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

Financial Report
with Supplemental Information
May 31, 2020

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

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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, 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. 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 reviews 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 reviews, 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.

Plante & Moran, PLLC

July 28, 2020

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

Balance Sheet

	May 31			
	2020			2019
	Homeowners	Rental	Total	Total
Current Assets				
Cash and cash equivalents	$ 1,788,579	$ 367,047	$ 2,155,626	$ 922,113
Cash and cash equivalents - Restricted	2,419,215	354,327	2,773,542	5,321,964
Accounts receivable - Net	115,500	62,155	177,655	189,943
Accounts receivable - Special assessment	312,406	-	312,406	1,310,571
Inventories	35,637	7,785	43,422	48,045
Prepaid expenses and other	3,634	4,134	7,768	3,770
Total current assets	4,674,971	795,448	5,470,419	7,796,406
Property and Equipment				
Land	55,000	-	55,000	55,000
Buildings	6,222,982	450,000	6,672,982	5,772,982
Equipment	1,076,504	180,264	1,256,768	1,241,288
Furniture	15,917	3,489	19,406	19,406
Building improvements	210,316	-	210,316	210,316
	7,580,719	633,753	8,214,472	7,298,992
Less accumulated depreciation	(3,785,442)	(360,317)	(4,145,759)	(3,867,748)
Net property and equipment	3,795,277	273,436	4,068,713	3,431,244
Accounts receivable - Special assessment - Net of current portion	-	-	-	317,064
Total assets	**$ 8,470,248**	**$ 1,068,884**	**$ 9,539,132**	**$ 11,544,714**
Liabilities and Fund Balances				
Accounts payable	$ 86,112	$ 3,911	90,023	$ 150,262
Accrued expenses:				
Payroll and related	228,123	69,236	297,359	250,155
Other	243,210	227,884	471,094	418,975
Short-term rental deposits	2,326	110,342	112,668	154,547
Assessments and dues collected in advance	595,490	-	595,490	614,335
Paycheck Protection Program Loan - Current portion	110,328	-	110,328	-
Deferred revenue - Special assessments	1,439,000	-	1,439,000	3,025,500
Total current liabilities	2,704,589	411,373	3,115,962	4,613,774
Paycheck Protection Program Loan - Net of current portion	173,372	-	173,372	-
Deferred revenue - Special assessment - Net of current portion	787,596	-	787,596	1,452,258
Long-term rental deposits	23,586	25,764	49,350	49,116
Total liabilities	3,689,143	437,137	4,126,280	6,115,148
Fund Balances				
Operating	4,283,362	277,420	4,560,782	3,922,408
Reserve	497,743	354,327	852,070	1,507,158
Total fund balances	4,781,105	631,747	5,412,852	5,429,566
Total liabilities and fund balances	**$ 8,470,248**	**$ 1,068,884**	**$ 9,539,132**	**$ 11,544,714**

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			
	2020			2019
	Homeowners	Rental	Total	Total
Revenue and Assessments				
Club revenue	$ 926,080	$ -	$ 926,080	$ 951,079
Short-term revenue	-	2,448,573	2,448,573	2,827,969
Long-term rental commissions	-	49,291	49,291	55,192
Common assessments	1,344,972	-	1,344,972	1,312,176
Garden level rental income	285,388	-	285,388	298,343
Maid income	-	132,755	132,755	126,675
Firewood income	-	5,502	5,502	6,996
Interest income	13,494	7,152	20,646	23,368
Rent deposit forfeitures	-	34,580	34,580	48,628
Other revenues	44,723	134,674	179,397	174,844
Total revenue and assessments	2,614,657	2,812,527	5,427,184	5,825,270
Departmental and Operating Expenses				
Cost of club sales	22,358	-	22,358	24,292
Rooms	-	962,021	962,021	1,040,631
Operating	1,071,410	155,647	1,227,057	1,288,459
Marketing	-	88,485	88,485	114,112
Repairs and maintenance	753,761	53,014	806,775	799,288
Utilities	462,385	18,420	480,805	471,755
Rental club usage fees	-	122,759	122,759	145,899
Total direct expenses	2,309,914	1,400,346	3,710,260	3,884,436
Excess of Revenue Over Expenses - Before fixed charges	304,743	1,412,181	1,716,924	1,940,834
Fixed Charges				
Property taxes	27,628	3,708	31,336	29,768
Insurance expense	27,449	4,331	31,780	34,593
Depreciation and amortization	253,576	24,434	278,010	250,092
Total fixed charges	308,653	32,473	341,126	314,453
(Deficit) Excess of Revenue Over Expenses - Before rental distributions	(3,910)	1,379,708	1,375,798	1,626,381
Distributions to rental participants	-	(1,361,904)	(1,361,904)	(1,584,872)
(Deficit) Excess of Revenue over Expenses	**$ (3,910)**	**$ 17,804**	**$ 13,894**	**$ 41,509**

