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# Mountain Haus Condominium Association

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**Financial Report  
with Supplemental Information  
October 31, 2020**

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## Independent Auditor's Report

To the Board of Managers and Owners  
Mountain Haus Condominium Association

We have audited the accompanying financial statements of Mountain Haus Condominium Association (the "Association"), which comprise the balance sheet as of October 31, 2020 and 2019 and the related statements of operating fund revenue 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.

### ***Auditor's 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 audits 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 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 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, 2020 and 2019 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.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

December 3, 2020

# Mountain Haus Condominium Association

## Balance Sheet

October 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,545,207	\$ 1,181,698
Accounts receivable - Net	21,882	63,754
Inventory	85,103	98,740
Prepaid expenses	74,611	83,675
Total current assets	1,726,803	1,427,867
<b>Property and Equipment</b>		
Building improvements	8,204,701	8,204,701
Equipment	595,873	561,982
Vehicles	13,781	13,781
Construction in progress	157,827	503,494
Total property and equipment	8,972,182	9,283,958
Less accumulated depreciation	6,982,342	6,720,722
Net property and equipment	1,989,840	2,563,236
Total assets	<b>\$ 3,716,643</b>	<b>\$ 3,991,103</b>
<b>Liabilities and Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable:		
Trade accounts payable	\$ 25,713	\$ 18,751
Owners payable	189,254	125,627
Bank line of credit	-	331,586
Current portion of long-term debt	213,142	-
Patronage dividend payable to owners	100,282	79,663
Advance reservation deposits	712,841	878,763
Accrued liabilities:		
Payroll and related	92,980	47,857
Accrued bonus	103,799	106,681
Total current liabilities	1,438,011	1,588,928
<b>Long-term Debt - Net of current portion</b>	<b>107,358</b>	<b>-</b>
Total liabilities	1,545,369	1,588,928
<b>Fund Balances</b>		
Operating	2,040,211	2,262,142
Capital	131,063	140,033
Total fund balances	2,171,274	2,402,175
Total liabilities and fund balances	<b>\$ 3,716,643</b>	<b>\$ 3,991,103</b>

## Mountain Haus Condominium Association

### Statement of Operating Fund Revenue and Expenses

Years Ended October 31, 2020 and 2019

	2020	2019
<b>Revenue and Assessments</b>		
Room revenue	\$ 3,846,240	\$ 4,482,200
Dues and assessments	1,041,013	1,013,215
Interest	4,839	6,211
Maid service	18,987	46,268
Other	67,839	44,188
Total revenue and assessments	4,978,918	5,592,082
<b>Departmental and Operating Expenses</b>		
Employee	1,822,093	1,991,221
Marketing and guest	280,420	351,463
Administrative and general	320,903	332,918
Utilities	185,127	192,334
Repairs and maintenance	158,230	153,572
Housekeeping	85,979	68,272
Insurance	91,877	74,116
Depreciation - Other than assets specially assessed	7,481	12,143
Property taxes	5,089	4,720
Total departmental and operating expenses	2,957,199	3,180,759
<b>Excess of Revenue Over Expenses - Before fixed charges</b>	2,021,719	2,411,323
<b>Fixed Charges</b>		
Depreciation on assets specially assessed	254,139	269,268
Payments to owners for operating results	100,282	79,577
Total fixed charges	354,421	348,845
<b>Excess of Revenue Over Expenses - Before room revenue credited to rental program participants</b>	1,667,298	2,062,478
<b>Room Revenue Credited to Rental Program Participants</b>	1,923,120	2,329,981
<b>Excess of Expenses Over Revenue</b>	<b>\$ (255,822)</b>	<b>\$ (267,503)</b>

