

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

**Financial Statements
November 30, 2021**

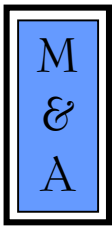


**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)**

November 30, 2021

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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, 2021, 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 purpose 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, 2021, 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

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

Emphasis of Matter

As discussed in Note 9 to the financial statements, the Association adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers, in 2021. Our opinion is not modified with respect to this matter.

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 12 – 14 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 15 – 16 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, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMahan and Associates, L.L.C.
January 17, 2022

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Balance Sheets
November 30, 2021
(With Comparative Totals for 2020)

	2021			2020	
	Operating Fund	R-LCE Replacement Fund	GCE Replacement Fund	Total	Total
Assets:					
Cash and cash equivalents	2,092,355	-	-	2,092,355	719,517
Investments	770,763	-	-	770,763	739,676
Owner receivables, net	22,068	-	-	22,068	20,482
Prepaid expenses	63,414	-	-	63,414	29,604
Inventory	10,000	-	-	10,000	10,000
Other assets	-	-	-	-	8,756
Association owned time-span estates	55,000	-	-	55,000	55,000
Due from (to) other fund(s)	(1,538,521)	929,490	609,031	-	-
Total Assets	1,475,079	929,490	609,031	3,013,600	1,583,035
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	70,664	-	-	70,664	53,501
Accrued payroll	43,461	-	-	43,461	38,119
Other payable	2,205	-	-	2,205	951
Advance deposits	563,179	-	-	563,179	131,815
Prepaid assessments	57,560	-	-	57,560	61,044
Property taxes payable	136,071	-	-	136,071	133,129
Note payable	-	-	-	-	209,800
Total Liabilities	873,140	-	-	873,140	628,359
Fund Balances	601,939	929,490	609,031	2,140,460	954,676
Total Liabilities and Fund Balances	1,475,079	929,490	609,031	3,013,600	1,583,035

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, 2021
(With Comparative Totals for 2020)

	<u>2021</u>			<u>2020</u>	
	<u>Operating Fund</u>	<u>R-LCE Replacement Fund</u>	<u>GCE Replacement Fund</u>	<u>Total</u>	<u>Total</u>
Revenues:					
Assessments	1,674,507	400,000	425,000	2,499,507	2,499,507
Owner rebill and late charges	10,011	-	-	10,011	8,206
Interest income and realized gain/(loss)	(14,325)	-	-	(14,325)	33,367
Bonus night revenue	4,950	-	-	4,950	4,950
Net rental fees	355,641	-	-	355,641	324,482
Locker revenue	32,250	-	-	32,250	31,875
Other income	11,040	-	-	11,040	10,735
PPP loan forgiveness	419,600	-	-	419,600	-
	-	-	-	-	-
Total Revenues	<u>2,493,674</u>	<u>400,000</u>	<u>425,000</u>	<u>3,318,674</u>	<u>2,913,122</u>
Expenses:					
Employee expenses	1,105,084	-	-	1,105,084	1,068,798
General and administrative	299,811	-	-	299,811	268,222
General maintenance	138,543	-	-	138,543	129,919
Limited common elements	210,078	-	-	210,078	209,955
Professional fees	55,962	-	-	55,962	50,994
Property insurance	38,561	-	-	38,561	35,470
Utilities	187,982	-	-	187,982	180,478
Replacement expenses	-	-	96,869	96,869	734,495
	-	-	-	-	-
Total Expenses	<u>2,036,021</u>	<u>-</u>	<u>96,869</u>	<u>2,132,890</u>	<u>2,678,331</u>
Excess (Deficiency) of Revenues over Expenses	457,653	400,000	328,131	1,185,784	234,791
Fund Balances - Beginning of Year	<u>144,286</u>	<u>529,490</u>	<u>280,900</u>	<u>954,676</u>	<u>719,885</u>
Fund Balances - End of Year	<u>601,939</u>	<u>929,490</u>	<u>609,031</u>	<u>2,140,460</u>	<u>954,676</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, 2021
(With Comparative Totals for 2020)

