



MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

**Financial Statements
and
Independent Auditors' Report
October 31, 2014 and 2013**

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MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

Board of Managers and Owners
Mountain Haus Condominium Association
Vail, Colorado

We have audited the accompanying financial statements of Mountain Haus Condominium Association, which are comprised of the balance sheets as of October 31, 2014 and 2013, and the related statements of operating fund revenues and expenses, changes in fund balances, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 have 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 Mountain Haus Condominium Association as of October 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 12 through 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of 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 audits 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States of America require that the supplementary information on major repairs and replacements on page 15 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles 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 financial statements, and other knowledge we obtained during our audits of the 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.

EKS+H LLP
EKS&H LLP

December 4, 2014
Denver, Colorado

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Balance Sheets

	October 31,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,045,737	\$ 882,994
Restricted cash	200,000	-
Accounts receivable	58,760	35,777
Accounts receivable - unit #569D owner litigation	193,765	-
Inventories	64,648	54,629
Prepaid expenses	17,759	50,869
Total current assets	<u>1,580,669</u>	<u>1,024,269</u>
Property and equipment		
Building improvements	8,134,838	7,368,738
Equipment	429,501	480,131
Construction in progress	13,787	13,749
	8,578,126	7,862,618
Less accumulated depreciation	<u>(5,065,016)</u>	<u>(4,742,012)</u>
Net property and equipment	<u>3,513,110</u>	<u>3,120,606</u>
Total assets	<u>\$ 5,093,779</u>	<u>\$ 4,144,875</u>

Liabilities and Fund Balances

Current liabilities		
Accounts payable		
Trade	\$ 22,159	\$ 31,492
Owners	70,635	47,940
Accrued liabilities		
Payroll and related	9,416	5,541
Accrued bonus	77,470	67,630
Accrued expenses	-	2,163
Line-of-credit - unit #569D owner litigation	193,765	-
Patronage dividend payable to owners	60,277	14,568
Advance reservation deposits	1,054,745	763,977
Total current liabilities	<u>1,488,467</u>	<u>933,311</u>
Commitments and contingencies		
Fund balances		
Operating	3,600,881	3,187,964
Capital	4,431	23,600
Total fund balances	<u>3,605,312</u>	<u>3,211,564</u>
Total liabilities and fund balances	<u>\$ 5,093,779</u>	<u>\$ 4,144,875</u>

See notes to financial statements.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Statements of Operating Fund Revenues and Expenses

	For the Years Ended October 31,	
	<u>2014</u>	<u>2013</u>
Revenues and assessments		
Room revenue	\$ 4,019,666	\$ 3,697,749
Dues and assessments	907,296	880,872
Interest	3,459	3,701
Maid service	31,335	29,145
Other	<u>52,173</u>	<u>52,998</u>
Total revenues and assessments	<u>5,013,929</u>	<u>4,664,465</u>
Departmental and operating expenses		
Employee	1,739,234	1,634,329
Marketing and guest	342,244	320,804
Administrative and general	282,459	269,075
Utilities	198,673	187,813
Repairs and maintenance	138,723	122,627
Insurance	80,036	108,696
Housekeeping	69,453	68,818
Depreciation, other than assets specially assessed	9,384	10,902
Property taxes	<u>3,812</u>	<u>4,075</u>
Total departmental and operating expenses	<u>2,864,018</u>	<u>2,727,139</u>
Excess of revenues over expenses before fixed charges	<u>2,149,911</u>	<u>1,937,326</u>
Fixed charges		
Depreciation on assets specially assessed	423,061	370,735
Payments to owners for operating results	60,277	14,568
Loss on disposal of assets	<u>3,149</u>	<u>26,943</u>
Total fixed charges	<u>486,487</u>	<u>412,246</u>
Excess of revenues over expenses before room revenues credited to rental program participants	1,663,424	1,525,080
Room revenues credited to rental program participants	<u>2,090,226</u>	<u>1,922,829</u>
Deficit of revenues over expenses	<u>\$ (426,802)</u>	<u>\$ (397,749)</u>

