

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**(With Comparative Totals for the Year Ended December 31, 2021)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mountain Side Homeowners Association  
Frisco, Colorado

### *Opinion*

We have audited the accompanying financial statements of Mountain Side Homeowners Association (the "Association"), which comprise the balance sheet as of December 31, 2022, and the related statement of revenues, expenses, and changes in fund balances and comprehensive loss, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Report on Summarized Comparative Information*

We have previously audited Mountain Side Homeowners Association's December 31, 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated August 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*McNurlin, Hitchcock & Associates, P.C.*

McNurlin, Hitchcock & Associates, P.C.

July 6, 2023

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**

Balance Sheet

December 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

	2022			2021
	Operating Fund	Reserve/MCR Fund	(Memo only) Total	(Memo only) Total
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 13,784	\$ 19,774	\$ 33,558	\$ 102,867
Dues receivable	15,549	19,538	35,087	98,275
Prepaid expenses	3,017	-	3,017	3,315
Investments	-	73,917	73,917	257,838
Total Current Assets	32,350	113,229	145,579	462,295
<b>TOTAL ASSETS</b>	<b>\$ 32,350</b>	<b>\$ 113,229</b>	<b>\$ 145,579</b>	<b>\$ 462,295</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities				
Accounts payable	\$ 8,575	\$ -	\$ 8,575	\$ 22,937
Prepaid dues	1,748	-	1,748	18,096
Total Current Liabilities	10,323	-	10,323	41,033
<b>FUND BALANCES</b>				
Accumulated other comprehensive loss	-	(31,495)	(31,495)	(895)
Fund balances	22,027	144,724	166,751	422,157
TOTAL FUND BALANCES	22,027	113,229	135,256	421,262
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,350</b>	<b>\$ 113,229</b>	<b>\$ 145,579</b>	<b>\$ 462,295</b>

See the accompanying notes to the financial statements and independent auditors' report.

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**  
Statement of Revenues, Expenses, and Changes in Fund Balances  
Year Ended December 31, 2022  
(With Comparative Totals for the Year Ended December 31, 2021)

	2022			2021
	Operating Fund	Reserve/MCR Fund	(Memo only) Total	(Memo only) Total
<b>REVENUES</b>				
Dues	\$ 175,824	\$ 96,000	\$ 271,824	\$ 271,824
Late fees	10,241	-	10,241	18,839
Miscellaneous	4,914	-	4,914	4,989
Investment income	-	1,325	1,325	1,174
Total Revenues	<u>190,979</u>	<u>97,325</u>	<u>288,304</u>	<u>296,826</u>
<b>EXPENSES</b>				
Administrative and miscellaneous	478	-	478	438
Bad debt	36,811	-	36,811	-
Cable and internet	3,905	-	3,905	3,213
Insurance	11,765	-	11,765	10,645
Legal and accounting	8,792	113,080	121,872	4,920
Management fees	72,000	-	72,000	72,000
Manager's unit expense	2,913	-	2,913	2,767
Pool and hot tub maintenance	21,003	-	21,003	15,414
Repair and maintenance	32,403	-	32,403	19,956
Security and fire safety	1,440	-	1,440	2,469
Snow removal	1,636	-	1,636	2,232
Trash removal	11,912	-	11,912	10,270
Utilities	59,780	-	59,780	25,781
Water and sewer	5,192	-	5,192	3,760
Investment fees	-	-	-	20
Major repairs and replacements	-	160,600	160,600	353,623
Total Expenses	<u>270,030</u>	<u>273,680</u>	<u>543,710</u>	<u>527,508</u>
Revenues under expenses	(79,051)	(176,355)	(255,406)	(230,682)
Interfund transfer	(40,670)	40,670	-	-
Other comprehensive loss:				
Unrealized loss on investments	-	(30,600)	(30,600)	(1,278)
Total comprehensive loss	<u>(119,721)</u>	<u>(166,285)</u>	<u>(286,006)</u>	<u>(231,960)</u>
BEGINNING FUND BALANCES	<u>141,748</u>	<u>280,409</u>	<u>422,157</u>	<u>652,839</u>
ENDING FUND BALANCES	<u><u>22,027</u></u>	<u><u>144,724</u></u>	<u><u>166,751</u></u>	<u><u>422,157</u></u>
BEGINNING ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	<u>-</u>	<u>(895)</u>	<u>(895)</u>	<u>392</u>
ENDING ACCUMULATED OTHER COMPREHENSIVE LOSS	<u><u>\$ -</u></u>	<u><u>\$ (31,495)</u></u>	<u><u>\$ (31,495)</u></u>	<u><u>\$ (895)</u></u>