	2021			2020	
	Operating Fund	R-LCE	GCE	Total	Total
		Replacement Fund	Replacement Fund		
Cash Flows From Operating Activities:					
Cash received from residential owners	1,322,241	400,000	425,000	2,147,241	2,174,165
Cash received from commercial assessments	389,457	-	-	389,457	369,718
Cash received from rental operations	791,955	-	-	791,955	33,496
Cash received from interest and dividends	33,392	-	-	33,392	31,924
Other cash receipts	11,040	-	-	11,040	10,735
Cash paid for goods and services	(934,628)	-	(96,869)	(1,031,497)	(1,636,201)
Cash paid for salaries and benefits	(1,099,746)	-	-	(1,099,746)	(1,062,108)
Transfer (to) from other fund(s)	728,131	(400,000)	(328,131)	-	-
Net Cash Provided (Used) by Operating Activities	<u>1,241,842</u>	<u>-</u>	<u>-</u>	<u>1,241,842</u>	<u>(78,271)</u>
Cash Flows From Investing Activities:					
Proceeds on sale/redemption of investments	318,347	-	-	318,347	203,197
Cash paid to purchase investments	(397,151)	-	-	(397,151)	(215,981)
Net Cash Provided (Used) by Investing Activities	<u>(78,804)</u>	<u>-</u>	<u>-</u>	<u>(78,804)</u>	<u>(12,784)</u>
Cash Flows From Financing Activities:					
Cash received as proceeds of notes payable	209,800	-	-	209,800	209,800
Net Cash Provided (Used) by Financing Activities	<u>209,800</u>	<u>-</u>	<u>-</u>	<u>209,800</u>	<u>209,800</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,372,838	-	-	1,372,838	118,745
Cash and Cash Equivalents - Beginning of Year	<u>719,517</u>	<u>-</u>	<u>-</u>	<u>719,517</u>	<u>600,772</u>
Cash and Cash Equivalents - End of Year	<u><u>2,092,355</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,092,355</u></u>	<u><u>719,517</u></u>
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:					
Excess (deficiency) of revenues over expenses	457,653	400,000	328,131	1,185,784	234,791
Adjustments to reconcile:					
Realized (gain)/loss on sales of investments	23,404	-	-	23,404	14,551
Unrealized (gain)/loss on investments	24,313	-	-	24,313	(15,994)
(Increase) decrease - Owner receivables	(1,586)	-	-	(1,586)	(20,482)
(Increase) decrease - Other assets	8,756	-	-	8,756	-
(Increase) decrease - Deposits and prepaids	(33,810)	-	-	(33,810)	26,645
Increase (decrease)					
- Accounts payable and accrued liabilities	23,759	-	-	23,759	(46,177)
Increase (decrease) - Accrued property tax	2,942	-	-	2,942	(446)
Increase (decrease) - Prepaid assessments	(3,484)	-	-	(3,484)	24,777
Increase (decrease) - Advance deposit	431,364	-	-	431,364	(295,936)
Increase (decrease) - Notes payable	(419,600)	-	-	(419,600)	-
Transfer (to) from other fund(s)	728,131	(400,000)	(328,131)	-	-
Total Adjustments	<u>784,189</u>	<u>(400,000)</u>	<u>(328,131)</u>	<u>56,058</u>	<u>(313,062)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>1,241,842</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,241,842</u></u>	<u><u>(78,271)</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, 2021**

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, 2021 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, 2021
(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 Time-Span Estates

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, 2021, 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. Revenue and Revenue Recognition

Assessments are the primary source of revenue for the Association. The Board, together with the Managing Agent, prepares an annual budget to estimate the annual expenses of maintaining the Association's common elements. On an annual basis, members of the Association are assessed for their respective pro-rata share of these estimated expenses, which are payable in semi-annual installments.

The Association has determined that the relationship of the members to the Association is not that of a customer as defined in generally accepted accounting principles, since the members control the governance of the Association, and it is not possible to separate the members from the Association itself. Further, the nature of the Association's governing documents as it relates to the billing and collection of member assessments does not meet the definition of a contract under generally accepted accounting principles. Consequently, all assessment revenues are recognized as revenue by the Association when levied, as determined by the Board-approved annual budget.

The Association also recognizes revenue from various administrative fees and fines as earned upon provisions of the underlying goods or service. All such revenues are non-refundable.

