Racquet Club Owner's Association d/b/a Vail Racquet Club Mountain Resort

Financial Report
with Supplemental Information
May 31, 2019

Racquet Club Owner's Association d/b/a Vail Racquet Club Mountain Resort

Contents

Independent Accountant's Review Report	1
Financial Statements	
Balance Sheet	2
Statement of Operating Fund Revenue and Expenses	3
Statement of Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
Supplemental Information	11
Independent Accountant's Report on Supplemental Information	12
Homeowners' and Club Combined Balance Sheet	13
Homeowners' and Club Combined Statement of Operating Fund Revenue and Expenses	14
Homeowners' Operating Expenses	15-16
Rental Operating Expenses	17-19
Club Operating Expenses	20-21
Supplemental Information on HOA 10-Year Capital Plan - Summary (Not Reviewed)	22
Supplemental Information on Funding Summary - 10-Year Capital Plan (Not Reviewed)	23

plante moran

Plante & Moran, PLLC
Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

Independent Accountant's Review Report

To the Board of Directors
Racquet Club Owner's Association
d/b/a Vail Racquet Club Mountain Resort

We have reviewed the accompanying financial statements of Racquet Club Owner's Association d/b/a Vail Racquet Club Mountain Resort, which comprise the balance sheet as of May 31, 2019 and the related statements of operating fund revenue and expenses, changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2018 financial statements were reviewed by EKS&H LLLP, and its report dated July 27, 2018 stated it was not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

August 2, 2019

PRAXITY™
Empowering Business Globally

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Balance Sheet

	May 31,			
	2019			2018
	Homeowners	Rental	Total	Total
Current assets				
Cash and cash equivalents	$ 534,482	$ 387,631	$ 922,113	$ 789,918
Cash and cash equivalents - restricted	4,984,521	337,443	5,321,964	5,679,283
Accounts receivable, net	169,089	20,854	189,943	200,931
Accounts receivable - special assessment	1,310,571	-	1,310,571	1,365,073
Inventories, net	40,260	7,785	48,045	49,045
Prepaid expenses and other	3,312	458	3,770	7,577
Total current assets	7,042,235	754,171	7,796,406	8,091,827
Property and Equipment				
Land	55,000	-	55,000	55,000
Buildings	5,322,982	450,000	5,772,982	5,666,982
Equipment	1,061,024	180,264	1,241,288	1,215,088
Furniture	15,917	3,489	19,406	19,406
Building improvements	210,316	-	210,316	201,116
	6,665,239	633,753	7,298,992	7,157,592
Less accumulated depreciation	(3,531,865)	(335,883)	(3,867,748)	(3,617,656)
Net property and equipment	3,133,374	297,870	3,431,244	3,539,936
Accounts receivable - special assessment, net of current portion	317,064	-	317,064	1,534,299
Total assets	$ 10,492,673	$ 1,052,041	$ 11,544,714	$ 13,166,062
Liabilities and Fund Balances				
Accounts payable	$ 147,843	$ 2,419	150,262	$ 163,649
Accrued expenses				
Payroll and related	209,684	40,471	250,155	235,437
Other	227,507	191,468	418,975	364,555
Short-term rental deposits	2,326	152,221	154,547	185,475
Assessments and dues collected in advance	614,335	-	614,335	558,962
Deferred revenue - special assessments	3,025,500	-	3,025,500	1,764,000
Total current liabilities	4,227,195	386,579	4,613,774	3,272,078
Deferred revenue - special assessment, net of current portion	1,452,258	-	1,452,258	4,347,280
Long-term rental deposits	22,713	26,403	49,116	64,827
Total liabilities	5,702,166	412,982	6,115,148	7,684,185
Fund balances				
Operating	$ 3,620,792	$ 301,616	3,922,408	$ 4,028,499
Reserve	1,169,715	337,443	1,507,158	1,453,378
Total fund balances	4,790,507	639,059	5,429,566	5,481,877
Total liabilities and fund balances	$ 10,492,673	$ 1,052,041	$ 11,544,714	$ 13,166,062

See notes to financial statements and independent accountant's review report.

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Statement of Operating Fund Revenue and Expenses

