

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)**

**Financial Statements
November 30, 2019**

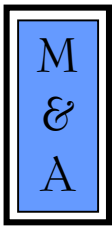


**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)**

November 30, 2019

Table of Contents

	Page(s)
INDEPENDENT AUDITOR'S REPORT	1 – 2
Financial Statements:	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Fund Balances	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 – 9
Supplemental Information:	
Schedule of Operating Fund – Budget to Actual Comparison	10 – 11
Schedule of Replacement Fund Expenses	12
Schedule of Future Major Repairs and Replacements	13 - 14



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, Avon, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Park Plaza Condominium Association
Avon, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of Park Plaza Condominium Association (the "Association"), a Colorado non-profit corporation, which comprise the balance sheets as of November 30, 2019, and the related statements of revenues, expenses, and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

Management's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Plaza Condominium Association as of November 30, 2019, 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Park Plaza Condominium Association
Avon, Colorado**

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 pages 10 – 11 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 13 – 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 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.

Report on Summarized Comparative Information

We have previously audited the Association's November 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
January 13, 2020**

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Balance Sheets
November 30, 2019
(With Comparative Totals for 2018)

	2019			2018	
	Operating Fund	R-LCE Replacement Fund	GCE Replacement Fund	Total	Total
Assets:					
Cash and cash equivalents	609,528	-	-	609,528	360,121
Investments	725,449	-	-	725,449	719,285
Prepaid expenses	56,249	-	-	56,249	55,982
Inventory	10,000	-	-	10,000	10,000
Other assets	-	-	-	-	4,282
Association owned time-span estates	55,000	-	-	55,000	55,000
Due from (to) other fund(s)	(672,682)	250,980	421,702	-	-
Total Assets	<u>783,544</u>	<u>250,980</u>	<u>421,702</u>	<u>1,456,226</u>	<u>1,204,670</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	106,062	-	-	106,062	98,368
Accrued payroll	31,429	-	-	31,429	31,231
Other payable	1,257	-	-	1,257	2,111
Advance deposits	427,751	-	-	427,751	373,317
Prepaid assessments	36,267	-	-	36,267	58,379
Property taxes payable	133,575	-	-	133,575	132,662
Total Liabilities	<u>736,341</u>	<u>-</u>	<u>-</u>	<u>736,341</u>	<u>696,068</u>
Fund Balances	<u>47,203</u>	<u>250,980</u>	<u>421,702</u>	<u>719,885</u>	<u>508,602</u>
Total Liabilities and Fund Balances	<u>783,544</u>	<u>250,980</u>	<u>421,702</u>	<u>1,456,226</u>	<u>1,204,670</u>

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

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balances
For the Year Ended November 30, 2019
(With Comparative Totals for 2018)

	2019			2018	
	Operating Fund	R-LCE Replacement Fund	GCE Replacement Fund	Total	Total
Revenues:					
Assessments	1,605,623	400,000	375,000	2,380,623	2,083,569
Owner rebill and late charges	5,854	-	-	5,854	5,594
Interest income and realized gain/(loss)	52,145	-	-	52,145	(14,070)
Bonus night revenue	4,455	-	-	4,455	4,257
Net rental fees	355,331	-	-	355,331	378,874
Locker revenue	31,688	-	-	31,688	32,250
Other income	12,747	-	-	12,747	11,547
	-	-	-	-	-
Total Revenues	<u>2,067,843</u>	<u>400,000</u>	<u>375,000</u>	<u>2,842,843</u>	<u>2,502,021</u>
Expenses:					
Employee expenses	1,046,744	-	-	1,046,744	1,066,664
General and administrative	315,235	-	-	315,235	303,581
General maintenance	136,715	-	-	136,715	135,782
Limited common elements	266,720	-	-	266,720	263,501
Professional fees	43,412	-	-	43,412	51,202
Property insurance	33,231	-	-	33,231	31,921
Utilities	178,583	-	-	178,583	165,227
Replacement expenses	-	403,321	207,599	610,920	1,577,535
	-	-	-	-	-
Total Expenses	<u>2,020,640</u>	<u>403,321</u>	<u>207,599</u>	<u>2,631,560</u>	<u>3,595,413</u>
Excess (Deficiency) of Revenues over Expenses	47,203	(3,321)	167,401	211,283	(1,093,392)
Fund Balances - Beginning of Year	-	254,301	254,301	508,602	1,601,994
Transfers from (to) other fund(s)	-	-	-	-	-
Fund Balances - End of Year	<u>47,203</u>	<u>250,980</u>	<u>421,702</u>	<u>719,885</u>	<u>508,602</u>

