
Lighting / Stairwell Emergency Back-up	4	4,952	
Pool/ Lights	4	3,377	
Pool/Auto Fills	4	1,519	
Pool/Flow Meters	4	422	
Unit #290 Renovation	4	12,493	
Flooring / Common Area Carpeting 1st -	5	14,491	
Flooring/Lobby stair carpet and nosing	5	1,739	
Garage Ceiling Grid & Tiles	5	28,982	
Gutter & Downspout Heat Trace	5	17,389	
Pool/ Pumps	5	6,956	
Pool/Chemical Feeders	5	814	
Roof / Chimney Shrouds	5	5,217	
Roof/C-3	5	28,547	
Paint/Stain Deck Posts	6	3,463	
Pool and Spa/Covers	6	716	
Pool/Furniture	6	11,015	

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Supplementary Information
Schedule of Future Major Repairs and Replacements
April 30, 2020

Peak Resorts conducted a study on July 9, 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The study takes into account Peak Resorts previous experience with the property and is updated annually.

The balance of the Replacement Fund has not been designated by the Board for specific components of common property. The following table, based on the study, 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 04/30/20</u>
Pool/Pentair IntelliTouch Control System	6	6,209	
Stairwell Carpeting	6	17,911	
Common Area & Stairwell Door Hardware	7	13,067	
Doors / Exterior Mechanical Rooms	7	6,457	
Electric Baseboard Heaters	7	2,952	
Electric Wall Heaters	7	4,083	
Elevator Cab Renovation	7	24,597	
Elevator Mechanical	7	65,183	
Entry Door / South	7	4,305	
Fire Alarm Devices	7	68,565	
Fire Alarm Panel Replacement	7	11,684	
Flooring / Lower Level Tile	7	14,758	
Flooring/Common Area Wood Flooring 1st-3rd Level Hallways	7	28,287	
Garage Unit Heaters	7	8,855	
Garage Ventilation System	7	5,534	
Lighting / Common Area Wall Sconces	7	19,678	
Lighting / Exterior Building Fixtures	7	11,192	
Pool fencing	7	27,057	
Pool/Filters	7	1,845	
Roof / Gutters and Downspouts	7	18,448	
Roof / Snow Clips	7	18,448	
Roof Replacement/Main	7	92,610	
Roof/Penthouse	7	77,175	
Shared Driveway Retaining Walls & Ties	7	3,075	
Site Handrails	7	10,454	
Walkway Pavers	7	17,833	
Exterior Patio Deck Sealcoating	8	93,361	
Lighting/Site	8	9,627	
Storage Enclosures	8	1,900	
Deck / Railing Recoating	9	15,005	
Fire Sprinkler System	9	9,786	
Fitness Center	9	39,143	
Laundry	9	4,893	
Lighting / Stairwell Fixtures	9	3,914	
Painting & Stain/Building Exterior	9	65,891	
Pool and Spa/Covers	9	783	
Pool/ Lights	9	3,914	
Pool/ Pumps	9	7,829	
Flooring/Lobby stair carpet and nosing	10	2,016	
Garage Door Opener	10	3,360	
Lighting / Lobby & Hallway Cove	10	21,839	
Paint and Stain Common Area Walls, Doors and Trim	10	28,693	
Paint/Stain Deck Posts	10	3,897	
Pool/Heat Exchangers	10	5,913	
Rekeying Exterior Locks/ Unit Doors	10	6,552	

The accompanying notes are an integral part of these financial statements.

The Lodge at Lionshead II Condominium Association
(A Colorado Non-Profit Corporation)
Supplementary Information
Schedule of Future Major Repairs and Replacements
April 30, 2020

Peak Resorts conducted a study on July 9, 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The study takes into account Peak Resorts previous experience with the property and is updated annually.

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<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at 04/30/20</u>
Driveway/Snowmelt Shared II & III	12	71,288	
Paint / Stairwell Floors, Walls, Handrails & Ceilings	12	10,693	
Pool and Spa/Covers	12	855	
Pool/Filters	12	2,139	
Flooring / Common Area Carpeting 1st - 3rd levels	13	18,357	
Lobby Furnishings	13	14,685	
Pool/ Pumps	13	8,811	
Stairwell Carpeting	13	22,028	
Bathroom lower level ADA	14	45,378	
Lighting / Stairwell Emergency Back-up	14	6,655	
Paint/Stain Deck Posts	14	4,387	
Pool/ Lights	14	4,538	
Pool/Auto Fills	14	2,042	
Pool/Flow Meters	14	567	
Flooring/Lobby stair carpet and nosing	15	2,337	
Gutter & Downspout Heat Trace	15	23,370	
Pool and Spa/Covers	15	935	
Pool and Spas/Plaster & Tile	15	29,601	
Pool/Chemical Feeders	15	1,094	
Roof / Chimney Shrouds	15	7,011	
Deck / Railing Recoating	16	18,454	
Fire Sprinkler System	16	12,035	
Painting & Stain/Building Exterior	16	81,038	
Pool/Pentair IntelliTouch Control System	16	8,344	
Boilers/NFD Drives Site Snowmelt, Pool & Spas	17	2,066	
Common Area Mechanical Room & Stairwell Doors	17	72,312	
Concrete Curbs, Gutters, walkways & carports	17	56,197	
Concrete site stairs	17	18,181	
Driveway and Entry Pavers	17	82,312	
Fire Alarm Devices	17	92,146	
Fire Alarm Panel Replacement	17	15,702	
Flooring/Lobby Level	17	38,842	
Garage Doors	17	12,396	
Hydronic Pumps/Site Snowmelt, Pool & Spas	17	7,438	
Lighting/ Emergency Exit	17	2,810	
Paint / Garage Floor, Walls and parking Striping	17	20,661	
Paint and Stain Common Area Walls, Doors and Trim	17	35,288	
Pool/ Pumps	17	9,917	
Pool/Filters	17	2,479	
Pool/Heat Exchangers	17	7,273	
Property Signage	17	16,528	
Rekeying Exterior Locks/ Unit Doors	17	8,058	
Roof/ North Cold Metal	17	66,114	
Roof/East and West Facing Metal	17	62,808	
Shared Driveway Retaining Walls & Ties	17	4,132	