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.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2021
(Continued)

2. Summary of Significant Accounting Policies (continued)

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 2018 by the Internal Revenue Service and for tax years prior to 2017 by the Colorado Department of Revenue.

L. Subsequent Events

Management has evaluated subsequent event through **January 17, 2022**; the date these financial statements were available to be issued.

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.

N. Comparative Information

These financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended November 30, 2020; from which such comparative totals were derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2021
(Continued)**

3. Investments

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

	2021
Interest income	\$ 33,392
Net realized and unrealized gains (losses)	(47,717)
Total	\$ 33,392

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, 2021, the Association had the following recurring fair value measurements:

	Fair Value	Quoted Prices in Active Markets (Level 1)
Government agency securities	\$ 770,763	770,763

4. Note Payable

In April 2020, the Association executed a promissory note with FirstBank, under the United States Small Business Administration's Payroll Protection Program, in the amount of \$209,800 (the "PPP Loan"). The PPP Loan, which is unsecured and bears interest at 1% per annum, matures in April 2022.

No payments were made on the PPP Loan and the PPP Loan was fully forgiven in May 2021.

In February 2021, the Association executed a promissory note with FirstBank, under the United States Small Business Administration's Payroll Protection Program, in the amount of \$209,800 (the "PPP Loan"). The PPP Loan, which is unsecured and bears interest at 1% per annum, matures in March 2026.

No payments were made on the PPP Loan and the PPP Loan was fully forgiven in July 2021.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2021
(Continued)

5. 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.

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.

6. Advertising Costs

Advertising costs are expensed when incurred. The Association had advertising expenses of \$355 related to the rental operations fund for the year ended November 30, 2021.

7. 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. For 2021 the member paid \$389,547 in assessments.

8. 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 insures single depositors up to \$250,000. At November 30, 2021, the Association's uninsured cash balance totaled \$926,153.

Park Plaza Condominium Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
November 30, 2021
(Continued)

9 New Accounting Standard

Effective January 1, 2020, the Association implemented Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), issued by the Financial Accounting Standards Board (“FASB”), and all subsequent amendments. ASU 2014-09 requires enhanced disclosures of the Association’s revenue recognition policies. The implementation of ASU 2014-09 has been applied retrospectively to all periods presented, with no effect to net assets or previously issued 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, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>		<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Assessments	1,674,654	1,674,507	(147)	1,674,507
Owner rebill and late charges	2,000	10,011	8,011	8,206
Interest income and realized gain/(loss)	15,000	(14,325)	(29,325)	33,367
Bonus night revenue	5,000	4,950	(50)	4,950
Net rental fees	385,000	355,641	(29,359)	324,482
Locker revenue	32,000	32,250	250	31,875
Other income	3,000	11,040	8,040	10,735
PPP loan forgiveness	-	419,600	419,600	-
Total Revenues	<u>2,116,654</u>	<u>2,493,674</u>	<u>377,020</u>	<u>2,088,122</u>
Expenses:				
Employee expenses:				
Front desk	186,000	178,190	7,810	177,510
Health insurance	75,000	77,316	(2,316)	75,541
Housekeeping	515,000	521,605	(6,605)	495,303
Maintenance personnel	115,000	113,468	1,532	116,044
Management	112,000	120,005	(8,005)	117,062
Payroll taxes	72,000	74,579	(2,579)	72,263
Ski Passes	3,500	1,566	1,934	1,456
Workers Compensation Insurance	16,000	12,351	3,649	8,740
Total - Employee expenses	<u>1,094,500</u>	<u>1,099,080</u>	<u>(4,580)</u>	<u>1,063,919</u>
Employee miscellaneous expenses:				
Employee Relations	5,000	3,590	1,410	3,319
Recruiting	2,000	136	1,864	-
Uniforms	1,000	2,278	(1,278)	1,560
Total - Employee miscellaneous expense	<u>8,000</u>	<u>6,004</u>	<u>1,996</u>	<u>4,879</u>
General and administrative expenses:				
Computer Expenses	25,000	22,163	2,837	24,543
Office Supplies	8,000	6,732	1,268	5,212
Postage	600	321	279	254
Telephone Charges	7,000	6,089	911	5,619
Bank charges and misc.	400	300	100	385
Board expenses	3,000	-	3,000	1,514
Credit card discount	32,000	47,506	(15,506)	29,750
Marketing and promotion	5,000	355	4,645	128
Real property tax	150,000	151,382	(1,382)	144,786
Travel agent commissions	90,000	64,963	25,037	56,031
Total - General and administrative expenses	<u>321,000</u>	<u>299,811</u>	<u>21,189</u>	<u>268,222</u>