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

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended November 30, 2019
(With Comparative Totals for 2018)

	2019			2018	
	Operating Fund	R-LCE Replacement Fund	GCE Replacement Fund	Total	Total
Cash Flows From Operating Activities:					
Cash received from residential owners	1,251,335	400,000	375,000	2,026,335	1,790,999
Cash received from commercial assessments	369,718	-	-	369,718	344,184
Cash received from rental operations	414,220	-	-	414,220	279,584
Cash received from interest and dividends	33,629	-	-	33,629	63,313
Other cash receipts	12,747	-	-	12,747	11,547
Cash paid for goods and services	(962,128)	(403,321)	(207,599)	(1,573,048)	(2,427,066)
Cash paid for salaries and benefits	(1,046,547)	-	-	(1,046,547)	(1,062,300)
Transfer (to) from other fund(s)	164,080	3,321	(167,401)	-	-
Net Cash Provided (Used) by Operating Activities	<u>237,054</u>	<u>-</u>	<u>-</u>	<u>237,054</u>	<u>(999,739)</u>
Cash Flows From Investing Activities:					
Proceeds on sale/redemption of investments	119,439	-	-	119,439	849,302
Cash paid to purchase investments	(107,086)	-	-	(107,086)	-
Net Cash Provided (Used) by Investing Activities	<u>12,353</u>	<u>-</u>	<u>-</u>	<u>12,353</u>	<u>849,302</u>
Net Increase (Decrease) in Cash and Cash Equivalents	249,407	-	-	249,407	(150,437)
Cash and Cash Equivalents - Beginning of Year	<u>360,121</u>	<u>-</u>	<u>-</u>	<u>360,121</u>	<u>510,558</u>
Cash and Cash Equivalents - End of Year	<u><u>609,528</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>609,528</u></u>	<u><u>360,121</u></u>
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:					
Excess (deficiency) of revenues over expenses	47,203	(3,321)	167,401	211,283	(1,093,392)
Adjustments to reconcile:					
Realized (gain)/loss on sales of investments	12,459	-	-	12,459	72,773
Unrealized (gain)/loss on investments	(30,975)	-	-	(30,975)	4,611
(Increase) decrease - Other assets	4,282	-	-	4,282	(1,444)
(Increase) decrease - Deposits and prepaids	(267)	-	-	(267)	43,080
Increase (decrease)		-	-	-	
- Accounts payable and accrued liabilities	7,037	-	-	7,037	63,199
Increase (decrease) - Accrued property tax	913	-	-	913	1,211
Increase (decrease) - Prepaid assessments	(22,112)	-	-	(22,112)	13,770
Increase (decrease) - Advance deposit	54,434	-	-	54,434	(103,547)
Transfer (to) from other fund(s)	164,080	3,321	(167,401)	-	-
Total Adjustments	<u>189,851</u>	<u>3,321</u>	<u>(167,401)</u>	<u>25,771</u>	<u>93,653</u>
Net Cash Provided (Used) by Operating Activities	<u><u>237,054</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>237,054</u></u>	<u><u>(999,739)</u></u>

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

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2019**

1. Organization

Park Plaza Condominium Association (the "Association") was incorporated in the State of Colorado as a non-profit corporation organized for the purpose of maintaining and managing the common areas and facilities of the Association, pursuant to Articles of Incorporation filed January 9, 1985 and amended April 5, 1985. The Association includes nine commercial units and thirty – six residential units. The residential units are further divided into interval ownership units.