	For the Years Ended May 31,			
	2019			2018
	Homeowners	Rental	Total	Total
Assessments and revenue				
Club revenue	$ 951,079	$ -	$ 951,079	$ 951,662
Short-term revenue	-	2,827,969	2,827,969	2,623,665
Long-term rental commissions	-	55,192	55,192	53,605
Common assessments	1,312,176	-	1,312,176	1,283,940
Garden level rental income	298,343	-	298,343	258,785
Maid income	-	126,675	126,675	116,713
Firewood income	-	6,996	6,996	5,322
Interest income	14,565	8,803	23,368	10,035
Rent deposit forfeitures	-	48,628	48,628	64,516
Other revenues	53,718	121,126	174,844	181,289
Total assessments and revenue	2,629,881	3,195,389	5,825,270	5,549,532
Direct expenses				
Cost of club sales	24,292	-	24,292	26,074
Rooms	-	1,040,631	1,040,631	968,973
Operating	1,110,812	177,647	1,288,459	1,259,853
Marketing	-	114,112	114,112	94,870
Repairs and maintenance	738,283	61,005	799,288	747,105
Utilities	453,661	18,094	471,755	449,009
Rental club usage fees	-	145,899	145,899	135,713
Total direct expenses	2,327,048	1,557,388	3,884,436	3,681,597
Excess of operating fund revenue over expenses before fixed charges	302,833	1,638,001	1,940,834	1,867,935
Fixed charges				
Property taxes	26,229	3,539	29,768	29,767
Insurance expense	29,966	4,627	34,593	32,284
Depreciation and amortization	225,658	24,434	250,092	248,053
Total fixed charges	281,853	32,600	314,453	310,104
Excess of operating fund revenue over expenses before distributions to rental participants	20,980	1,605,401	1,626,381	1,557,831
Distribution to rental participants	-	(1,584,872)	(1,584,872)	(1,469,330)
Excess of operating fund revenues over expenses	$ 20,980	$ 20,529	$ 41,509	$ 88,501

See notes to financial statements and independent accountant's review report.

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Statement of Changes in Fund Balances

Years Ended May 31, 2019 and 2018

	Homeowners		Rental		
	Operating Fund	Reserve Fund	Operating Fund	Reserve Fund	Total
Balance - June 1, 2017 (Reviewed)	$ 3,339,379	$ 1,043,583	$ 333,019	$ 425,029	$ 5,141,010
Excess of operating fund revenues over expenses	45,433	-	43,068	-	88,501
Reserve fund assessment		519,396			519,396
Reserve fund expenditures		(159,602)		(107,428)	(267,030)
Transfer to reserve fund	(264,000)	264,000	(65,000)	65,000	-
Transfer of assets	589,100	(589,100)	7,500	(7,500)	-
Balance - May 31, 2018 (Reviewed)	3,709,912	1,078,277	318,587	375,101	5,481,877
Excess of operating fund revenues over expenses	20,980	-	20,529	-	41,509
Reserve fund assessment		522,500			522,500
Reserve fund expenditures		(541,162)		(75,158)	(616,320)
Transfer to reserve fund	(245,000)	245,000	(44,000)	44,000	-
Transfer of assets	134,900	(134,900)	6,500	(6,500)	-
Balance - May 31, 2019 (Reviewed)	$ 3,620,792	$ 1,169,715	$ 301,616	$ 337,443	$ 5,429,566

See notes to financial statements and independent accountant's review report.

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Statement of Cash Flows

	May 31,			
	2019			2018
	Homeowners	Rental	Total	Total
Cash flows from operating activities				
Excess of operating fund revenues over expenses	$ 20,980	$ 20,529	$ 41,509	88,501
Adjustments to reconcile excess of operating fund expenses over revenues to net cash (used in) provided by operating fund activities			-	
Reserve assessments	522,500		522,500	519,396
Reserve expenditures	(541,162)	(75,158)	(616,320)	(267,030)
Depreciation and amortization	225,658	24,434	250,092	248,053
Changes in certain assets and liabilities			-	
Accounts receivable	(14,805)	25,793	10,988	22,668
Inventories	1,000		1,000	6,951
Prepaid expenses and other	4,265	(458)	3,807	(4,541)
Special assessments receivable	1,271,737		1,271,737	1,875,150
Accounts payable	(15,806)	2,419	(13,387)	5,309
Accrued expenses	42,870	26,268	69,138	(6,068)
Deferred revenue - special assessment	(1,633,522)		(1,633,522)	(1,281,676)
Rental deposits	(115)	(46,524)	(46,639)	45,106
Assessments and dues collected in advance	55,373	-	55,373	30,437
Net cash (used in) provided by operating activities	(61,027)	(22,697)	(83,724)	1,282,256
Cash flows from investing activities				
Additions to buildings, units, and equipments	(134,900)	(6,500)	(141,400)	(596,600)
Net cash used in investing activities	(134,900)	(6,500)	(141,400)	(596,600)
Net (decrease) increase in cash and cash equivalents	(195,927)	(29,197)	(225,124)	685,656
Cash and cash equivalents and restricted cash and cash equivalents - beginning of the year	5,714,930	754,271	6,469,201	5,783,545
Cash and cash equivalents and restricted cash and cash equivalents - end of year	$ 5,519,003	$ 725,074	$ 6,244,077	$ 6,469,201

See notes to financial statements and independent accountant's review report.

Note 1 - Nature of Business

Racquet Club Owner's Association d/b/a Vail Racquet Club Mountain Resort (the "Association"), a nonprofit corporation, was incorporated in 1973 and merged with the Racquet Club Townhomes in 1980. The Association's purpose is to govern and manage the common affairs of owners of condominium and townhouse property located in Vail, Colorado. The Association consists of 311 condominiums and townhomes and related common areas. The Association is responsible for maintaining the common areas and managing the rental operations. On December 18, 1998, the Association purchased Vail Racquet Club (the "Club") and 23 condominium units to be utilized for employee housing from the original developer. In 2003, the deed restriction to these units expired. During 2013, the Racquet Club Owners Association added d/b/a Vail Racquet Club Mountain Resort to better describe the property for marketing purposes.