## Mountain Haus Condominium Association

### Statement of Changes in Fund Balances

#### Years Ended October 31, 2020 and 2019

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>Balance</b> - November 1, 2018	\$ 2,491,591	\$ 128,737	\$ 2,620,328
Excess of expenses over revenue	(267,503)	-	(267,503)
Special capital assessments	-	472,278	472,278
Repairs and replacements	-	(458,330)	(458,330)
Purchase of property and equipment transfer	<u>38,054</u>	<u>(2,652)</u>	<u>35,402</u>
<b>Balance</b> - October 31, 2019	2,262,142	140,033	2,402,175
Excess of expenses over revenue	(255,822)	-	(255,822)
Special capital assessments	-	689,349	689,349
Repairs and replacements	-	(664,428)	(664,428)
Purchase of property and equipment transfer	<u>33,891</u>	<u>(33,891)</u>	<u>-</u>
<b>Balance</b> - October 31, 2020	<u><b>\$ 2,040,211</b></u>	<u><b>\$ 131,063</b></u>	<u><b>\$ 2,171,274</b></u>

## Mountain Haus Condominium Association

### Statement of Cash Flows

Years Ended October 31, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Excess of expenses over revenue	\$ (255,822)	\$ (267,503)
Adjustments to reconcile excess of expenses over revenue to net cash and cash equivalents from operating activities:		
Depreciation	261,620	281,411
Special capital assessments	689,349	472,278
Repairs and replacements	(318,761)	(458,330)
Changes in assets and liabilities:		
Accounts receivable	41,872	(7,889)
Inventory	13,637	(14,486)
Prepaid expenses	9,064	(38,689)
Accounts payable	70,589	54,054
Accrued liabilities	42,241	(24,227)
Patronage dividend payable to owners	20,619	(140,891)
Advance reservation deposits	(165,922)	27,991
Net cash and cash equivalents provided by (used in) operating activities	408,486	(116,281)
<b>Cash Flows Used in Investing Activities</b> - Purchase of property and equipment	(33,891)	(316,600)
<b>Cash Flows from Financing Activities</b>		
(Payments on) proceeds from line of credit	(331,586)	331,586
Proceeds from debt	320,500	-
Net cash and cash equivalents (used in) provided by financing activities	(11,086)	331,586
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	363,509	(101,295)
<b>Cash and Cash Equivalents</b> - Beginning of year	1,181,698	1,282,993
<b>Cash and Cash Equivalents</b> - End of year	<u><u>\$ 1,545,207</u></u>	<u><u>\$ 1,181,698</u></u>
<b>Supplemental Disclosure of Noncash Activity</b>		
Fixed assets transferred from the capital fund	\$ 33,891	\$ 35,402
Elevator repairs and replacements transferred from construction in progress	369,669	-

**October 31, 2020 and 2019**

**Note 1 - Nature of Business**

Mountain Haus Condominium Association (the "Association"), a nonprofit 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 and 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 80 percent of the owners participate in the rental program. For the years ended October 31, 2020 and 2019, the Association generally retained 50 percent of short-term room rental revenue received to offset related operating costs, and the remaining 50 percent of short-term room rental revenue was credited to the owners.

Association expenses are allocated between the homeowners' operating fund and rental operations based on an allocation approved by the board of managers (the "Board").

**Note 2 - Significant Accounting Policies**

***Cash and Cash Equivalents***

For the purpose of the accompanying financial statements, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value due to the short-term nature of these investments. 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.

***Accounts Receivable***

Accounts receivable are stated at invoice cost. The Association has the right to place a lien on the property of owners who are delinquent in their accounts. The Association has no allowance for doubtful accounts for financial reporting purposes. All accounts receivable are considered collectible.

***Inventories***

Inventories consist primarily of guest amenities and linens for units. Linen inventory is valued as follows: one-third at full current cost, one-third at 66 percent of current cost, and one-third at 33 percent of current cost. Guest amenities and maintenance items are stated at the lower of cost or net realizable value, 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 nonowners.