(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, 2021
(With Comparative Actual Amounts for 2020)
(Continued)

	<u>2021</u>		<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>		<u>Actual</u>
Expenses (continued):				
General Maintenance:				
Christmas decorations	500	-	500	406
Elevator	17,000	19,613	(2,613)	22,481
GCE repairs and maintenance	140,000	116,707	23,293	99,864
Landscaping	500	-	500	-
Snow removal	5,000	2,223	2,777	7,168
Total - General Maintenance	<u>163,000</u>	<u>138,543</u>	<u>24,457</u>	<u>129,919</u>
Limited common elements:				
Cable television	50,000	48,883	1,117	47,045
Cleaning supplies	18,000	19,243	(1,243)	19,528
Continental breakfast	60,000	26,905	33,095	25,493
Contract cleaning	15,000	120	14,880	120
Laundry supplies	12,000	12,886	(886)	12,644
Linen	12,000	5,853	6,147	14,947
Pool and spa maintenance	10,000	3,617	6,383	4,599
Res. Repair and maintenance	45,000	42,540	2,460	41,016
Res. Replacement items	-	-	-	162
Room amenities	45,000	50,031	(5,031)	44,401
Total - Limited common elements	<u>267,000</u>	<u>210,078</u>	<u>56,922</u>	<u>209,955</u>
Professional Fees:				
Legal	6,000	17,166	(11,166)	7,526
Other accounting	38,000	35,270	2,730	34,170
Payroll accounting fees	3,500	3,526	(26)	2,938
Other professional fees	10,000	-	10,000	6,360
Total - Professional fees	<u>57,500</u>	<u>55,962</u>	<u>1,538</u>	<u>50,994</u>
Property Insurance	<u>33,000</u>	<u>38,561</u>	<u>(5,561)</u>	<u>35,470</u>
Utilities:				
Electricity	55,000	60,959	(5,959)	56,307
Electricity credit	-	(2,279)	2,279	(2,171)
Fire, life and safety	10,000	5,227	4,773	18,140
Natural gas	45,500	54,674	(9,174)	44,080
Trash removal	9,000	8,172	828	8,276
Water and sewer	53,000	61,229	(8,229)	55,846
Total - Utilities	<u>172,500</u>	<u>187,982</u>	<u>(15,482)</u>	<u>180,478</u>
Total Expenses	<u>2,116,500</u>	<u>2,036,021</u>	<u>80,479</u>	<u>1,943,836</u>
Excess (Deficiency) of Revenues over Expenses	<u>154</u>	<u>457,653</u>	<u>457,499</u>	<u>144,286</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, 2021**

	R-LCE Replacement Fund	GCE Replacement Fund
Revenues:		
Assessments	400,000	425,000
Expenses:		
General common elements:		
Plumbing & mechanical systems replacements	-	96,869
Total Expenses	-	96,869

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, 2021
(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 reserve study engineers updated their study in 2020 to split components between residential limited common elements and general common elements. The reserve study engineers updated their study again in 2021.

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 2021 and presents significant information about the components of the Association's common property.