The owners of the condominium units may individually elect to offer their units for rent as part of a short-term rental program. Approximately 34 percent of the owners participate in the program. Each owner is credited with 55 percent of the short-term room-rental income received from the specific unit being rented. The Association retains 45 percent of room revenue to offset related operations costs, including usage of the Club. Association expenses are allocated between the homeowners' operating fund and the rental operating fund based on percentages reviewed and approved annually by the board of directors (the "Board").

Note 2 - Significant Accounting Policies

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 its nature and purpose. Separate accounts are maintained for each fund.

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

- Homeowners' Operating Fund, which represents the net cumulative difference of such transactions. The Association maintains working capital, which is reported together with the homeowners' operating fund. Working capital consists of predetermined amounts that are collected at the time of the initial sale of the condominium unit. Collections of working capital are considered contributions of capital. Working capital included in the Homeowners' Operating Fund balance was $73,961 at May 31, 2019 and 2018.
- Homeowners' Reserve Fund, which represents amounts assessed to the residential owners and expenses for board-designated major repairs and replacements.
- Rental Operating Fund, which represents the cumulative difference of rental revenue and expenses of the Association.
- Rental Reserve Fund, which represents amounts assessed to the rental owners and expenses for board-designated major repairs and replacements or other expenditures, as determined by the Board. For the year ended May 31, 2018, regular rental night revenue was insufficient to provide a surplus; therefore, the Board was unable to approve of a payment back the rental participants. For the year ended May 31, 2019, the Board approved payment for a deep clean of the units participating in the rental program.
- Club Operating Fund, which represents the cumulative difference of club revenue and expenses of the Association.

Note 2 - Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and certificates of deposit. Included in cash and cash equivalents are designated restricted funds for the repair and replacement reserve fund. The Association invests a portion of its cash funds in money market funds and bank savings accounts administered by high-quality financial institutions. The Association keeps deposits at several different financial institutions to limit risk associated with exceeding federally insured limits; however, at times deposited amounts do exceed such limits. Such deposits are held in high-quality financial institutions.

Accounts Receivable

Accounts receivable represent amounts due from owners and members. At the time the accounts receivable are originated, the Association considers a reserve for doubtful accounts based on the creditworthiness of the homeowner or member. The provision for uncollectible accounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Association on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. The Association had an allowance of $39,610 and $42,165 at May 31, 2019 and 2018, respectively.

Inventories

Inventories consist primarily of maintenance and housekeeping items for owners' units and items available for sale at the Club. Inventories are stated at the lower of cost or net realizable value, determined using the first-in, first-out (FIFO) method.

Recognition of Assets and Depreciation Policy

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.

These assets are depreciated using the straight-line method over estimated lives ranging from 3 to 39 years.

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 fair value of the underlying assets and secondarily to the discounted future cash flows in its assessment of whether or not long-lived assets have been impaired. No impairment was recorded for the years ended May 31, 2019 and 2018.

Rental Deposits

Rental deposits are payments received in advance for future reservations and are recorded as a liability until rooms and other services are provided and revenue is earned.

Concentration of Credit Risk

A significant portion of the rental operation'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 rental operation's revenue.

Note 2 - 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 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, with the exception of assessments held as long-term reserves for nonrecurring expenditures.

The Association evaluates its tax positions taken or expected to be taken in the course of preparing the Association's tax returns to determine whether the tax positions will more likely than not be sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold are not recorded as a tax benefit or expense in the current year. Interest and penalties, if applicable, are recorded in the period assessed as general and administrative expenses. However, no interest or penalties have been assessed as of May 31, 2019 and 2018.

Homeowners' Assessments and Revenue

The Association assesses dues monthly, two months in advance, which are payable by the last day of the month. The assessments are allocated based upon square footage, and certain costs are allocated on a per unit basis. Monthly dues billed but not yet earned are deferred and presented as a liability, assessments and dues collected in advance. The Board has allocated approximately 30 percent of total assessments to the repair and replacement reserve fund in 2019 and 2018.

Insurance costs are billed to each owner as a separate assessment based on actual insurance costs.

At various times, the Association's Board may elect to assess or distribute prior year operating deficits or income. Typically, however, income is transferred to the reserve fund.

Club Revenue

All homeowners are required to be club members and are billed monthly, two months in advance, for dues. Monthly dues billed but not yet earned are deferred and presented as a liability, assessments and dues collected in advance. The Club has nonhomeowner members that are billed in advance and accounted for in the same manner. The Club receives 5 percent of short-term rental revenue, for which association rental guests receive the right to use the Club.

Rental Revenue

Rental room revenue is recognized as lodging is provided.

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.

Marketing Costs

The Club and rental operations expense marketing costs as incurred.

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 May 31, 2020. 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. The Association is currently assessing the impact this new standard will have on its financial statements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including August 2, 2019, which is the date the financial statements were available to be issued.