Property and equipment are recorded at cost. Both straight-line and accelerated methods are used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives for owned assets, which range from 10 to 39 years for building improvements and 3 to 10 years for furniture, fixtures, and equipment. Costs of maintenance and repairs are charged to expense when incurred.

Depreciation expense for property and equipment totaled \$261,620 and \$281,411 for the years ended October 31, 2020 and 2019, respectively.



**October 31, 2020 and 2019**

**Note 2 - Significant Accounting Policies (Continued)**

***Impairment or Disposal of Long-lived Assets***

The Association reviews the recoverability of long-lived assets, including buildings and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

***Owners Payable***

Payables are due within 30 days to owners participating in the rental program.

***Advance Reservation Deposits***

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

***Fund Accounting***

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

The assets, liabilities, and net assets of the Association are reported in two self-balancing funds as follows:

- Operating Fund, which includes resources available for the common area operations and rental operations of the Association
- 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 Expense***

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2020 and 2019 was \$61,391 and \$70,158, respectively.

***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 nonprofit 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.

**October 31, 2020 and 2019**

**Note 2 - Significant Accounting Policies (Continued)**

***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 significant impact on the Association's rental revenue.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Impact of Disease Outbreak***

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations.

As of the date of issuance of the financial statements, the Association has experienced a decline in rental operations, while association operations have remained steady. Beginning in March 2020, the rental operations were suspended in response to the pandemic and as required by government order. Since June 2020, rental operations have slowly expanded occupancy availability.

Management has reviewed the fair value of their financial assets and determined that the potential impact cannot be determined at this time. No impairments were recorded as of the balance sheet date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future.

Management believes that current operating cash and expected operating cash flows will be sufficient to meet the projected cash needs for the next year. In addition, while the Association's activities, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including December 3, 2020, which is the date the financial statements were available to be issued.

***Employee Contracts***

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

**Note 2 - Significant Accounting Policies (Continued)**

***Upcoming Accounting Pronouncement***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Association's year ending October 31, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. The Association has not yet determined which application method it will use and is determining the impact of adoption of the standard on the timing of the recognition of revenue.

**Note 3 - Retirement Plan**

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 matches 50 percent of the participant deferrals, up to 4 percent of the employee's contribution, with a total matching contribution of \$13,261 and \$14,085 for the years ended October 31, 2020 and 2019, respectively.

The Plan also provides for an annual discretionary contribution by the Association. For the years ended October 31, 2020 and 2019, no discretionary contributions were made by the Association.

**Note 4 - 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, 2020 and 2019, special capital assessments for capital improvements were \$689,349 and \$472,278, respectively.

**Note 5 - 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:

	2020	2019
Condotel	\$ 118,827	\$ 74,758
Association	(18,545)	4,819
Total	\$ 100,282	\$ 79,577

**Note 6 - Paycheck Protection Program Loan**

On April 30, 2020, the Association received a Paycheck Protection Program term note with a bank. The Association has available borrowings of approximately \$320,500 with a maturity date of May 1, 2022. Interest will accrue from the date of loan at a rate of 1 percent. The note is collateralized by all assessments of the Association. The note has an unpaid principal balance of \$320,500 as of October 31, 2020, with \$213,142 payable within the next fiscal year.

**Note 7 - Line of Credit**

Under a line of credit agreement with a bank, the Association had available borrowings of approximately \$500,000. The agreement matured on May 28, 2020. Interest accrued on the unpaid principal balance of the note based on *The Wall Street Journal* prime rate plus 0.50 percent. The rate as of October 31, 2019 was 5.25 percent. The line of credit was collateralized by all assessments of the Association. The note had an unpaid principal balance of \$331,586, with a remaining available balance of \$168,414 as of October 31, 2019.

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## Supplemental Information

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## Independent Auditor's Report on Supplemental Information

To the Board of Managers and Owners  
Mountain Haus Condominium Association

We have audited the financial statements of Mountain Haus Condominium Association as of and for the years ended October 31, 2020 and 2019 and have issued our report thereon dated December 3, 2020, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental combining statement of operating fund revenue and expenses, schedule of Condotel operating expenses, and schedule of common area expenses are presented for the purpose 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 (unaudited) on page 16 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, which 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.