Interval owners that elect to participate in the rental program enter into individual rental management agreements with the Association. Rental income collected, net of related rental expenses, is split between the program and owners on a 30%-70% respective basis.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting which recognizes revenues when earned or assessed, and expenses when incurred.

B. Recognition of Assets

Real and personal common property acquired by the original homeowners from the Declarant is not recognized on the financial statements of the Association because it is commonly owned by individual owners and its disposition by the Board is restricted. Such property includes common-use facilities and improvements conveyed to the Association by the Declarant upon recording the Declarations.

The Association does not record replacements and improvements to real and personal common property as capitalized fixed assets because their disposition is restricted. Rather, such replacements and improvements are expensed in the period incurred.

C. Cash and Cash Equivalents

The Association considers all checking, money market, and savings accounts to be cash equivalents for the purposes of the Statement of Cash Flows, since all such funds are highly liquid.

D. Investments

The Association has invested in federal government agency securities to fund and finance projected repair and replacement projects determined by the Board of Directors. These investments are classified as trading for financial statement presentation purposes. Accordingly, these securities are reported on these financial statements at fair value and all realized and unrealized gains and losses are included in current period earnings.

E. Allowance for Uncollectible Accounts

The Association uses the allowance method for recognizing the potential future uncollectibility of delinquent assessments receivable from owners and others. An allowance for doubtful accounts of \$0 has been recorded at November 30, 2019 to provide for the possibility of some balances not being collected.

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2019
(Continued)**

2. Summary of Significant Accounting Policies (continued)

F. Inventory

The Association's inventory includes maintenance supplies for units and is valued at the lower of cost or market using the first in first out method.

G. Association Owned Interval

The Association has assumed ownership through legal proceedings of an interval unit, and is currently rented through the rental program. The unit was recorded at the fair market value at the time of transfer to the Association.

H. Prepaid Expenses

Prepaid expenses represent expenses paid prior to November 30, 2019, which benefit future periods.

I. Prepaid Assessment Revenue

Prepaid assessment revenue represents assessments for the next fiscal year, which have collected from owners in advance. The Association bills interval and commercial owners semi-annually.

J. Assessments

Assessments are the primary source of revenue for the Association. The Board prepares an annual budget to estimate the annual expenses of maintaining the Association's common elements.

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 year by reducing or increasing assessments, or, with the approval of the Board, transferred to the Reserve Investment.

K. 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 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 2016 by the Internal Revenue Service and for tax years prior to 2015 by the Colorado Department of Revenue.

L. Subsequent Events

Management has evaluated subsequent event through January 13, 2020; the date these financial statements were available to be issued.

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2019
(Continued)**

2. Summary of Significant Accounting Policies (continued)

M. 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 that reporting period. Actual results could differ from those estimates.

3. Investments

The following schedule summarizes the investment income in the Statements of Revenues, Expenses and Changes in Fund balances:

	2019
Interest income	\$ 33,629
Net realized and unrealized gains (losses)	18,516
Total	\$ 52,145

The Association measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At November 30, 2019, the Association had the following recurring fair value measurements:

	Fair Value	Quoted Prices in Active Markets (Level 1)
Government agency securities	\$ 725,449	725,449

4. Replacement Funds and Reserve for Future Major Repairs and Replacements

As required by the Association's Investment Policy, the Association is accumulating funds for future major repairs and replacement of the Association's common property. Accumulated funds are held in separate investment account and are generally not available for expenditures for normal operations.

The Association commissioned a study to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were made with input from the management company regarding previous experience with the property. The table included in the unaudited supplementary information on future major repairs and replacements is from the study.

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2019
(Continued)**

4. Replacement Funds and Reserve for Future Major Repairs and Replacements (continued)

In accordance with industry guidelines, it is the Association's primary duty to maintain and preserve the common property of the owners. Therefore, it is the Association's responsibility to determine a method for funding the costs of future major repairs and maintenance by assessing owners when funds are needed or by anticipating costs over extended time periods, assessing owners for the anticipated costs, and accumulating funds in reserves to meet the future funding requirements. The Board has chosen to fund 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 Reserve investment.

Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the investment account may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board has the right, subject to member approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

5. Advertising Costs

Advertising costs are expensed when incurred. The Association had advertising expenses of \$17,795 related to the rental operations fund for the year ended November 30, 2019.

6. Ownership Interest Concentration

A member of the Association owns 9 commercial units with a combined approximate 23.8% interest in the general common elements of the Association.

7. Concentration of Credit Risk

The Association has cash balances in financial institutions which are not covered by insurance provided by the federal government. The Federal Deposit Insurance Corporation (the "FDIC") insures single depositors up to \$250,000. At November 30, 2019, the Association's uninsured cash balance totaled \$167,867.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Operating Fund - Budget to Actual Comparison
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for 2018)

	2019		Variance Positive (Negative)	2018
	Budget (Unaudited)	Actual		Actual
Revenues:				
Assessments	1,605,606	1,605,623	17	2,083,569
Owner rebill and late charges	1,800	5,854	4,054	5,594
Interest income and realized gain/(loss)	15,000	52,145	37,145	(14,070)
Bonus night revenue	5,000	4,455	(545)	4,257
Net rental fees	400,000	355,331	(44,669)	378,874
Locker revenue	32,000	31,688	(312)	32,250
Other income	1,500	12,747	11,247	11,547
Total Revenues	2,060,906	2,067,843	6,937	2,502,021
Expenses:				
Employee expenses:				
Front desk	185,658	181,424	4,234	181,294
Health insurance	72,000	70,338	1,662	55,325
Housekeeping	497,490	486,925	10,565	520,800
Maintenance personnel	113,558	97,906	15,652	108,990
Management	104,000	117,235	(13,235)	100,932
Payroll taxes	70,000	70,855	(855)	73,633
Ski Passes	3,000	2,002	998	1,900
Workers Compensation Insurance	16,000	13,358	2,642	15,266
Total - Employee expenses	1,061,706	1,040,043	21,663	1,058,140
Employee miscellaneous expenses:				
Employee Relations	5,000	5,348	(348)	5,248
Recruiting	2,000	13	1,987	1,000
Uniforms	1,000	1,341	(341)	2,276
Total - Employee miscellaneous expense	8,000	6,702	1,298	8,524
General and administrative expenses:				
Computer Expenses	25,000	23,938	1,062	19,982
Fax Charges	-	-	-	-
Office Supplies	8,000	7,331	669	5,983
Postage	600	314	286	605
Telephone Charges	7,000	5,766	1,234	6,141
Bank charges and misc.	200	400	(200)	369
Board expenses	3,000	2,664	336	502
Credit card discount	32,000	31,857	143	30,793
Marketing and promotion	5,000	17,795	(12,795)	649
Real property tax	150,000	145,635	4,365	146,530
Travel agent commissions	90,000	73,985	16,015	87,253
Other	-	5,196	(5,196)	-
Total - General and administrative expenses	320,800	314,881	5,919	298,807

(continued)

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

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Operating Fund - Budget to Actual Comparison
For the Year Ended November 30, 2019
(With Comparative Actual Amounts for 2018)
(Continued)