Note 3 - Special Assessment

During 2016, the Board special assessed homeowners $8,635,000 for specific future repairs and replacement projects. The homeowners were given three different billing options. Plan A allows the homeowner to be billed the full amount; Plan B allows the homeowner to be billed for the assessment in four annual installments with a 1 percent fee; and under Plan C, the homeowner is billed monthly over 60 months with a 2 percent fee. The fee amounts will be fixed for the first year and may adjust annually in subsequent years based on market conditions. Upon sale of a unit, the remaining amount of unpaid assessment is due at the time of closing.

As of May 31, 2019, the Association has billed $8,131,406, $7,142,075 of which was collected prior to year end. As of May 31, 2018, the Association had billed $6,702,250, $5,690,797 of which was collected prior to year end. The remaining $1,627,635 is included in accounts receivable - special assessment on the accompanying balance sheet. The current portion of $1,310,571 is the amount anticipated to be collected in the next year. The remaining amount is the long-term portion. The Association billed fees in the amount of $27,375 and $44,831 for the years ended May 31, 2019 and 2018, respectively.

The Association spent $4,157,242 and $2,523,720 cumulatively on repairs for the years ended May 31, 2019 and 2018, respectively. The remaining amount of the assessment is included in deferred revenue - special assessment on the accompanying balance sheet, as expenditures have not yet been incurred. The assessments will be recognized as reserve fund assessment revenue as the expenditures occur. The remaining expenditures are expected to occur in fiscal year 2020 through fiscal year 2021.

Note 4 - Restricted Cash

The Association and rental program accumulate funds for future repairs and replacements in designated restricted accounts, which generally are not available for expenditures for normal operations. The Association held $5,321,964 and $5,679,283 in separate designated cash accounts at May 31, 2019 and 2018, respectively, for this purpose.

Note 4 - Restricted Cash (Continued)

Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund 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 the requirements of the bylaws and declarations, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Note 5 - Section 401(k) Plan

The Association has adopted a 401(k) plan (the "Plan") for eligible employees. The Plan provides for discretionary matching contributions by the Association. During fiscal years 2019 and 2018, matching contributions of $25,848 and $25,719 were made by the homeowners' operation, $14,413 and $14,741 by the rental operation, and $6,451 and $6,904 by the Club, respectively.

Note 6 - Related Party Transactions

Vail Racquet Club

The Club was developed and owned by the original registered partnership of the Vail Racquet Club Condominiums. The bylaws and declarations provided for several types of transactions between the Association or individual owners and the Club. On December 18, 1998, the Association purchased the Club.

Club Dues

Appurtenant to each unit is a club membership. The Club bills each owner individually for club dues.

Club Percentage of Short-term Rental Revenue

The Association remits 5 percent of short-term room revenue to the Club, for which the Association rental guests are entitled to use the Club. The 5 percent revenue represented approximately $146,000 and $136,000 in 2019 and 2018, respectively.

Supplemental Information

Plante & Moran, PLLC
Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

Independent Accountant's Report on Supplemental Information

To the Board of Directors
Racquet Club Owner's Association
d/b/a Vail Racquet Club Mountain Resort

We have reviewed the financial statements of Racquet Club Owner's Association d/b/a Vail Racquet Club Mountain Resort as of and for the year ended May 31, 2019. The accompanying supplemental information, consisting of the homeowners' and club combined balance sheet, homeowners' and club combined statements of operating fund revenue and expenses, homeowners' operating expenses, rental operating expenses, and club operating expenses, is presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual funds and is not a required part of the basic 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 supplemental information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplemental information. We have not audited the supplemental information and do not express an opinion on such information

Accounting principles generally accepted in the United States of America require that information about future major repairs and replacements of common property on pages 22 through 23 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplemental information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

The 2018 supplemental information has been subjected to the inquiry and analytical procedures applied in the review of the 2018 basic financial statements by EKS&H LLLP, whose report dated July 27, 2018 stated it was not aware of any material modifications that should be made thereto.

Plante & Moran, PLLC

August 2, 2019

PRAXITY™
Empowering Business Globally

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Homeowners' and Club Combined Balance Sheet