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, 2020 and 2019

	Homeowners		Rental		
	Operating Fund	Reserve Fund	Operating Fund	Reserve Fund	Total
Balance - June 1, 2018	$ 3,709,912	$ 1,078,277	$ 318,587	$ 375,101	$ 5,481,877
Excess of fund revenue 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	3,620,792	1,169,715	301,616	337,443	5,429,566
(Deficit) excess of fund revenue over expenses	(3,910)	-	17,804	-	13,894
Reserve fund assessment	-	518,920	-	-	518,920
Reserve fund expenditures	-	(524,412)	-	(25,116)	(549,528)
Transfer to reserve fund	(249,000)	249,000	(42,000)	42,000	-
Transfer of assets	915,480	(915,480)	-	-	-
Balance - May 31, 2020	**$ 4,283,362**	**$ 497,743**	**$ 277,420**	**$ 354,327**	**$ 5,412,852**

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,			
	2020			2019
	Homeowners	Rental	Total	Total
Cash flows from operating activities				
(Deficit) excess of operating fund revenue over expenses	$ (3,910)	$ 17,804	$ 13,894	41,509
Adjustments to reconcile excess of operating fund expenses over revenue to net cash and cash equivalents and restricted cash and cash equivalents (used in) provided by operating fund activities				
Reserve assessments	518,920	-	518,920	522,500
Reserve expenditures	(524,412)	(25,116)	(549,528)	(616,320)
Depreciation and amortization	253,576	24,434	278,010	250,092
Changes in certain assets and liabilities			-	
Accounts receivable	53,589	(41,301)	12,288	10,988
Inventories	4,623	-	4,623	1,000
Prepaid expenses and other	(322)	(3,676)	(3,998)	3,807
Special assessments receivable	1,315,229	-	1,315,229	1,271,737
Accounts payable	(61,731)	1,492	(60,239)	(13,387)
Accrued expenses	34,142	65,181	99,323	69,138
Deferred revenue - special assessment	(2,251,162)	-	(2,251,162)	(1,633,522)
Rental deposits	873	(42,518)	(41,645)	(46,639)
Assessments and dues collected in advance	(18,845)	-	(18,845)	55,373
Net cash and cash equivalents and restricted cash and cash equivalents used in operating activities	(679,430)	(3,700)	(683,130)	(83,724)
Cash flows from investing activities				
Additions to buildings, units, and equipment	(915,479)	-	(915,479)	(141,400)
Net cash and cash equivalents and restricted cash and cash equivalents used in investing activities	(915,479)	-	(915,479)	(141,400)
Cash flows from financing activities				
Proceeds from debt	283,700	-	283,700	-
Net cash and cash equivalents and restricted cash and cash equivalents provided by financing activities	283,700	-	283,700	-
Net decrease in cash and cash equivalents and restricted cash and cash equivalents	(1,311,209)	(3,700)	(1,314,909)	(225,124)
Cash and cash equivalents and restricted cash and cash equivalents - beginning of the year	5,519,003	725,074	6,244,077	6,469,201
Cash and cash equivalents and restricted cash and cash equivalents - end of year	**$ 4,207,794**	**$ 721,374**	**$ 4,929,168**	**$ 6,244,077**
Classification of cash, cash equivalents, and restricted cash				
Cash and cash equivalents	$ 1,788,579	$ 367,047	$ 2,155,626	$ 922,113
Cash and cash equivalents - Restricted	2,419,215	354,327	2,773,542	5,321,964
Total cash and cash equivalents and restricted cash and cash equivalents	**$ 4,207,794**	**$ 721,374**	**$ 4,929,168**	**$ 6,244,077**

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 Owner's Association added "d/b/a Vail Racquet Club Mountain Resort" to its name 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 32 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 their 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, 2020 and 2019.
- 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, 2019, the Board approved payment for a deep clean of the units participating in the rental program. For the year ended May 31, 2020, in light of the current situation surrounding the coronavirus pandemic, the Board has elected to add the surpluses to the reserve in anticipation of future losses due to the pandemic.
- 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 at May 31, 2020 and 2019.