See notes to financial statements.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Statement of Changes in Fund Balances For the Years Ended October 31, 2014 and 2013

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Balance - October 31, 2012	\$ 3,184,813	\$ 38,663	\$ 3,223,476
Special capital assessments	-	385,837	385,837
Purchase of property and equipment transferred to and capitalized in operating fund	400,900	(400,900)	-
Deficit of revenues over expenses	<u>(397,749)</u>	<u>-</u>	<u>(397,749)</u>
Balance - October 31, 2013	3,187,964	23,600	3,211,564
Special capital assessments	-	820,550	820,550
Purchase of property and equipment transferred to and capitalized in operating fund	839,719	(839,719)	-
Deficit of revenues over expenses	<u>(426,802)</u>	<u>-</u>	<u>(426,802)</u>
Balance - October 31, 2014	<u>\$ 3,600,881</u>	<u>\$ 4,431</u>	<u>\$ 3,605,312</u>

See notes to financial statements.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Statements of Cash Flows

	For the Years Ended October 31,	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Deficit of revenues over expenses	\$ (426,802)	\$ (397,749)
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operating activities		
Depreciation	432,445	381,637
Loss on disposal of assets	3,149	26,943
Changes in assets and liabilities		
Accounts receivable	(216,748)	15,267
Inventories	(10,019)	4,566
Prepaid expenses	33,110	(33,569)
Accounts payable	13,362	15,459
Accrued liabilities	11,552	(9,303)
Patronage dividend payable to owners	45,709	(15,393)
Advance reservation deposits	<u>290,768</u>	<u>41,643</u>
	<u>603,328</u>	<u>427,250</u>
Net cash provided by operating activities	<u>176,526</u>	<u>29,501</u>
Cash flows from investing activities		
Purchase of property and equipment	(840,178)	(419,862)
Proceeds from sale of property and equipment	<u>12,080</u>	<u>-</u>
Net cash used in investing activities	<u>(828,098)</u>	<u>(419,862)</u>
Cash flows from financing activities		
Restricted cash	(200,000)	-
Line-of-credit - unit #569D owner litigation, net	193,765	-
Special capital assessments	<u>820,550</u>	<u>385,837</u>
Net cash provided by financing activities	<u>814,315</u>	<u>385,837</u>
Net increase (decrease) in cash and cash equivalents	162,743	(4,524)
Cash and cash equivalents - beginning of year	<u>882,994</u>	<u>887,518</u>
Cash and cash equivalents - end of year	<u>\$ 1,045,737</u>	<u>\$ 882,994</u>

See notes to financial statements.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies

Mountain Haus Condominium Association (the "Association"), a non-profit corporation, was incorporated in December 1967 to govern and manage 75 condominium units located in Vail, Colorado. The Association's activities include governing and managing related common areas, as well as managing the rental operations of the property, which are described as the Condotel.

The owners of the condominium units may individually elect to offer their units for rent as part of a short-term rental program. Approximately 88% of the owners participate in the program. For the years ended October 31, 2014 and 2013, the Association generally retained 48% of short-term room rental revenue received to offset related operating costs. The remaining 52% of short-term room rental revenue was credited to the owners.

Association expenses are allocated between the Homeowners' operating fund and rental operation based on an allocation approved by the Board of Managers ("Board").

Cash and Cash Equivalents

The Association considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Association continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the balance sheet date, and periodically throughout the year, the Association has maintained balances in various operating accounts in excess of federally insured limits.

Restricted Cash

Restricted cash consists of monies held in a bank related to requirements of a specific line-of-credit agreement (Note 3).

Accounts Receivable

Accounts receivable consist of balances due from owners and in-house guests. The Association has the right to place a lien on the property of owners who are delinquent in their accounts.

Inventories

Inventories consist primarily of guest amenities and linens for units. Linen inventories are valued as follows: 1/3 at full current cost, 1/3 at 66% of current cost, and 1/3 at 33% of current cost. Guest amenities and maintenance items are stated at the lower of cost or market, determined using the first-in, first-out method.