	May 31, 2019			May 31, 2018
Assets	Homeowners	Club	Total	Total
Current assets				
Cash and cash equivalents	$ 272,161	$ 262,321	$ 534,482	$ 410,748
Cash and cash equivalents - restricted	4,984,521	-	4,984,521	5,304,182
Accounts receivable, net	141,502	27,587	169,089	154,284
Accounts receivable - special assessment	1,310,571	-	1,310,571	1,365,073
Inventories, net	22,119	18,141	40,260	41,260
Prepaid expenses and other	2,983	329	3,312	7,577
Total current assets	6,733,857	308,378	7,042,235	7,283,124
Property and equipment				
Land	-	55,000	55,000	55,000
Buildings	1,619,316	3,703,666	5,322,982	5,216,982
Equipment	622,937	438,087	1,061,024	1,041,324
Furniture	15,917	-	15,917	15,917
Buildings improvements	210,316	-	210,316	201,116
	2,468,486	4,196,753	6,665,239	6,530,339
Less accumulated depreciation	(1,335,191)	(2,196,674)	(3,531,865)	(3,306,207)
Net property and equipment	1,133,295	2,000,079	3,133,374	3,224,132
Intercompany transfers	3,615,360	(3,615,360)	-	-
Accounts receivable - special assessment, net of current portion	317,064	-	317,064	1,534,299
Total Assets	**$ 11,799,576**	**$ (1,306,903)**	**$ 10,492,673**	**$ 12,041,555**
Liabilities and Fund Balances				
Accounts payable	$ 147,843	$ -	$ 147,843	$ 163,649
Accrued expenses				
Accrued payroll	127,878	81,806	209,684	193,271
Other accrued liabilities	192,748	34,759	227,507	201,050
Short-term rental deposits	2,326	-	2,326	2,326
Assessments and dues collected in advance	524,640	89,695	614,335	558,962
Deferred revenue - special assessment	3,025,500	-	3,025,500	1,764,000
Total current liabilities	4,020,935	206,260	4,227,195	2,883,258
Deferred revenue - special assessment, net of current portion	1,452,258	-	1,452,258	4,347,280
Long-term rental deposits	22,713	-	22,713	22,828
Total liabilities	5,495,906	206,260	5,702,166	7,253,366
Fund balances				
Operating	5,133,955	(1,513,163)	3,620,792	3,709,912
Reserve	1,169,715	-	1,169,715	1,078,277
Total fund balances	6,303,670	(1,513,163)	4,790,507	4,788,189
Total liabilities and fund balances	**$ 11,799,576**	**$ (1,306,903)**	**$ 10,492,673**	**$ 12,041,555**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Homeowners' and Club Combined Statement of Operating Fund Revenue and Expenses

	For the Year Ended May 31, 2019			For the Year Ended May 31, 2018
	Homeowners	Club	Total	Total
Assessments and revenue				
Club revenue	$ -	$ 951,079	$ 951,079	$ 951,662
Common assessments	1,312,176	-	1,312,176	1,283,940
Garden level rental income	298,343	-	298,343	258,785
Interest income	11,603	2,962	14,565	7,150
Other revenues	53,718	-	53,718	66,442
Total assessments and revenue	1,675,840	954,041	2,629,881	2,567,979
Direct expenses				
Cost of Sales	-	24,292	24,292	26,074
Operating	493,499	617,313	1,110,812	1,086,413
Repairs and maintenance	643,684	94,599	738,283	698,424
Utilities	328,826	124,835	453,661	432,222
Total direct expenses	1,466,009	861,039	2,327,048	2,243,133
Excess of operating fund revenue over expenses before fixed charges	209,831	93,002	302,833	324,846
Fixed charges				
Property taxes	5,568	20,661	26,229	26,231
Insurance expense	15,952	14,014	29,966	27,952
Depreciation and amortization	76,191	149,467	225,658	225,230
Total fixed charges	97,711	184,142	281,853	279,413
Excess (Deficit) of operating fund revenues over expenses	**$ 112,120**	**$ (91,140)**	**$ 20,980**	**$ 45,433**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Homeowners' Operating Expenses

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Administrative Department			
Salaries, payroll taxes and benefits	$ 159,220	$ 156,273	$ 2,947
Dues and publications	1,270	1,038	232
Office supplies and miscellaneous	544	816	(272)
Guest and entertainment	214	960	(746)
Postage	156	384	(228)
Travel and transport	30	120	(90)
Training	-	600	(600)
Total administrative department	**$ 161,434**	**$ 160,191**	**$ 1,243**
Accounting Department			
Salaries, payroll taxes and benefits	$ 71,929	$ 68,647	$ 3,282
Office supplies	1,258	1,456	(198)
Postage	646	384	262
Dues and publications	288	400	(112)
Transportation	238	316	(78)
Training	113	1,066	(953)
Guest and entertainment	28	160	(132)
Advertising - employees	-	120	(120)
Total accounting department	**$ 74,500**	**$ 72,549**	**$ 1,951**
Maintenance Department			
Salaries, net of Club work orders	$ 302,825	$ 324,520	$ (21,695)
Water and sewer	267,475	270,092	(2,617)
Repairs and maintenance	145,457	150,232	(4,775)
Payroll taxes and benefits	98,252	101,302	(3,050)
Gas and electric	61,351	54,258	7,093
Lawn care	22,524	20,000	2,524
Equipment repairs	18,477	15,120	3,357
Trash removal	15,053	13,645	1,408
Supplies	13,918	14,800	(882)
Telephone	12,352	10,800	1,552
Snow removal	12,054	8,500	3,554
Fire alarm	11,688	12,500	(812)
Uniforms	1,789	3,996	(2,207)
Miscellaneous	1,066	1,800	(734)
Firewood	581	-	581
Training	-	1,000	(1,000)
Total maintenance department	**$ 984,862**	**$ 1,002,565**	**$ (17,703)**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Homeowners' Operating Expenses

(Continued from the previous page)