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 nonowners.

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 long-lived assets have been impaired. No impairment was recorded for the years ended May 31, 2020 and 2019.

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, 2020 and 2019.

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 had allocated approximately 30 percent of total assessments to the repair and replacement reserve fund in 2020 and 2019.

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 received 5 percent of short-term rental revenue for which association rental guests received the right to use the Club.

Rental Revenue

Room rental 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, 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. 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 July 28, 2020, 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 Plan C, allows the homeowner to be 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, 2020, the Association has billed special assessments and related fees totaling $8,503,355, of which $8,472,278 was collected prior to year end. As of May 31, 2019, the Association had billed special assessments and related fees totaling $8,131,406, of which $7,142,075 was collected prior to year end. The remaining $312,406 is included in accounts receivable - special assessment on the accompanying balance sheet. The current portion of $312,406 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 $9,369 and $27,375 for the years ended May 31, 2020 and 2019, respectively.

The Association spent $6,408,404 and $4,157,242 cumulatively on repairs for the years ended May 31, 2020 and 2019, 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 $2,773,542 and $5,321,964 in separate designated cash accounts at May 31, 2020 and 2019, 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 - Line of Credit and Long-term Debt

Under a line of credit agreement with a bank, the Association has available borrowings of approximately $800,000, which will terminate on April 1, 2023. Interest is payable monthly at *The Wall Street Journal* U.S. prime rate. There is no balance outstanding on the line of credit as of May 31, 2020 and 2019.

On April 18, 2020, the Association obtained a $283,700 loan in connection with the Paycheck Protection Program (PPP) in order to fund payroll and ensure stability of the workforce. The note provides for loan forgiveness for a portion or all of the borrowed amount if the Association uses the loan proceeds for the permitted loan purpose described in the note agreement and maintains certain compensation and employment levels; the portion not forgiven will require the Association to pay back this amount in full with 18 equal monthly principal installment payments beginning on October 18, 2020, with the final payment due in April 2022, and interest at 1.00 percent. The Association has the right to prepay any amount outstanding at any time without penalty.

Note 6 - 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 2020 and 2019, matching contributions of $27,874 and $25,848 were made by the homeowners' operation, $13,409 and $14,413 were made by the rental operation, and $6,694 and $6,451 were made by the Club, respectively.

Note 7 - 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 rental revenue to the Club for which the Association rental guests are entitled to use the Club. The 5 percent revenue represented approximately $123,000 and $146,000 in 2020 and 2019, respectively.

Note 8 - Impact of Disease Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus 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.

Note 8 - Impact of Disease Outbreak (Continued)

As of the date of issuance of the financial statements, the Association has experienced a decline in rental and club operations, while homeowners' operations have remained steady. Beginning in March 2020, the Club temporarily ceased operations, and rental operations were suspended in response to the pandemic and as required by government order. Subsequent to year end, the Club reopened following the Centers for Disease Control and Prevention guidelines for social distancing and implemented revised quality controls with respect to daily operations, and 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, available borrowings under the line of credit, 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.

Supplemental Information

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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 years ended May 31, 2020 and 2019. The accompanying supplemental information, consisting of the homeowners' and club combining balance sheet, homeowners' and club combining 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 23 through 24 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.