See the accompanying notes to the financial statements and independent auditors' report.

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**  
Statement of Cash Flows  
Year Ended December 31, 2022  
(With Comparative Totals for the Year Ended December 31, 2021)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Revenues under expenses	\$ (286,006)	\$ (230,680)
Adjustments to reconcile revenues under expenses to cash used in operating activities:		
(Increase) decrease in assets:		
Dues receivable	63,188	65,102
Prepaid expenses	298	(713)
Increase (decrease) in liabilities:		
Accounts payable	(14,362)	(15,292)
Prepaid dues	(16,348)	(18,096)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(253,230)</b>	<b>(199,679)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net sales of investments	183,921	3,573
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>183,921</b>	<b>3,573</b>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(69,309)</b>	<b>(196,106)</b>
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>102,867</b>	<b>298,973</b>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 33,558</b>	<b>\$ 102,867</b>
 <b>SUPPLEMENTAL INFORMATION:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See the accompanying notes to the financial statements and independent auditors' report.

## MOUNTAIN SIDE HOMEOWNERS ASSOCIATION

Notes to the Financial Statements

December 31, 2022

### Note 1 NATURE OF ORGANIZATION

Mountain Side Homeowners Association (the “Association”) is a nonprofit corporation, pursuant to the Colorado Nonprofit Corporation Act, incorporated on September 12, 1982. The Association was formed to own the common recreational areas, to maintain the common amenities located thereon, and all pedestrian easements within the project, and to otherwise further the interest of the owners. The Association consists of two hundred and one (201) residential condominium units and eighty-six (86) single-family and multi-family lots in Frisco, Colorado.

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The Association follows the accrual basis of accounting, whereby revenue is recognized when earned rather than received, and expenses are recognized when incurred rather than when paid.

#### Fund Accounting

Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Reserve/MCR Fund - This fund is used to accumulate and expend financial resources designated for future major repairs and replacements.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers investments that are highly liquid and readily converted to cash as cash equivalents, which includes investments purchased with an original maturity of three months or less. At December 31, 2022, cash and cash equivalents consisted of checking accounts.

#### Member Dues

Associations’ members are subject to annual dues which are due monthly to provide funds for the Associations’ operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from unit owners. The Association allocates specific funds from the budget for replacement reserves. At December 31, 2022, the Associations’ directors considered all dues receivable to be collectible; therefore, no allowance for uncollectible accounts is deemed necessary.

See accompanying independent auditors’ report.



## MOUNTAIN SIDE HOMEOWNERS ASSOCIATION

Notes to the Financial Statements

December 31, 2022

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition

Dues revenue is recognized when dues are due. Any amounts received in advance of the due date are deferred until due. The Financial Accounting Standards Board issued Accounting Standards Code 606 Revenue from Contracts with Customers requiring the deferral of the recognition of income until the services are rendered. The Association has determined ASC 606 does not apply to the Association as no customer relationship exists as it is defined by the Code. The Association does not defer the recognition of any portion of dues as a contract liability.

#### 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 revenues and expenses during the reporting period. Actual results may differ from those estimates.