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Depreciation	$ 24,158	$ 28,605	$ (4,447)
Computer expenses	18,874	17,267	1,607
Insurance expense	15,952	11,148	4,804
Legal fees	13,297	12,996	301
Director/owner communication and meeting expense	11,619	16,369	(4,750)
Professional fees	10,128	10,128	-
Property tax	5,568	5,565	3
Entertainment expense	2,560	2,822	(262)
Office supplies	2,492	3,060	(568)
Office equipment maintenance	2,243	2,388	(145)
Unemployment tax	1,780	3,200	(1,420)
Miscellaneous	1,468	2,114	(646)
Postage	500	1,007	(507)
Total other operating expenses	**$ 110,639**	**$ 116,669**	**$ (6,030)**
Front Desk Expenses			
Front desk expense - allocated	$ 45,406	$ 45,406	$ -
Total front desk expenses	**$ 45,406**	**$ 45,406**	**$ -**
Garden Level Rental Units			
Commissions	$ 67,094	$ 55,615	$ 11,479
Depreciation	52,033	52,550	(517)
Water and sewer	18,992	18,567	425
Television	17,519	16,008	1,511
Repairs and maintenance	12,747	12,000	747
Taxes - property	12,297	12,297	-
Electricity	6,197	4,224	1,973
Total garden level rental units	**$ 186,879**	**$ 171,261**	**$ 15,618**
Total homeowners' operating expenses	**$ 1,563,720**	**$ 1,568,641**	**$ (4,921)**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Rental Operating Expenses

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Administrative Department			
Salaries, payroll taxes and benefits	$ 64,626	$ 62,174	$ 2,452
Office supplies and miscellaneous	555	1,224	(669)
Dues and publications	533	400	133
Postage	209	576	(367)
Training	25	900	(875)
Guest and entertainment	16	1,440	(1,424)
Travel and transport	-	180	(180)
Total administrative department	**$ 65,964**	**$ 66,894**	**$ (930)**
Accounting Department			
Salaries, payroll taxes and benefits	$ 72,025	$ 68,854	$ 3,171
Postage	663	444	219
Office supplies	318	1,456	(1,138)
Dues and publications	264	400	(136)
Transportation	238	316	(78)
Training	25	1,066	(1,041)
Guest and entertainment	16	160	(144)
Advertising - employees	-	120	(120)
Total accounting department	**$ 73,549**	**$ 72,816**	**$ 733**
Maintenance Department			
Repairs and maintenance	$ 56,063	$ 54,200	$ 1,863
Gas and electric	10,244	9,620	624
Telephone	5,778	6,120	(342)
Firewood	4,942	3,250	1,692
Water and sewer	4,743	4,311	432
Trash removal	3,107	2,361	746
Supplies	-	599	(599)
Total maintenance department	**$ 84,877**	**$ 80,461**	**$ 4,416**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Rental Operating Expenses

(Continued from the previous page)

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Computer expenses	$ 25,558	$ 25,895	$ (337)
Depreciation	24,434	25,142	(708)
Accounting and legal	10,440	10,440	-
Insurance expense	4,627	4,320	307
Taxes - other	4,334	6,412	(2,078)
Property taxes	3,539	3,536	3
Entertainment expense	3,040	2,808	232
Office supplies	2,802	2,976	(174)
Miscellaneous	1,975	2,114	(139)
Office equipment maintenance	1,736	2,438	(702)
Postage	1,010	1,007	3
Total other operating expenses	**$ 83,495**	**$ 87,088**	**$ (3,593)**
Front Desk Expenses			
Salaries, payroll taxes and benefits	$ 284,278	$ 282,716	$ 1,562
HOA long-term rent	21,192	21,192	-
Key blank expense	7,442	6,252	1,190
Office supplies	5,955	5,400	555
Telephone	1,607	1,800	(193)
Uniforms	1,069	2,400	(1,331)
Postage	489	600	(111)
Miscellaneous	457	300	157
Advertising	55	2,400	(2,345)
Transportation	24	240	(216)
Training	-	600	(600)
Front desk expenses related to HOA	(45,406)	(45,406)	-
Pro shop front desk expense - allocated Club	(96,866)	(96,866)	-
Total front desk expenses	**$ 180,296**	**$ 181,628**	**$ (1,332)**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Rental Operating Expenses

(Continued from the previous page)

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Sales and Marketing Department			
Salaries, payroll taxes and benefits	$ 216,275	$ 227,752	$ (11,477)
Advertising	91,589	89,084	2,505
Dues	14,270	15,300	(1,030)
Travel and transport	2,846	6,996	(4,150)
Promotion	2,416	3,996	(1,580)
Contract services	998	1,752	(754)
Advertising - employees	811	-	811
Office supplies	683	456	227
Training	336	2,004	(1,668)
Advertising - brochures	56	996	(940)
Guest and entertainment	47	744	(697)
Postage	36	144	(108)
Total sales and marketing department	**$ 330,363**	**$ 349,224**	**$ (18,861)**
Reservations Department			
Credit card commissions	$ 75,063	$ 65,000	$ 10,063
Adjustments	503	600	(97)
Total reservations department	**$ 75,566**	**$ 65,600**	**$ 9,966**
Housekeeping Department			
Housekeeping - non-billable	$ 262,888	$ 228,151	$ 34,737
Contract labor	98,829	97,700	1,129
Housekeeping - billable	96,824	91,941	4,883
Guest supplies	29,111	25,200	3,911
Linen replacement	22,907	23,600	(693)
Guest amenities	21,893	17,900	3,993
Laundry supplies	8,025	8,256	(231)
Glass, china, silver	4,676	1,500	3,176
Repairs/supplies - machinery	2,082	1,440	642
Cleaning expenses	1,535	3,000	(1,465)
Office supplies	1,183	360	823
Travel and transport	15	360	(345)
Postage	11	180	(169)
Training	-	400	(400)
Total housekeeping department	**$ 549,979**	**$ 499,988**	**$ 49,991**
Total rental operating expenses exclusive of Club fees	**$ 1,444,089**	**$ 1,403,699**	**$ 40,390**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Club Operating Expenses