Plante & Moran, PLLC

July 28, 2020

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

Homeowners' and Club Combining Balance Sheet

	May 31, 2020			May 31, 2019
Assets	Homeowners	Club	Total	Total
Current Assets				
Cash and cash equivalents	$ 1,514,211	$ 274,368	$ 1,788,579	$ 534,482
Cash and cash equivalents - Restricted	2,419,215	-	2,419,215	4,984,521
Accounts receivable - Net	106,654	8,846	115,500	169,089
Accounts receivable - Special assessment	312,406	-	312,406	1,310,571
Inventories	22,394	13,243	35,637	40,260
Prepaid expenses and other	3,305	329	3,634	3,312
Total current assets	4,378,185	296,786	4,674,971	7,042,235
Property and Equipment				
Land	-	55,000	55,000	55,000
Buildings	1,619,316	4,603,666	6,222,982	5,322,982
Equipment	622,937	453,567	1,076,504	1,061,024
Furniture	15,917	-	15,917	15,917
Buildings improvements	210,316	-	210,316	210,316
	2,468,486	5,112,233	7,580,719	6,665,239
Less accumulated depreciation	(1,408,288)	(2,377,154)	(3,785,442)	(3,531,865)
Net property and equipment	1,060,198	2,735,079	3,795,277	3,133,374
Intercompany transfers	4,526,840	(4,526,840)	-	-
Accounts receivable - Special assessment, Net of current portion	-	-	-	317,064
Total Assets	**$ 9,965,223**	**$ (1,494,975)**	**$ 8,470,248**	**$ 10,492,673**
Liabilities and Fund Balances				
Accounts payable	$ 86,112	$ -	$ 86,112	$ 147,843
Accrued expenses:				
Accrued payroll	131,150	96,973	228,123	209,684
Other accrued liabilities	208,797	34,413	243,210	227,507
Short-term rental deposits	2,326	-	2,326	2,326
Assessments and dues collected in advance	528,093	67,397	595,490	614,335
Paycheck Protection Program Loan - Current portion	110,328		110,328	-
Deferred revenue - special assessment	1,439,000	-	1,439,000	3,025,500
Total current liabilities	2,505,806	198,783	2,704,589	4,227,195
Paycheck Protection Program Loan - Net of current portion	173,372		173,372	
Deferred revenue - Special assessment	787,596	-	787,596	1,452,258
Long-term rental deposits	23,586	-	23,586	22,713
Total liabilities	3,490,360	198,783	3,689,143	5,702,166
Fund Balances				
Operating	5,977,120	(1,693,758)	4,283,362	3,620,792
Reserve	497,743	-	497,743	1,169,715
Total fund balances	6,474,863	(1,693,758)	4,781,105	4,790,507
Total liabilities and fund balances	**$ 9,965,223**	**$ (1,494,975)**	**$ 8,470,248**	**$ 10,492,673**

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

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

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

	For the Year Ended May 31, 2020			For the Year Ended May 31, 2019
	Homeowners	Club	Total	Total
Assessments and Revenue				
Club revenue	$ -	$ 926,080	$ 926,080	$ 951,079
Common assessments	1,344,972	-	1,344,972	1,312,176
Garden level rental income	285,388	-	285,388	298,343
Interest income	10,961	2,533	13,494	14,565
Other revenues	44,723	-	44,723	53,718
Total assessments and revenue	1,686,044	928,613	2,614,657	2,629,881
Direct Expenses				
Cost of club sales	-	22,358	22,358	24,292
Operating	476,406	595,004	1,071,410	1,110,812
Repairs and maintenance	657,705	96,056	753,761	738,283
Utilities	337,783	124,602	462,385	453,661
Total direct expenses	1,471,894	838,020	2,309,914	2,327,048
Excess of revenue over expenses before fixed charges	214,150	90,593	304,743	302,833
Fixed Charges				
Property taxes	5,650	21,978	27,628	26,229
Insurance expense	12,719	14,730	27,449	29,966
Depreciation and amortization	73,096	180,480	253,576	225,658
Total fixed charges	91,465	217,188	308,653	281,853
Excess (Deficit) of Operating Revenue Over Expenses	**$ 122,685**	**$ (126,595)**	**$ (3,910)**	**$ 20,980**

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

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

Homeowners' Operating Expenses

	Year Ended May 31, 2020		
	Actual	Budget (Not Reviewed)	Variance
Administrative Department			
Salaries, payroll taxes and benefits	$ 159,992	$ 160,802	$ (810)
Dues and publications	736	1,383	(647)
Guest and entertainment	398	960	(562)
Office supplies and miscellaneous	316	600	(284)
Training	205	600	(395)
Postage	91	384	(293)
Travel and transport	37	120	(83)
Total administrative department	**$ 161,775**	**$ 164,849**	**$ (3,074)**
Accounting Department			
Salaries, payroll taxes and benefits	$ 71,733	$ 70,827	$ 906
Office supplies	1,514	950	564
Postage	191	384	(193)
Advertising - employees	130	120	10
Transportation	127	316	(189)
Guest and entertainment	100	160	(60)
Dues and publications	10	400	(390)
Training	-	1,066	(1,066)
Total accounting department	**$ 73,805**	**$ 74,223**	**$ (418)**
Maintenance Department			
Salaries, net of Club work orders	$ 302,645	$ 339,240	$ (36,595)
Water and sewer	275,269	276,532	(1,263)
Repairs and maintenance	162,767	150,232	12,535
Payroll taxes and benefits	99,716	104,109	(4,393)
Gas and electric	62,514	58,312	4,202
Lawn care	20,963	20,000	963
Equipment repairs	16,808	15,120	1,688
Trash removal	16,486	13,640	2,846
Telephone	12,915	12,000	915
Snow removal	12,678	8,500	4,178
Supplies	12,173	14,800	(2,627)
Fire alarm	10,994	12,500	(1,506)
Uniforms	2,033	4,000	(1,967)
Miscellaneous	442	1,800	(1,358)
Training	-	1,000	(1,000)
Total maintenance department	**$ 1,008,403**	**$ 1,031,785**	**$ (23,382)**