Components	Estimated Remaining Useful Lives (Years)	Range of Estimated Current Replacement Costs	Replacement Fund Balances 2021
General Common Elements:			
Sites & Grounds			
Garage Walls - Paint/Seal	8	10,000 -	14,000
Garage Lights (Utility) - Replace	21	15,000 -	18,000
Dock Garage Doors - Replace	6	2,800 -	4,500
Loading Dock Concrete - Repair - 5%	4	700 -	1,200
Entry Drive Pavers - Replace - 10%	0	5,700	6,800
Brick Decking - Repair - 5%	0	3,500 -	4,400
Site Fencing: Metal - Replace	1	3,100 -	4,000
Site Fencing: Wood - Replace	6	2,600 -	3,300
Monument Signs - Refurbish	1	4,500 -	5,700
Drop Ceiling Panels - Replace - 15%	1	12,000 -	20,000
Building Exteriors			
Exterior Wall Lights - Replace	1	2,600 -	3,100
Wood Exterior - Seal/Paint	2	53,000 -	56,000
Stucco/EIFS - Seal/Paint	2	62,000 -	82,000
Wood Siding - Replace	24	110,000 -	150,000
Windows - Replace	7	2,600,000 -	3,600,000
Balcony Doors - Replace	7	93,000 -	120,000
Roof: Tile Underlayment - Replace	23	720,000 -	820,000
Roof: Tile Underlay-Replace (Pool)	1	39,000 -	46,000
Gutters/Downspouts - Replace	23	46,000 -	57,000
Heat Tape - Replace	6	20,000 -	28,000
Building Interiors			
Interior Surface - Repaint	2	200,000 -	220,000
Chandelier - Replace	2	11,000 -	14,000
Interior Wall Lights - Replace	2	21,000 -	26,000
Lobby Lights - Replace	2	5,400 -	8,100
Tile Flooring - Replace	4	39,000 -	56,000
Carpet - Replace	2	130,000 -	160,000
Corridor Decor - Update	2	34,000 -	39,000
Loading Dock Bathrooms - Remodel	2	6,800 -	11,000
Lobby Bathrooms - Remodel	2	34,000 -	39,000
Manager Offices - Refurbish	2	5,200 -	6,400
Guest Bell Carts - Replace	6	4,500 -	6,800
Mechanical Systems			
Keypads - Replace	2	7,800 -	13,000
Door Lock System - Replace	2	15,000 -	21,000
Barrier Arm Operators - Replace	2	8,100 -	9,000
Loop Detectors - Replace	2	4,400 -	5,000
Automatic Door Operators - Replace	10	22,000 -	25,000
Elevator #1 - Modernize	18	150,000 -	180,000
Elevator #2 - Modernize	23	150,000 -	180,000
Elevator #3 - Modernize	17	150,000 -	180,000
Elevator Cabs - Remodel	3	50,000 -	62,000
Air Handler #1 - Replace	20	34,000 -	38,000
Air Handler #2 - Replace	20	34,000 -	38,000
Laundry Make Up Air - Replace	21	6,800 -	9,000
Garage Exhaust Fans - Allowance	4	4,500 -	5,700
Air Compressors - Replace	6	3,400 -	5,000
Boiler Pumps - Replace - 20%	1	5,700 -	6,800
Pressure Reducing Valves - Rebuild	2	13,000 -	16,000
Pumps - Rebuild	1	34,000 -	50,000
Air Handler VFDs - Replace	11	34,000 -	38,000
Variable Frequency Drives - Replace	7	16,000 -	20,000
Sump Pump - Replace - 50%	3	45,000 -	57,000
Trash Compactor - Replace	1	41,000 -	67,000
Mechanical Monitor System - Replace	1	78,000 -	83,000
Generator - Replace	1	23,000 -	34,000
Fire Control Panel - Update/Replace	10	25,000 -	34,000
Exit/Emergency Lights - Replace	10	2,300 -	2,800
CO Monitors - Replace	8	11,000 -	16,000
Boilers - Replace	17	230,000 -	280,000
Glycol Heater/Tank - Replace	13	11,000 -	16,000
Water Softener Tanks - Replace	0	46,000 -	57,000

(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, 2021
(Unaudited)
(Continued)