#### Investments

Investments in marketable securities with readily determinable fair values and all other investments are reported at their fair values in the balance sheets.

Unrealized gains and losses are included in other comprehensive loss included in the statements of revenues, expenses, changes in fund balance, and other comprehensive loss.

#### Collection Policy

Owners may be charged late fees and interest on delinquent balances, as determined based on the collection policies of the Association, and any applicable laws and regulations. The Association has the right to pursue legal action in collecting delinquent balances, including placing a lien of the underlying title to the property. All reasonable attorney's fees related to collections are the responsibility of the owner.

#### Property and Equipment

The Association capitalizes all property and equipment to which they have title or other evidence of ownership with the exception of real property and all common property associated with the units.

Pursuant to the Associations' Declaration, the common recreational area includes two areas referred to as Outlots A and B. Outlot A is a lake area. The common amenities constructed on Outlot B were a clubhouse with sauna, spa, laundry and office facilities, outdoor pool facilities and related amenities, in accordance with the Declaration. All common areas and amenities are for the benefit and use of the owners and are therefore not capitalized in these financial statements.

See accompanying independent auditors' report.

## MOUNTAIN SIDE HOMEOWNERS ASSOCIATION

Notes to the Financial Statements

December 31, 2022

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Prepaid Dues

Prepaid dues are amounts collected in advance by the Association on dues for the subsequent fiscal year.

#### Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by fund category. Such information does not include enough detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2021 from which the summarized information was derived.

### Note 3 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2022, are as follows:

<u>Description</u>	<u>Fair Value (Level 1 and 2)</u>
Marketable Debt Securities	\$ 39,720
Certificate of Deposit	34,197
	<u>\$ 73,917</u>

Marketable debt securities are reported at fair value on a recurring basis determined by reference to quoted market prices for similar investments and other relevant information generated by market transactions (level 1). Certificates of deposit are reported at fair value as determined by models or quoted prices from inactive markets, including certain inputs, such as interest rates (level 2).

### Note 4 INCOME TAXES

The Association may be taxed either as homeowners' association or as regular corporation. For the year ended December 31, 2022, the Association was taxed as a homeowners association and filed form 1120-H. As a homeowner's association, exempt function income is not taxable. Nonexempt function income less nonexempt function expenses is taxable if it exceeds \$100. For the year ended December 31, 2022, the Association did not report net income unrelated to member activities and therefore no provision for income taxes is reflected in the financial statements.

The Association has federal and state operating loss carry forwards of \$13,143, as of December 31, 2022. These loss carry forwards have not been recorded as a deferred income tax asset to these financial statements because of the uncertainty of future taxable income to apply the benefit.

See accompanying independent auditors' report.

## MOUNTAIN SIDE HOMEOWNERS ASSOCIATION

Notes to the Financial Statements

December 31, 2022

### Note 5 MANAGEMENT AGREEMENTS

The Association entered into a property management agreement with Summit Resort Group for property management services. The term of the Agreement is December 1, 2022, through November 30, 2024, with an option to extend. The monthly fee under the Agreement is \$6,000. The total fee paid to Summit Resort Group under the Agreement was \$72,000 during the year ended December 31, 2022. During this period, the Association also paid Summit Resort Group \$9,422 for various supplies and services.

### Note 6 FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Associations' governing documents provides for funds to be accumulated for future major repairs and replacements. Accumulated funds are held in a separate checking account and in an investment brokerage account and are generally not available for expenditures for normal operations.

A study is conducted and reviewed annually by management and the Board to estimate the remaining useful lives and the replacement costs of the common property components, presented in the Supplemental Information. The Board is funding major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current and future replacement costs and considering amounts previously accumulated in the Reserve/MCR fund.

The Association annually budgets, funds, and incurs repairs and replacements deemed necessary to prolong the useful lives of the common area items. Actual expenses, however, may vary from the estimated amounts and the variations may be material. Therefore, funds may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular dues, levy special assessments, or to delay major repairs and replacements until the funds are available.