	<u>2019</u>		<u>Variance Positive (Negative)</u>	<u>2018</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>		<u>Actual</u>
Expenses (continued):				
General Maintenance:				
Christmas decorations	500	353	147	289
Elevator	13,000	16,876	(3,876)	21,669
GCE repairs and maintenance	140,000	116,906	23,094	113,468
Landscaping	500	-	500	245
Snow removal	5,000	2,933	2,067	400
Total - General Maintenance	<u>159,000</u>	<u>137,068</u>	<u>21,932</u>	<u>136,071</u>
Limited common elements:				
Cable television	48,000	45,879	2,121	49,721
Cleaning supplies	18,000	21,471	(3,471)	17,486
Continental breakfast	50,000	66,287	(16,287)	48,889
Contract cleaning	15,000	14,821	179	21,761
Firewood	-	-	-	3,140
Laundry supplies	12,000	10,104	1,896	10,737
Linen	12,000	12,412	(412)	2,918
Pool and spa maintenance	10,000	7,423	2,577	6,610
Res. Repair and maintenance	45,000	43,400	1,600	41,419
Res. Replacement items	-	-	-	40,582
Room amenities	45,000	44,923	77	20,238
Total - Limited common elements	<u>255,000</u>	<u>266,720</u>	<u>(11,720)</u>	<u>263,501</u>
Professional Fees:				
Legal	6,000	5,327	673	6,448
Other accounting	45,000	35,344	9,656	41,454
Payroll accounting fees	3,400	2,741	659	3,300
Total - Professional fees	<u>54,400</u>	<u>43,412</u>	<u>10,988</u>	<u>51,202</u>
Property Insurance	<u>33,000</u>	<u>33,231</u>	<u>(231)</u>	<u>31,921</u>
Utilities:				
Electricity	55,000	61,888	(6,888)	51,677
Electricity credit	-	(2,037)	2,037	(3,127)
Fire, life and safety	10,000	5,101	4,899	11,232
Natural gas	43,000	51,570	(8,570)	47,016
Trash removal	8,000	10,783	(2,783)	8,317
Water and sewer	53,000	51,278	1,722	50,111
Total - Utilities	<u>169,000</u>	<u>178,583</u>	<u>(9,583)</u>	<u>165,226</u>
Total Expenses	<u>2,060,906</u>	<u>2,020,640</u>	<u>40,266</u>	<u>2,013,392</u>
Excess (Deficiency) of Revenues over Expenses	<u>-</u>	<u>47,203</u>	<u>47,203</u>	<u>488,629</u>

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

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Replacement Funds -
Revenues and Expenses
For the Year Ended November 30, 2019**

	<u>R-LCE Replacement Fund</u>	<u>GCE Replacement Fund</u>
Revenues:		
Assessments	<u>400,000</u>	<u>375,000</u>
Expenses:		
General common elements:		
Plumbing wastepipe replacement	-	73,239
Roof sectional replacement	-	134,360
Limited common elements:		
Fourth floor bathroom remodel	120,491	-
Professional services	13,400	-
Furniture and appliances	<u>269,430</u>	<u>-</u>
Total Expenses	<u><u>403,321</u></u>	<u><u>207,599</u></u>

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

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Future Major Repairs and Replacements
November 30, 2019
(Unaudited)

In 2018, the Association's Board commissioned a study to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were prepared by reserve study engineers, based upon inspection of the property, and input from the Association's Managing Agent.

The Board has elected not to allocate Replacement Fund balances to individual components of common property.

The following table is based on the study performed in 2018 and presents significant information about the components of the Association's common property.