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Cost of sales	$ 24,292	$ 25,840	$ (1,548)
Payroll and Employee Expenses			
Club administration	$ 98,923	$ 94,474	$ 4,449
Pro shop front desk - allocated	96,866	96,866	-
Contract labor - housekeeping and laundry	83,698	82,088	1,610
Accounting	58,605	55,685	2,920
Payroll taxes and benefits	53,007	54,601	(1,594)
Class instructions	33,038	29,836	3,202
Housekeeping	25,966	26,622	(656)
Fitness	18,356	24,180	(5,824)
Massage therapists	16,459	20,390	(3,931)
Personal trainers	6,999	5,775	1,224
Tennis pro	6,000	6,000	-
Swim instructor/lifeguard	3,571	4,500	(929)
Taxes - other	1,370	1,750	(380)
Maintenance	480	1,000	(520)
Uniforms	11	1,000	(989)
Training	-	1,548	(1,548)
Labor assistant	-	480	(480)
Total payroll and employee expenses	**$ 503,349**	**$ 506,795**	**$ (3,446)**
Office Expenses			
Computer expenses	$ 21,387	$ 21,836	$ (449)
Office supplies and miscellaneous	5,592	4,000	1,592
Office equipment maintenance	2,743	2,438	305
Printing	786	1,200	(414)
Postage	454	735	(281)
Total accounting department	**$ 30,962**	**$ 30,209**	**$ 753**
Maintenance Department			
Gas and electric	$ 84,590	$ 80,060	$ 4,530
Association repairs and maintenance	52,362	58,300	(5,938)
Water and sewer	37,945	34,508	3,437
Repairs and maintenance	36,021	36,000	21
Trash removal	2,496	2,496	-
Telephone	2,300	2,221	79
Landscaping	2,050	3,500	(1,450)
Fire alarm expense	612	1,800	(1,188)
Equipment repairs and fuels	336	2,100	(1,764)
Supplies	268	-	268
Total maintenance department	**$ 218,980**	**$ 220,985**	**$ (2,005)**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Club Operating Expenses

(Continued from the previous page)

	Year Ended May 31, 2019		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Tennis court supplies	$ 2,306	$ 4,000	$ (1,694)
Guest meal expense	2,058	3,282	(1,224)
Rental equipment	1,002	1,000	2
Massage room expense	429	1,300	(871)
Exercise equipment	254	-	254
Supplies	200	-	200
Total other operating expenses	**$ 6,249**	**$ 9,582**	**$ (3,333)**
Supplies			
Swimming pool	$ 12,318	$ 12,000	$ 318
Locker room	8,615	9,000	(385)
Linen	4,315	4,404	(89)
Supplies	4,014	6,000	(1,986)
Laundry	2,529	2,748	(219)
Weight room	1,365	1,000	365
Total supplies	**$ 33,156**	**$ 35,152**	**$ (1,996)**
Taxes and Business Licenses			
Property	$ 20,211	$ 20,213	$ (2)
License fees	450	450	-
Total taxes and business licenses	**$ 20,661**	**$ 20,663**	**$ (2)**
General Expenses			
Depreciation	$ 149,467	$ 149,562	$ (95)
Commissions	16,357	13,000	3,357
Insurance property and liability	14,014	14,004	10
Accounting and legal	10,128	10,124	4
Advertising	9,587	12,000	(2,413)
Music, television, and internet	3,797	4,392	(595)
Miscellaneous expense	1,352	2,114	(762)
Dues and publications	1,108	921	187
Advertising - employees	806	600	206
Club activities	716	1,000	(284)
Entertainment/travel	200	364	(164)
Promotions	-	600	(600)
Adjustments	-	300	(300)
Total general expenses	**$ 207,532**	**$ 208,981**	**$ (1,449)**
Total Club operating expenses	**$ 1,045,181**	**$ 1,058,207**	**$ (13,026)**

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Supplemental Information on HOA 10-Year Capital Plan - Summary (Not Reviewed)

The Board and management estimate the remaining useful lives and the replacement costs of the components of common property of residential unit owners on an annual basis. The estimates were obtained or derived by the property's management based on previous costs, estimates from contractors and management, and the Board experience. Over the next 10 years, the Board and management anticipate incurring the below capital expenditures.