Property and Equipment

The policy of the Association is to capitalize real and personal property at cost on the operating fund to which the Association has separate title or ownership and that may be sold individually or from which significant cash flows can be derived based on usage by owners and non-owners.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Property and equipment are stated at cost. Depreciation is provided utilizing straight-line and accelerated methods over the estimated useful lives for owned assets, which range from 10 to 39 years for building improvements and from 3 to 10 years for furniture, fixtures, and equipment.

Long-Lived Assets

The Association reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Association looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired.

Advance Reservation Deposits

Advance reservation deposits consist of deposits received for future room rentals and relate primarily to the winter ski season.

Fund Accounting

The Association uses fund accounting, which requires the following funds to be classified separately for accounting and reporting purposes:

- An operating fund, which includes resources available for the common area operations and rental operations of the Association.
- A capital fund, which represents resources from amounts specially assessed to owners to fund Board-approved capital expenditures.

Revenue Recognition

Dues are assessed monthly to owners, in accordance with the Association's declarations, at an amount determined by the budget and approved by the Board. Room revenue is recognized as lodging is provided.

Advertising Costs

The Association expenses advertising costs as incurred. Advertising expense for the years ended October 31, 2014 and 2013 was \$99,243 and \$94,309, respectively.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Income Taxes

The Association does not qualify to be treated as an association exempt from income taxes pursuant to Internal Revenue Code ("IRC") Section 528. Although the Association is a not-for-profit corporation, it is subject to income tax, essentially in the same manner as a regular business corporation. The rental operations flow through and are taxed individually to the owners and, therefore, are not included on the corporate tax returns of the Association.

The Association applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of October 31, 2014 and 2013. If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of October 31, 2014 and 2013. Tax years that remain subject to examination include 2011 through the current year.

Concentration Risks

A significant portion of the Association's revenue is derived during the winter months. If the Vail area were to experience a significant decline in snowfall, it could have a huge impact on the Association's rental revenue.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Association has evaluated all subsequent events through the auditor's report date, which is the date the financial statements were available for issuance, and has determined that there are no events requiring disclosure.

Note 2 - Special Assessments

The Board has historically elected not to fund capital expenditures in advance, but rather assess owners, at the Board's discretion, as the funds are necessary. For the years ended October 31, 2014 and 2013, special capital assessments for capital improvements were \$820,550 and \$385,837, respectively.

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 3 - Line-of-Credit

During 2014, the Association entered into a \$200,000 line-of-credit with a bank in order to fund litigation cost (Note 5), which matures in May 2015. The balance as of October 31, 2014 was \$193,765. Interest is at the greater of prime plus 1.0% or 4.25% (4.25% at October 31, 2014) payable monthly. The line is collateralized by all assets of the Association and guaranteed by the Mountain Haus Association .

Note 4 - Patronage Dividend

At the end of each fiscal year, the Association has historically refunded or billed any taxable excess (deficit) to the owners and rental participants as a patronage dividend. Taxable revenue in excess of expenses consists of the following:

	October 31,	
	2014	2013
Condotel	\$ 37,524	\$ 10,106
Association	<u>22,753</u>	<u>4,462</u>
Total	<u>\$ 60,277</u>	<u>\$ 14,568</u>

Note 5 - Commitments and Contingencies

Litigation

The Association is in post-trial status regarding litigation initiated by an individual owner against the Association. This case began in April of 2013, went to trial in July 2014, and, in August 2014, the judge ruled in favor of the owner. The Association recorded legal expenses, which include damages, attorney's fee, and judgment costs, within a separate accounts receivable line on the balance sheets, and will be fully billed as a special assessment to owners. The Association entered into a line-of-credit in order to fund the payments made as a result of the litigation (Note 3).

Retirement Plans

The Association has adopted a simplified employee pension plan (the "Plan") under Section 401(k) of the IRC. Under the Plan, each employee, as defined, can elect to make salary reduction payments to individual retirement accounts. The Association matched 50% of the participant deferrals, up to 4% of the employee's contribution, with a total matching contribution of \$14,643 and \$14,883 for the years ended October 31, 2014 and 2013, respectively.