*Plante & Moran, PLLC*

December 3, 2020

## Mountain Haus Condominium Association

# Combining Statement of Operating Fund Revenue and Expenses

Year Ended October 31, 2020

	Association	Condotel	Eliminating Entries	Total
<b>Revenue and Assessments</b>				
Room revenue	\$ -	\$ 3,846,240	\$ -	\$ 3,846,240
Dues and assessments	1,041,013	-	-	1,041,013
Interest	-	4,839	-	4,839
Maid service	-	18,987	-	18,987
Other	35,931	68,313	(36,405)	67,839
Total revenue and assessments	1,076,944	3,938,379	(36,405)	4,978,918
<b>Departmental and Operating Expenses</b>				
Employee	596,144	1,225,949	-	1,822,093
Marketing and guest	-	292,420	(12,000)	280,420
Administrative and general	79,264	245,584	(3,945)	320,903
Utilities	184,327	800	-	185,127
Repairs and maintenance	158,230	-	-	158,230
Housekeeping	-	106,439	(20,460)	85,979
Insurance	73,717	18,160	-	91,877
Depreciation - Other than assets specially assessed	-	7,481	-	7,481
Property taxes	3,807	1,282	-	5,089
Total departmental and operating expenses	1,095,489	1,898,115	(36,405)	2,957,199
<b>Excess of Revenue (Under) Over Expenses - Before fixed charges</b>	(18,545)	2,040,264	-	2,021,719
<b>Fixed Charges</b>				
Depreciation on assets specially assessed	254,139	-	-	254,139
Payments to owners for operating results	(18,545)	118,827	-	100,282
Total fixed charges	235,594	118,827	-	354,421
<b>Excess of Revenue (Under) Over Expenses - Before room revenue credited to rental program participants</b>	(254,139)	1,921,437	-	1,667,298
<b>Room Revenue Credited to Rental Program Participants</b>	-	(1,923,120)	-	(1,923,120)
<b>Excess of Expenses Over Revenue</b>	<b>\$ (254,139)</b>	<b>\$ (1,683)</b>	<b>\$ -</b>	<b>\$ (255,822)</b>

## Mountain Haus Condominium Association

### Schedule of Condotel Operating Expenses

Years Ended October 31, 2020 and 2019

	Budget 2020 (Unaudited)	2020	2019
Employee			
Laundry and housekeeping wages	\$ 582,761	\$ 384,795	\$ 509,466
Payroll taxes and benefits	320,528	310,172	319,400
Back office wages	334,082	325,879	344,739
Front office wages	133,490	97,089	115,898
Management bonus	90,080	85,483	91,878
Maintenance wages	51,179	22,531	52,867
Total employee	<u>\$ 1,512,118</u>	<u>\$ 1,225,949</u>	<u>\$ 1,434,248</u>
Marketing and guest			
Guest services	\$ 147,415	\$ 130,394	\$ 173,019
Marketing and advertising	113,675	61,391	70,158
Travel agent commissions	30,000	38,025	33,489
Cable television	39,498	39,293	35,120
Dues and subscriptions	18,570	6,607	15,828
Conference rent	12,000	12,000	12,000
Rating survey	7,500	145	7,220
Printing and mailing	8,000	1,199	5,804
Telephone	1,650	-	64
Promotions and entertainment	9,400	3,366	11,028
Total marketing and guest	<u>\$ 387,708</u>	<u>\$ 292,420</u>	<u>\$ 363,730</u>
Administrative and general			
Credit card commissions	\$ 126,300	\$ 125,993	\$ 137,414
Data processing	34,840	34,325	53,666
Professional fees	20,800	21,539	19,026
Other office expense	17,231	36,689	17,539
Parking	10,735	10,735	10,735
Telephone	8,484	5,129	6,551
Automobile	4,240	2,929	4,378
Uniforms	3,950	3,552	2,589
Office rent	3,945	3,945	3,945
Postage and printing	2,655	748	1,278
Total administrative and general	<u>\$ 233,180</u>	<u>\$ 245,584</u>	<u>\$ 257,121</u>
Utilities	<u>\$ 810</u>	<u>\$ 800</u>	<u>\$ 810</u>
Housekeeping			
Cleaning supplies	\$ 47,500	\$ 44,181	\$ 48,885
Laundry rent	20,460	20,460	20,460
Linens	12,000	31,361	13,885
Kitchen supplies	5,250	10,437	5,502
Total housekeeping	<u>\$ 85,210</u>	<u>\$ 106,439</u>	<u>\$ 88,732</u>