Revenues and expenses related to major repairs and replacements are detailed on the Statement of Revenues, Expenses, and Changes in Fund Balances. During the year ended December 31, 2022 expenditures on major repairs and replacements included clubhouse repairs and renovations, pool repairs, a pedestrian access bridge for the lake, and legal fees due to a dispute amongst the Association and a former owner.

### Note 7 SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were available to be issued.

### Note 8 LITIGATION

During the year ended December 31, 2022, the Association reached a settlement pertaining to ongoing litigation regarding dues charged to a member of the Association, which included dues from previous years and a lien filed by the Association on the underlying property. The settlement proceeds received by the Association have been applied against the outstanding balance of the members' account balance. The remaining outstanding balance has been written off to bad debt. Both parties were responsible for their respective legal fees and released any future claim against each other on this matter.

See accompanying independent auditors' report.

## MOUNTAIN SIDE HOMEOWNERS ASSOCIATION

Notes to the Financial Statements

December 31, 2022

### Note 9 RELATED PARTY TRANSACTIONS

The two hundred and one (201) residential condominium units of the Association are also members of a separate association, the Mountain Side Condominium Association (“MSCA”). MSCA was formed to oversee the common elements of the condominium community. MSCA has a separate Board of Managers consisting of five (5) members. All five of these members are members of the Association’s board of directors.

Dues are collected by MSCA and passed through to the Association. Total dues paid by MSCA to the Association were \$183,312 for the year ended December 31, 2022. Both associations are managed by Summit Resort Group. The two associations share certain expenses that pertain to common area maintenance of both association’s common space. The allocation of these expenses is determined through the annual budgeting process.

### Note 10 PRESENTATION OF SUMMARIZED COMPARATIVE FINANCIAL INFORMATION

The summarized comparative financial information has been presented based on the December 31, 2021 audited financial statements. The prior year’s audited financial statements were combined with the related association, MSCA (See Note 9). The summarized comparative financial information for 2021 excludes the financial information of MSCA, which was combined in the prior year’s audited financial statements.

See accompanying independent auditors’ report.

SUPPLEMENTAL INFORMATION

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors  
Mountain Side Homeowners Association  
Frisco, Colorado

We have audited the financial statements of Mountain Side Homeowners Association as of and for the year ended December 31, 2022, and our report thereon dated July 6, 2023, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Statement of Operating Fund Revenues and Expenses – Budget Versus Actual, is presented for the purpose of additional analysis and is not a required part of 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 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 supplemental information on future major repairs and replacements on page 13 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.

*McNurlin, Hitchcock & Associates, P.C.*

McNurlin, Hitchcock & Associates, P.C.  
July 6, 2023

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**

Statement of Operating Fund Revenues and Expenses - Budget Versus Actual (Non-GAAP)

Year Ended December 31, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Dues	\$ 175,824	\$ 175,824	\$ -
Late fees	1,500	10,241	8,741
Miscellaneous	3,300	4,914	1,614
Total Revenues	<u>180,624</u>	<u>190,979</u>	<u>(10,355)</u>
EXPENSES			
Administrative and miscellaneous	1,950	478	1,472
Bad debt	-	36,811	(36,811)
Cable and internet	3,500	3,905	(405)
Depreciation expense	293	-	293
Insurance	12,000	11,765	235
Legal and accounting	9,475	8,792	683
Management fees	72,000	72,000	-
Manager's unit expense	3,420	2,913	507
Pool and hot tub maintenance	15,360	21,003	(5,643)
Repair and maintenance	24,450	32,403	(7,953)
Security and fire safety	-	1,440	(1,440)
Snow removal	3,030	1,636	1,394
Trash removal	10,500	11,912	(1,412)
Utilities	20,550	59,780	(39,230)
Water and sewer	4,100	5,192	(1,092)
Total Expenses	<u>180,628</u>	<u>270,030</u>	<u>(89,402)</u>
REVENUES OVER (UNDER) EXPENSES	<u>\$ (4)</u>	<u>\$ (79,051)</u>	<u>\$ 79,047</u>

See the accompanying notes to the financial statements and independent auditors' report.