Components	Estimated Remaining Useful Lives (Years)	Current Replacement Cost	Fund Balances 2019
Sites & Grounds			
Garage Walls - Paint/Seal	4	4,600 - 7,300	
Garage Lights (Utility) - Replace	24	14,000 - 16,000	
Dock Garage Doors - Replace	9	2,500 - 4,000	
Entry Drive Pavers - Replace - 10%	0	5,000 - 6,000	
Brick Decking - Repair - 5%	0	3,100 - 3,900	
Site Fencing: Metal - Replace	0	2,700 - 3,600	
Site Fencing: Wood - Replace	9	2,300 - 2,900	
Monument Signs - Refurbish	4	4,000 - 5,000	
Drop Ceiling Panels - Replace - 15%	3	11,000 - 17,000	
Building Exteriors			
Exterior Wall Lights - Replace	4	2,300 - 2,700	
Balcony Deck Brick - Repair - 5%	0	4,800 - 6,000	
Balcony Rails - Paint	4	4,000 - 6,000	
Balcony Rails - Replace	4	37,000 - 48,000	
Wood Exterior - Seal/Paint	2	47,000 - 49,000	
Stucco/EIFS - Seal/Paint	2	32,000 - 64,000	
Wood Siding - Replace	27	100,000 - 140,000	
Windows - Replace	0	940,000 - 1,200,000	
Balcony Doors - Replace	0	82,000 - 110,000	
Roof: Tile Underlayment - Replace	7	490,000 - 550,000	
Gutters/Downspouts - Replace	7	15,000 - 20,000	
Heat Tape - Replace	3	17,000 - 25,000	
Building Interiors			
Interior Surface - Repaint	2	170,000 - 193,000	
Chandelier - Replace	2	10,000 - 13,000	
Interior Wall Lights - Replace	2	18,000 - 23,000	
Lobby Lights - Replace	2	4,800 - 7,200	
Tile Flooring - Replace	7	35,000 - 49,000	
Carpet - Replace	2	120,000 - 150,000	
Ski Lockers - Replace	1	22,000 - 29,000	
Breakfast Room Furnishings - Update	2	11,000 - 28,000	
Corridor Decor - Update	4	14,000 - 25,000	
Lobby Furniture and Décor - Update	2	8,000 - 12,000	
Loading Dock Bathrooms - Remodel	15	6,000 - 10,000	
Lobby Bathrooms - Remodel	2	16,000 - 24,000	
Manager Offices - Refurbish	0	4,600 - 5,700	
Guest Bell Carts - Replace	0	4,000 - 6,000	
Breakfast Kitchen - Remodel	2	10,000 - 15,000	
Kitchen Appliances - Replace	0	7,000 - 10,000	
Employee Appliances - Replace	5	2,500 - 3,500	
Mechanical Systems			
Keypad - Replace	0	700 - 1,200	
Door Lock System - Replace	2	35,000 - 42,000	
Barrier Arm Operators - Replace	5	7,200 - 8,000	
Loop Detectors - Replace	0	3,900 - 4,500	
Automatic Door Operators - Replace	14	19,000 - 22,000	
Elevator #1 - Modernize	21	90,000 - 110,000	
Elevator #2 - Modernize	0	140,000 - 160,000	
Elevator #3 - Modernize	20	90,000 - 110,000	
Elevator Cabs - Remodel	20	36,000 - 48,000	
Air Handler #1 - Replace	23	30,000 - 34,000	
Air Handler #2 - Replace	23	30,000 - 34,000	
Laundry Make Up Air - Replace	24	6,000 - 8,000	
Garage Exhaust Fans - Repair	2	3,000 - 5,000	
Air Compressors - Replace	9	3,000 - 4,500	
Boiler Pumps - Repair/Replace - 20%	1	5,000 - 6,000	
Pressure Reducing Valves - Rebuild	0	12,000 - 15,000	
Pumps - Rebuild	0	25,000 - 35,000	
Sump Pump - Replace	5	8,000 - 12,000	
Air Handler VFDs - Replace	14	30,000 - 34,000	
Variable Frequency Drives - Replace	10	15,000 - 17,000	

(continued)

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

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Schedule of Future Major Repairs and Replacements
November 30, 2019
(Unaudited)
(Continued)