The Plan also provides for an annual discretionary contribution by the Association. For the years ended October 31, 2014 and 2013, no discretionary contributions were made by the Association.

Employment Contracts

The Association has employment contracts with key management personnel, which require lump-sum payments if employment is terminated by the Association.

ACCOMPANYING INFORMATION

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Combining Statement of Operating Fund Revenues and Expenses For the Year Ended October 31, 2014

	<u>Association</u>	<u>Condotel</u>	<u>Eliminations</u>	<u>Total</u>
Revenues and assessments				
Room revenue	\$ -	\$ 4,019,666	\$ -	\$ 4,019,666
Dues and assessments	907,296	-	-	907,296
Interest	-	3,459	-	3,459
Maid service	-	31,335	-	31,335
Other	41,489	48,018	(37,334)	52,173
Total revenues and assessments	<u>948,785</u>	<u>4,102,478</u>	<u>(37,334)</u>	<u>5,013,929</u>
Departmental and operating expenses				
Employee	462,652	1,276,582	-	1,739,234
Marketing and guest	1,665	352,579	(12,000)	342,244
Administrative and general	67,049	220,284	(4,874)	282,459
Utilities	197,866	807	-	198,673
Repairs and maintenance	138,723	-	-	138,723
Insurance	54,822	25,214	-	80,036
Housekeeping	-	89,913	(20,460)	69,453
Depreciation, other than assets specially assessed	-	9,384	-	9,384
Property taxes	3,250	562	-	3,812
Total departmental and operating expenses	<u>926,027</u>	<u>1,975,325</u>	<u>(37,334)</u>	<u>2,864,018</u>
Excess of revenues over expenses before fixed charges	<u>22,758</u>	<u>2,127,153</u>	<u>-</u>	<u>2,149,911</u>
Fixed charges				
Depreciation on assets specially assessed	423,061	-	-	423,061
Payments to owners for operating results	22,753	37,524	-	60,277
Loss (gain) on disposal of assets	7,066	(3,917)	-	3,149
Total fixed charges	<u>452,880</u>	<u>33,607</u>	<u>-</u>	<u>486,487</u>
(Deficit) excess of revenues over expenses before room revenues credited to rental program participants	(430,122)	2,093,546	-	1,663,424
Room revenues credited to rental program participants	<u>-</u>	<u>2,090,226</u>	<u>-</u>	<u>2,090,226</u>
(Deficit) excess of revenues over expenses	<u>\$ (430,122)</u>	<u>\$ 3,320</u>	<u>\$ -</u>	<u>\$ (426,802)</u>

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Schedule of Condotel Operating Expenses

		For the Years Ended October 31,	
	Budget 2014 (Unaudited)	2014	2013
Employee			
Laundry and housekeeping wages	\$ 377,677	\$ 402,968	\$ 348,728
Payroll taxes and benefits	277,803	326,931	307,478
Back office wages	296,392	306,789	293,055
Front office wages	124,323	113,218	117,034
Management bonus	65,825	74,692	64,160
Maintenance wages	<u>53,240</u>	<u>51,984</u>	<u>51,652</u>
Total employee	<u>\$ 1,195,260</u>	<u>\$ 1,276,582</u>	<u>\$ 1,182,107</u>
Marketing and guest			
Guest services	\$ 113,731	\$ 146,421	\$ 141,028
Marketing and advertising	113,493	99,243	94,309
Cable television	38,144	34,038	31,778
Travel agent commissions	15,483	37,753	33,966
Conference rent	12,000	12,000	12,000
Printing and mailing	6,200	5,369	4,245
Rating survey	6,250	6,040	6,200
Dues and subscriptions	7,500	6,595	7,412
Telephone	1,650	4,503	70
Promotions and entertainment	<u>1,800</u>	<u>617</u>	<u>142</u>
Total marketing and guest	<u>\$ 316,251</u>	<u>\$ 352,579</u>	<u>\$ 331,150</u>
Administrative and general			
Credit card commissions	\$ 94,500	\$ 110,042	\$ 102,441
Data processing	24,360	23,727	22,633
Other office expense	22,577	28,138	21,723
Professional fees	17,250	17,040	16,225
Parking	9,060	9,060	10,610
Automobile	13,260	10,187	13,696
Telephone	9,600	8,618	8,187
Condotel - uniforms	5,050	4,095	5,201
Postage and printing	4,900	4,503	5,064
Office rent	<u>4,874</u>	<u>4,874</u>	<u>4,327</u>
Total administrative and general	<u>\$ 205,431</u>	<u>\$ 220,284</u>	<u>\$ 210,107</u>
Utilities	<u>\$ 807</u>	<u>\$ 807</u>	<u>\$ 749</u>
Housekeeping			
Cleaning supplies	\$ 26,525	\$ 49,165	\$ 47,971
Linens	10,000	13,377	9,215
Laundry rent	20,460	20,460	20,460
Kitchen supplies	<u>5,000</u>	<u>6,911</u>	<u>11,632</u>
Total housekeeping	<u>\$ 61,985</u>	<u>\$ 89,913</u>	<u>\$ 89,278</u>