## Mountain Haus Condominium Association

### Schedule of Common Area Expenses

Years Ended October 31, 2020 and 2019

	Budget 2020 (Unaudited)	2020	2019
<b>Employee</b>			
Back office wages	\$ 193,895	\$ 207,153	\$ 200,323
Front office wages	119,710	119,901	111,291
Payroll taxes and benefits	105,946	126,868	115,985
Maintenance wages	70,997	71,111	64,687
Laundry and housekeeping wages	70,997	71,111	64,687
<b>Total employee</b>	<u>\$ 561,546</u>	<u>\$ 596,144</u>	<u>\$ 556,973</u>
<b>Administrative and general</b>			
Professional fees	\$ 31,720	\$ 36,818	\$ 29,960
Directors	28,050	10,182	18,945
Data processing and facsimile	10,800	10,800	10,800
Office supplies	7,200	8,629	7,202
Telephone	4,920	4,920	4,920
Parking	7,265	6,415	6,415
Postage and printing	1,500	1,500	1,500
Automobile	-	-	-
<b>Total administrative and general</b>	<u>\$ 91,455</u>	<u>\$ 79,264</u>	<u>\$ 79,742</u>
<b>Utilities</b>			
Gas and electric	\$ 97,950	\$ 90,545	\$ 100,257
Water and sewer	72,800	69,746	70,220
Trash removal	22,423	17,433	21,047
Snow removal	-	6,603	-
<b>Total utilities</b>	<u>\$ 193,173</u>	<u>\$ 184,327</u>	<u>\$ 191,524</u>
<b>Repairs and maintenance</b>			
Repairs and maintenance	\$ 102,129	\$ 116,049	\$ 118,242
Elevator	21,480	27,872	20,910
Swimming pool	4,800	11,111	8,253
Decorating	4,200	3,198	6,167
Plumbing and electrical	1,200	-	-
<b>Total repairs and maintenance</b>	<u>\$ 133,809</u>	<u>\$ 158,230</u>	<u>\$ 153,572</u>

## Mountain Haus Condominium Association

### Supplementary Information on Major Repairs and Replacements (Unaudited)

Year Ended October 31, 2020

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. Actual expenditures may vary from the estimated amounts and the variations could be material. Estimated replacement costs have been discounted to represent current values at October 31, 2020 using a 2% inflation factor.

	<u>Estimated Remaining Useful Lives</u>	<u>Total Estimated Replacement Costs</u>	<u>Amount Funded</u>
Building	1-20 years	\$ 1,158,781	-
Roof replacement	7 years	775,000	-
Spa, hot tub, and exercise room upgrades	1-20 years	939,378	-
Entrance upgrades	3-16 years	941,000	-
Lobby upgrades	3-11 years	200,000	-
Conference room upgrades	6-13 years	59,000	-
Office furnishings and computers	1-7 years	23,000	-
Unallocated		<u>-</u>	<u>131,063</u>
		<u>\$ 4,096,159</u>	<u>\$ 131,063</u>