Components	Estimated Remaining Useful Lives (Years)	Current Replacement Cost	Fund Balances 2019
Mechanical Systems (continued)			
Trash Compactor - Replace	2	30,000 - 40,000	
Flatwork Ironer - Replace	9	18,000 - 22,000	
Laundry Machines - Replace	6	37,000 - 43,000	
Mechanical Monitor System - Replace	0	56,000 - 60,000	
Generator - Replace	3	20,000 - 30,000	
Fire Control Panel - Update/Replace	14	22,000 - 30,000	
Exit/Emergency Lights - Replace	14	2,000 - 2,500	
CO Monitors - Replace	1	10,000 - 15,000	
Boilers - Replace	20	200,000 - 250,000	
Glycol Heater/Tank - Replace	16	10,000 - 15,000	
Water Softener Tanks - Replace	0	23,000 - 25,000	
Water Storage Tanks - Replace	29	70,000 - 80,000	
Heat Exchanger - Replace	13	25,000 - 35,000	
Heat Exchanger - Replace	19	25,000 - 35,000	
Expansion Tank - Replace	29	14,000 - 18,000	
Amenities			
Fitness Equipment - Replace	8	4,700 - 8,000	
Steam Generator - Replace	9	9,000 - 10,000	
Sauna Heater - Replace	0	2,800 - 3,300	
Steam Room - Refurbish	2	8,000 - 10,000	
Sauna Room - Refurbish	2	6,000 - 8,000	
Pool / Spa			
Bathroom - Refurbish	15	8,000 - 10,000	
Shower - Refurbish	7	1,300 - 2,000	
Patio Furniture - Replace	0	6,000 - 10,000	
Tile Deck - Replace	7	40,000 - 56,000	
Pool - Resurface	6	25,000 - 30,000	
Spa - Resurface	0	4,000 - 6,000	
Pool Heat Exchanger - Replace	0	1,000 - 2,000	
Spa Heat Exchanger - Replace	0	1,000 - 1,200	
Pool Filter - Replace	19	2,500 - 4,000	
Spa Filter - Replace	19	1,500 - 3,000	
Pumps - Replace	9	2,000 - 4,000	
Unit Interiors			
Interior Surfaces - Repaint	5	622,000 - 626,000	
Tile Flooring - Replace	16	630,000 - 920,000	
Carpeting - Replace	2	350,000 - 430,000	
Lighting: Wall Fixtures - Replace	6	31,000 - 34,000	
Lighting: Floor Lamps - Replace	9	24,000 - 29,000	
Lighting: Table Lamps - Replace	9	89,000 - 100,000	
Ceiling Fans - Replace	0	27,600 - 32,400	
Artwork/Décor - Replace	4	32,000 - 47,000	
Window Shades - Replace	4	110,000 - 110,000	
Window Blinds - Replace	4	190,000 - 220,000	
Misc. Bedding - Allowance	0	2,500 - 3,500	
Mattresses - Replace	5	56,000 - 60,000	
Mattresses - Replace (2018)	0	16,000 - 18,000	
Furniture: Fold Out Sofa - Replace	0	51,000 - 60,000	
Furniture: Loveseats - Replace	0	74,000 - 86,000	
Furniture: Lounges - Replace	0	81,000 - 94,000	
Furniture: Bar Stools - Replace	9	23,000 - 24,000	
Furniture: Dining Chairs - Replace	9	77,000 - 79,000	
Furniture: Dining Table - Replace	9	90,000 - 110,000	
Furniture: Coffee Table - Replace	9	42,000 - 61,000	
Furniture: Side Table - Replace	9	34,000 - 72,000	
Furniture: Night Stand - Replace	9	280,000 - 350,000	
Furniture: Buffet - Replace	9	46,000 - 69,000	
Furniture: Large Dresser - Replace	9	120,000 - 130,000	
Guest Bath (Final Phase) - Remodel	0	490,000 - 510,000	
Master Bathrooms - Remodel	26	860,000 - 1,200,000	
Kitchens - Remodel/Refurbish	16	720,000 - 1,000,000	
Kitchen Appliances - Replace (Ph 1)	8	140,000 - 160,000	
Kitchen Appliances - Replace (Ph 2)	0	140,000 - 160,000	
Telephones - Replace	0	5,200 - 7,800	
Bedroom TVs - Replace	0	29,000 - 30,000	
Living Room TV's - Replace	6	21,000 - 22,000	
DVD Players - Replace	0	4,000 - 6,000	
Fireplace - Replace	1	840,000 - 860,000	
Laundry Machines - Replace	0	58,000 - 65,000	
Furniture: Patio Cushions - Replace	0	8,000 - 12,000	
Furniture: Patio - Replace	6	48,000 - 66,000	
Totals		<u>10,018,100 - 12,331,700</u>	<u>672,682</u>

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