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**

Supplemental Information on Future Major Repairs and Replacements (Compiled)

December 31, 2022

The Associations engaged Criterium-Cona Engineers to conduct a study to estimate the remaining useful lives and the replacement costs of the components of common property during the year ended December 31, 2019. This study is updated annually by management and the Boards of Directors. The replacement costs are updated annually, based on the current estimated costs to repair or replace common property components. The estimated remaining useful lives of the components are updated annually. This annually updated study includes costs of these components over a thirty year period. Any components with an estimated remaining useful life showing NA indicates no expected cost over the next thirty years. The following information is based on this internally updated reserve study:

General Component Description	Detailed Component Description	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost
Asphalt, concrete, fencing	Asphalt parking area A,B,C (20%)	8	\$ 15,750
Asphalt, concrete, fencing	Asphalt sealcoat - 20% of ABC	4	2,450
Asphalt, concrete, fencing	Concrete drain pan at entrance	4	3,000
Asphalt, concrete, fencing	Concrete sidewalks	2	4,500
Asphalt, concrete, fencing	Concrete with snowmelt - by hot tubs	8	50,000
Landscaping	Retaining wall	4	27,000
Landscaping	Irrigation system - major repair	3	1,500
Landscaping	Landscape, tree replacement	0	2,500
Landscaping	Entrance signage - 5th ave, map sign	3	12,000
Landscaping	Solar light posts (2)	0	2,000
Landscaping	Steel bridge	8	9,000
Clubhouse - exterior	Architectural improvements	NA	-
Clubhouse - exterior	Clubhouse signage	10	4,000
Clubhouse - exterior	Back deck and stairs	3	10,000
Clubhouse - exterior	Handrail replacement - on back deck	3	5,000
Clubhouse - exterior	Front stairs	7	5,000
Clubhouse - exterior	Asphalt shingle roof	0	4,000
Clubhouse - exterior	Gutters, downspouts and heat tape	0	3,000
Clubhouse - exterior	Lapped cedar siding replacement	0	2,000
Clubhouse - exterior	Exterior siding - stain	0	15,100
Clubhouse - exterior	Skylights	13	60,000
Clubhouse - exterior	Exterior lighting - on buildings	21	2,000
Clubhouse - exterior	West side overhang - roof and wall	0	5,000
Clubhouse - exterior	Roof overhang by hot tubs	NA	-
Clubhouse - exterior	Heat tape	3	2,000
Clubhouse - exterior	Windows/doors	18	60,000
Clubhouse - interior	Upstairs renovation	13	40,000

See the accompanying notes to the financial statements and independent auditors' report.



**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**  
 Supplemental Information on Future Major Repairs and Replacements (Compiled)  
 December 31, 2022