Components	Estimated Remaining Useful Lives (Years)	Range of Estimated Current Replacement Costs		Replacement Fund Balances 2021
General Common Elements (continued):				
Mechanical Systems (continued)				
Water Storage Tanks - Replace	26	78,000	-	90,000
Heat Exchanger - Replace	10	28,000	-	39,000
Heat Exchanger - Replace	16	28,000	-	39,000
Expansion Tank - Replace	26	15,000	-	21,000
Total - General Common Elements		<u>5,700,400</u>	<u>7,367,600</u>	<u>609,031</u>
Residential Limited Common Elements:				
Building Interiors				
Ski Lockers - Replace	2	25,000	-	33,000
Breakfast Room Furnishings - Update	2	12,000	-	32,000
Lobby Furniture and Décor - Update	2	16,000	-	23,000
Breakfast Kitchen - Remodel	2	23,000	-	45,000
Kitchen Appliances - Replace	2	7,800	-	11,000
Mechanical				
Door Lock System - Replace	1	67,000	-	93,000
Flatwork Ironer - Replace	6	21,000	-	25,000
Laundry Machines - Replace	2	41,000	-	48,000
Amenities				
Fitness Equipment - Replace	4	9,000	-	13,000
Steam Generator - Replace	6	10,000	-	11,000
Sauna Heater - Replace	0	3,400	-	5,700
Steam Room - Refurbish	2	13,000	-	23,000
Sauna Room - Refurbish	2	11,000	-	23,000
Pool / Spa				
Bathroom - Refurbish	2	11,000	-	16,000
Shower - Refurbish	2	2,300	-	5,700
Patio Furniture - Replace	1	6,800	-	11,000
Tile Deck - Replace	4	57,000	-	84,000
Pool - Resurface	2	28,000	-	39,000
Spa - Resurface	0	4,500	-	6,800
Pool Heat Exchanger - Replace	9	1,100	-	2,300
Spa Heat Exchanger - Replace	9	1,100	-	1,300
Pool Filter - Replace	16	2,800	-	4,500
Spa Filter - Replace	16	1,600	-	3,400
Pumps - Replace	6	2,300	-	4,500
Unit Interiors				
Balcony Deck Brick - Repair - 5%	0	5,400	-	6,800
Balcony Rails - Paint	2	4,500	-	6,800
Balcony Rails - Replace	6	41,000	-	54,000
Interior Surfaces - Repaint	5	700,000	-	700,000
Tile Flooring - Replace	13	701,000	-	1,000,000
Carpeting - Replace	2	500,000	-	590,000
Lighting: Wall Fixtures - Replace	3	35,000	-	38,000
Lighting: Floor Lamps - Replace	6	27,000	-	33,000
Lighting: Table Lamps - Replace	6	100,000	-	110,000
Ceiling Fans - Replace	2	31,000	-	36,000
Artwork/Décor - Replace	2	36,000	-	53,000
Window Shades - Replace	3	120,000	-	130,000
Window Blinds - Replace	3	220,000	-	250,000
Mattresses - Replace	4	84,000	-	96,000
Furniture: Fold Out Sofa - Replace	8	96,000	-	100,000
Furniture: Loveseats - Replace	8	94,000	-	100,000
Furniture: Lounges - Replace	8	110,000	-	130,000
Furniture: Bar Stools - Replace	14	26,000	-	27,000
Furniture: Dining Chairs - Replace	6	87,000	-	89,000
Furniture: Dining Table - Replace	6	100,000	-	120,000
Furniture: Coffee Table - Replace	6	47,000	-	69,000
Furniture: Side Table - Replace	6	38,000	-	81,000
Furniture: Night Stand - Replace	6	320,000	-	390,000
Furniture: Buffet/Side Board - Replace	6	52,000	-	77,000
Furniture: Large Dresser - Replace	6	130,000	-	140,000
Guest Bath (Final Phase) - Remodel	28	560,000	-	580,000
Master Bathrooms - Remodel	23	970,000	-	1,300,000
Kitchens - Remodel/Refurbish	13	1,100,000	-	1,400,000
Kitchen Appliances - Annual Replace	0	15,000	-	18,000
Telephones - Replace	2	5,900	-	8,800
Bedroom TVs - Replace	5	33,000	-	34,000
Living Room TVs - Replace	3	78,000	-	84,000
Fireplace - Replace	17	260,000	-	260,000
Laundry Machines - Replace - 10%	0	6,500	-	7,300
Furniture: Patio Cushions - Replace	3	9,000	-	13,000
Furniture: Patio - Replace	3	54,000	-	74,000
Total - Residential Common Elements		<u>7,174,000</u>	<u>8,769,900</u>	<u>929,490</u>

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