The following table is based on the study and is not audited or reviewed:

	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
Major Capital Projects											
Deck Replacement (includes patios & stairtowers)	$ 603,000	$ 203,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,806,000
Condo Roof Replacement	-	110,000	-	110,000	-	-	-	-	-	-	220,000
Condo Built-in Wood-burning Fireplace Conversion to	500,000	700,000	-	-	-	-	-	-	-	-	1,200,000
Condo Bldgs 9-12 Fireplace Upgrade Contribution/Ince	90,000	60,000	50,000	40,000	24,000	-	-	-	-	-	264,000
Townhome Exteriors	1,330,000	674,048	-	-	-	-	-	-	-	-	2,004,048
Townhome Roof Replacement	418,000	249,000	-	-	-	-	-	-	-	-	667,000
Major Asphalt Replacement	-	-	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	525,000
Main Sidewalk Snowmelt Expansion	-	-	-	-	-	60,000	60,000	60,000	60,000	60,000	300,000
Landscaping & Other Grounds Major Projects	40,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	220,000
Vehicles & Equipment Replacement	-	-	-	8,000	-	40,000	-	-	-	-	48,000
Hot Tub & Pool (re-plaster, tile, boilers…)	-	-	-	60,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Locker Rooms	860,000	-	-	-	-	-	-	-	-	-	860,000
Playground Replacement	-	100,000	-	-	-	-	-	-	-	-	100,000
Tennis Court Resurfacing & Fence Replacement	10,000	10,000	10,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Assessment Projects Contingency	-	50,000	-	-	-	-	-	-	-	-	50,000
Other Major Club Refurbishment Projects	-	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	255,000
Other Major Condo & Townhome Projects	56,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	506,000
Subtotal	3,907,000	2,241,048	410,000	663,000	474,000	550,000	510,000	510,000	510,000	510,000	10,285,048
Maintenance Capital											
Condominium Maintenance Capital Items											
Roof, Gutters, Downspouts & Heat Tape	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	230,000
Chimneys, Chase Tops, Power Vents & Fireplaces	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Decks, Balusters & Railing	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Plumbing, Electric, Structural, Stucco & Siding	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	40,000
Subtotal	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	570,000
Townhomes Maintenance Capital Items:											
Roofs (including snow guards & gutters)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	40,000
Decks, Balusters & Railing, Siding & Entries	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Subtotal	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000
Club Maintenance Capital Items:											
Roofs, Snow Guards, Gutter, Downspout & Heat Tape	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Decks, Handrails, Balusters, Stairs, Siding & Stucco	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Plumbing, Mechanical, HVAC, Electrical & Lighting	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Window, Doors & Security System	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Restaurant Refurbishment / Equipment Replacement	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000
Fitness Equipment	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,000
Subtotal	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	41,500	415,000
Grounds Maintenance Capital Items:											
Trees, Landscaping, Irrigation & Retaining Walls	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	90,000
Water, Drainage & Sewer	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Exterior Light Fixtures & Signage	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Parking Lots & Asphalt Maintenance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
Subtotal	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	340,000
Equipment Maintenance Capital Items:											
Trucks, Plows, Bobcat, Lift	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Snow Blowers, Lawn Mowers & Aerators	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	40,000
Office Furniture, Computers, Copiers, Phones & Radio	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	125,000
Subtotal	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	195,000
Other Infrastructure Maintenance: (GLR Remodels)											
Garden level unit remodels	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Maintenance Capital Subtotal	183,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000	183,000	1,830,000
Total for all budgeted capital items	$ 4,090,000	$ 2,424,048	$ 593,000	$ 846,000	$ 657,000	$ 733,000	$ 693,000	$ 693,000	$ 693,000	$ 693,000	$ 12,115,048

Racquet Club Owner's Association D/B/A Vail Racquet Club Mountain Resort

Supplemental Information on Funding Summary - 10-Year Capital Plan (Not Reviewed)
(In Thousands)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Reserve fund beginning balance	4,984.5	1,976.6	663.5	835.5	754.5	862.5	894.5	966.5	1,038.5	1,110.5	
Reserve expenditures	(4,090.0)	(2,424.0)	(593.0)	(846.0)	(657.0)	(733.0)	(693.0)	(693.0)	(693.0)	(693.0)	$ (12,115.0)
	894.5	(447.4)	70.5	(10.5)	97.5	129.5	201.5	273.5	345.5	417.5	
Capital assessments from owners	538.0	538.0	538.0	538.0	538.0	538.0	538.0	538.0	538.0	538.0	5,380.0
Special assessment from owners	317.1	345.9	-	-	-	-	-	-	-	-	663.0
From operations	227.0	227.0	227.0	227.0	227.0	227.0	227.0	227.0	227.0	227.0	2,270.0
Subtotal funding	1,082.1	1,110.9	765.0	765.0	765.0	765.0	765.0	765.0	765.0	765.0	$ 8,313.0
Reserve fund ending balance	$ 1,976.6	$ 663.5	$ 835.5	$ 754.5	$ 862.5	$ 894.5	$ 966.5	$ 1,038.5	$ 1,110.5	$ 1,182.5	

Shown in current fiscal year 2019 dollars.

No increase in capital assessment is included in the funding projection.