General Component Description	Detailed Component Description	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost
Clubhouse - interior	Fireplace	4	\$ 2,000
Clubhouse - interior	Upstairs carpet	9	10,000
Clubhouse - interior	Interior/exterior furnishings appliances	9	15,000
Clubhouse - interior	Paint interior	6	15,000
Clubhouse - interior	Bathroom remodel	9	75,000
Clubhouse - interior	Quarry tile entrance	19	7,000
Clubhouse - interior	Pool area wood stain	3	3,500
Clubhouse - interior	Maintenance room upgrade - inside room	NA	-
Clubhouse - interior	Maintenance room upgrade - outside room	NA	-
Clubhouse - interior	Radiators	NA	-
Clubhouse - interior	Office	NA	-
Clubhouse - interior	Designer/outside project management	NA	-
Outdoor spa area	Maintenance shed	8	12,500
Outdoor spa area	Trex decking at spas	8	8,000
Outdoor spa area	Wood fencing	11	5,000
Outdoor spa area	Wood fence stain	5	2,000
Outdoor spa area	Patio pavers and gardens	16	20,000
Outdoor spa area	Gas grill	3	2,500
Mechanical, electrical and plumbing	Pool heater	0	4,080
Mechanical, electrical and plumbing	Pool pump	3	14,000
Mechanical, electrical and plumbing	Pool and hot tub filters and housings	3	1,300
Mechanical, electrical and plumbing	Hot tub pumps	3	1,500
Mechanical, electrical and plumbing	Raypack hot tub heater A	0	4,000
Mechanical, electrical and plumbing	Raypack hot tub heater B	0	4,000
Mechanical, electrical and plumbing	Raypack hot tub heater C	0	4,000
Mechanical, electrical and plumbing	Outdoor spa filters	0	5,000
Mechanical, electrical and plumbing	Spa covers	2	6,500
Mechanical, electrical and plumbing	UV system spas	5	9,000
Mechanical, electrical and plumbing	Indoor hot tub heater	4	2,000
Mechanical, electrical and plumbing	Bathroom- steam room heater	1	7,500
Mechanical, electrical and plumbing	Clubhouse heater	19	20,000
Mechanical, electrical and plumbing	Heat exchangers	NA	-
Mechanical, electrical and plumbing	Air handler unit	13	6,000
Mechanical, electrical and plumbing	Water heater - Bradford White	5	4,500
Mechanical, electrical and plumbing	Snow melt boiler	5	4,500

(continued)

See the accompanying notes to the financial statements and independent auditors' report.

**MOUNTAIN SIDE HOMEOWNERS ASSOCIATION**  
Supplemental Information on Future Major Repairs and Replacements (Compiled)  
December 31, 2022

General Component Description	Detailed Component Description	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost
Mechanical, electrical and plumbing	Fire alarm system	9	\$ 3,500
Mechanical, electrical and plumbing	Electrical panel	1	7,500
Mechanical, electrical and plumbing	Key fob system	0	2,754
Mechanical, electrical and plumbing	Lighting/fans/electical	NA	-
Mechanical, electrical and plumbing	Sound system	NA	-
Mechanical, electrical and plumbing	Water fountain/bottle filler	NA	-
Amenities	Racquetball court	1	5,000
Amenities	#1 hot tub	8	27,000
Amenities	#2 hot tub	8	27,000
Amenities	#3 hot tub	8	27,000
Amenities	Indoor hot tub	18	20,000
Amenities	Pool liner/ladder	3	40,000
Amenities	Pool - lining recoat	0	8,000
Amenities	Pool - deck epoxy	6	30,000
Amenities	Dry sauna	13	10,000
Amenities	Steam room	5	10,000
Amenities	Locker rooms	4	5,000
Amenities	Tennis court - fence	2	20,000
Amenities	Tennis court surface replace	2	50,000
Amenities	Exercise equipment	NA	-
Lake, reserve study	Dam maintenance - inspection report	1	5,000
Lake, reserve study	Landscaping	7	25,000
Lake, reserve study	Outlet	8	15,000
Lake, reserve study	Concrete spillway	18	10,000
Lake, reserve study	Spillway berm and streambed	10	50,000
Lake, reserve study	Log bridge - replacement	9	15,000
Lake, reserve study	Log bridge - upgrade	NA	-
Lake, reserve study	Path maintenance	0	5,000
Lake, reserve study	Path bridges	0	2,000
Lake, reserve study	Dredge	5	200,000
Lake, reserve study	Algae control	1	2,000
Lake, reserve study	Signage	0	2,000
Lake, reserve study	Fish stocking	5	3,500
Lake, reserve study	Reserve study	0	2,000
			<u>\$ 1,251,434</u>

See the accompanying notes to the financial statements and independent auditors' report.