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The Lodge at Lionshead II Condominium Association
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Supplementary Information
Schedule of Future Major Repairs and Replacements
April 30, 2020

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<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Components of Fund Balance at 04/30/20</u>
Exterior Patio Deck Sealcoating	18	125,469	
Paint/Stain Deck Posts	18	4,937	
Pool and Spa/Covers	18	1,021	
Boilers/Site Snowmelt, Pool & Spas	19	87,675	
Common Area/Front Entry Doors	19	11,748	
Common Area/Sauna	19	26,303	
Fencing/Perimeter	19	7,503	
Fitness Center	19	52,605	
Flower Boxes	19	8,417	
Laundry	19	6,576	
Pool/ Lights	19	5,261	
Flooring/Lobby stair carpet and nosing	20	2,709	
Garage Door Opener	20	4,515	
Stairwell Carpeting	20	27,092	
Flooring / Common Area Carpeting 1st - 3rd levels	21	23,254	
Pool and Spa/Covers	21	1,116	
Pool/ Pumps	21	11,162	
Paint / Stairwell Floors, Walls, Handrails & Ceilings	22	14,371	
Paint/Stain Deck Posts	22	5,557	
Pool/Filters	22	2,874	
Deck / Railing Recoating	23	22,696	
Fire Sprinkler System	23	14,802	
Garage Ceiling Grid & Tiles	23	49,340	
Lobby Furnishings	23	19,736	
Painting & Stain/Building Exterior	23	99,666	
Roof/C-3	23	48,600	
Lighting / Stairwell Emergency Back-up	24	8,944	
Lighting / Stairwell Fixtures	24	6,098	
Paint and Stain Common Area Walls, Doors and Trim	24	43,400	
Pool and Spa/Covers	24	1,220	
Pool/ Lights	24	6,098	
Pool/Auto Fills	24	2,744	
Pool/Flow Meters	24	762	
Pool/Furniture	24	18,753	
Pool/Heat Exchangers	24	8,944	
Rekeying Exterior Locks/ Unit Doors	24	9,910	
Common Area/Public Restrooms	25	83,751	
Flooring/Lobby stair carpet and nosing	25	3,141	
Gutter & Downspout Heat Trace	25	31,407	
Lighting / Lobby & Hallway Cove	25	34,024	
Pool/ Pumps	25	12,563	
Pool/Chemical Feeders	25	1,470	
Roof / Chimney Shrouds	25	9,422	
Paint/Stain Deck Posts	26	6,254	
Pool/Pentair IntelliTouch Control System	26	11,214	

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The Lodge at Lionshead II Condominium Association
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Supplementary Information
Schedule of Future Major Repairs and Replacements
April 30, 2020
(continued)

Peak Resorts conducted a study on July 9, 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The study takes into account Peak Resorts previous experience with the property and is updated annually.

The balance of the Replacement Fund has not been designated by the Board for specific components of common property. The following table, based on the study, 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 04/30/20</u>
Unit #290 Renovation	26	23,938	
Common Area & Stairwell Door Hardware	27	23,601	
Doors / Exterior Mechanical Rooms	27	11,662	
Driveway/Snowmelt Shared II & III	27	111,064	
Electric Baseboard Heaters	27	5,331	
Electric Wall Heaters	27	7,375	
Elevator Cab Renovation	27	44,426	
Elevator Mechanical	27	117,728	
Entry Door / South	27	7,775	
Fire Alarm Devices	27	123,837	
Fire Alarm Panel Replacement	27	21,102	
Flooring / Lower Level Tile	27	26,655	
Flooring/Common Area Wood Flooring 1st-rd Level Hallways	27	51,090	
Garage Unit Heaters	27	15,993	
Garage Ventilation System	27	9,996	
Lighting / Common Area Wall Sconces	27	35,541	
Lighting / Exterior Building Fixtures	27	20,214	
Owner Storage Lockers	27	24,101	
Pool and Spa/Covers	27	1,333	
Pool fencing	27	48,868	
Pool/Filters	27	3,332	
Roof / Gutters and Downspouts	27	33,319	
Roof / Snow Clips	27	33,319	
Roof Replacement/Main	27	167,263	
Roof/Penthouse	27	139,386	
Shared Driveway Retaining Walls & Ties	27	5,553	
Site Handrails	27	18,881	
Stairwell Carpeting	27	33,319	
Walkway Pavers	27	32,209	
Exterior Patio Deck Sealcoating	28	168,620	
Lighting/Site	28	17,388	
Storage Enclosures	28	3,432	
Bathroom lower level ADA	29	70,697	
Fitness Center	29	70,697	
Flooring / Common Area Carpeting 1st - 3rd levels	29	29,457	
Laundry	29	8,837	
Pool and Spas/Plaster & Tile	29	44,775	
Pool/ Lights	29	7,070	
Pool/ Pumps	29	14,139	
Totals		<u>5,048,996</u>	<u>166,697</u>

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