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Schedule of Common Area Expenses

		For the Years Ended October 31,	
	Budget 2014 (Unaudited)	2014	2013
Employee			
Back office wages	\$ 166,042	\$ 175,367	\$ 170,075
Payroll taxes and benefits	85,097	97,880	94,595
Front office wages	95,973	95,973	95,450
Maintenance wages	46,716	46,716	46,051
Laundry and housekeeping wages	<u>46,716</u>	<u>46,716</u>	<u>46,051</u>
Total employee	<u>\$ 440,544</u>	<u>\$ 462,652</u>	<u>\$ 452,222</u>
Administrative and general			
Professional fees	\$ 23,650	\$ 24,096	\$ 22,862
Directors	11,600	11,359	9,746
Office supplies	7,200	7,200	7,200
Data processing and facsimile	9,600	12,185	11,784
Telephone	4,920	4,920	4,800
Automobile	-	2,700	2,963
Parking	4,440	3,390	2,740
Postage and printing	<u>1,200</u>	<u>1,199</u>	<u>1,200</u>
Total administrative and general	<u>\$ 62,610</u>	<u>\$ 67,049</u>	<u>\$ 63,295</u>
Utilities			
Gas and electric	\$ 117,654	\$ 119,143	\$ 105,197
Water and sewer	67,100	61,078	65,149
Trash removal	<u>17,450</u>	<u>17,645</u>	<u>16,718</u>
Total utilities	<u>\$ 202,204</u>	<u>\$ 197,866</u>	<u>\$ 187,064</u>
Repairs and maintenance			
Repairs and maintenance	\$ 91,794	\$ 91,069	\$ 91,243
Elevator	19,700	20,576	21,776
Swimming pool	4,200	4,214	3,616
Decorating	4,050	3,786	3,740
Plumbing and electrical	<u>1,200</u>	<u>19,078</u>	<u>2,252</u>
Total repairs and maintenance	<u>\$ 120,944</u>	<u>\$ 138,723</u>	<u>\$ 122,627</u>

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION

Supplementary Information on Major Repairs and Replacements For the Year Ended October 31, 2014 (Unaudited)

The Board estimates the remaining useful lives and the replacement costs of the components of common property based on estimated replacement dates and lives of common property. The following table is based on management's estimates and presents significant information about the components of common property. The estimates were derived by management. Estimated replacement costs have been discounted to represent current values at October 31, 2014 using a 2% inflation factor.

	<u>Estimated Remaining Useful Lives</u>	<u>Total Estimated Replacement Costs</u>	<u>Amount Funded</u>
Building	2 - 6 years	\$ 1,611,500	\$ -
Roof replacement	3 years	850,000	-
Hallway upgrades	5 years	585,000	-
Lobby upgrades	6 years	145,000	-
Office furnishings and computers	5 years	141,750	-
Entrance upgrades	6 years	313,000	-
Spa, hot tub, and exercise room upgrades	1 - 5 years	555,295	-
Conference room upgrades	5 years	<u>31,000</u>	<u>-</u>
		<u>\$ 4,232,545</u>	<u>\$ -</u>