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

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, 2020		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Depreciation	$ 21,805	$ 27,205	$ (5,400)
Computer expenses	16,690	17,818	(1,128)
Insurance expense	12,719	14,652	(1,933)
Professional fees	10,392	10,392	-
Director/owner communication and meeting expense	9,959	16,365	(6,406)
Legal fees	9,352	12,996	(3,644)
Property taxes	5,650	5,650	-
Office supplies	2,588	3,060	(472)
Office equipment maintenance	2,526	2,387	139
Miscellaneous	1,945	2,113	(168)
Unemployment tax	1,640	2,640	(1,000)
Entertainment expense	1,295	2,820	(1,525)
Postage	501	1,006	(505)
Total other operating expenses	**$ 97,062**	**$ 119,104**	**$ (22,042)**
Front Desk Expense - Allocated	**$ 46,629**	**$ 46,629**	**$ -**
Garden Level Rental Units			
Commissions	$ 60,184	$ 57,640	$ 2,544
Depreciation	51,291	52,275	(984)
Water and sewer	19,288	19,097	191
Television	18,509	17,357	1,152
Property taxes	12,660	12,660	-
Repairs and maintenance	7,552	12,000	(4,448)
Electricity	6,201	4,224	1,977
Total garden level rental units	**$ 175,685**	**$ 175,253**	**$ 432**
Total homeowners' operating expenses	**$ 1,563,359**	**$ 1,611,843**	**$ (48,484)**

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

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

Rental Operating Expenses

	Year Ended May 31, 2020		
	Actual	Budget (Not Reviewed)	Variance
Administrative Department			
Salaries, payroll taxes and benefits	$ 63,858	$ 63,829	$ 29
Office supplies and miscellaneous	196	900	(704)
Dues and publications	167	400	(233)
Postage	136	576	(440)
Training	134	900	(766)
Guest and entertainment	-	1,440	(1,440)
Travel and transport	-	180	(180)
Total administrative department	**$ 64,491**	**$ 68,225**	**$ (3,734)**
Accounting Department			
Salaries, payroll taxes and benefits	$ 71,825	$ 71,038	$ 787
Postage	681	444	237
Office supplies	644	950	(306)
Transportation	90	316	(226)
Guest and entertainment	17	160	(143)
Dues and publications	-	400	(400)
Training	-	1,066	(1,066)
Advertising - employees	130	120	10
Total accounting department	**$ 73,387**	**$ 74,494**	**$ (1,107)**
Maintenance Department			
Repairs and maintenance	$ 50,943	$ 51,005	$ (62)
Gas and electric	9,058	9,696	(638)
Water and sewer	6,150	4,859	1,291
Telephone	5,524	6,120	(596)
Trash removal	3,212	2,361	851
Firewood	1,900	3,250	(1,350)
Supplies	171	600	(429)
Total maintenance department	**$ 76,958**	**$ 77,891**	**$ (933)**

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

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, 2020		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Computer expenses	$ 25,970	$ 26,724	$ (754)
Depreciation	24,434	28,790	(4,356)
Accounting and legal	10,716	10,716	-
Insurance expense	4,331	4,332	(1)
Taxes - other	3,928	5,573	(1,645)
Property taxes	3,700	3,700	-
Miscellaneous	2,728	2,114	614
Office equipment maintenance	2,525	2,438	87
Office supplies	1,989	2,976	(987)
Entertainment expense	1,023	2,808	(1,785)
Postage	-	1,007	(1,007)
Total other operating expenses	**$ 81,344**	**$ 91,178**	**$ (9,834)**
Front Desk Expenses			
Salaries, payroll taxes and benefits	$ 265,897	$ 290,869	$ (24,972)
HOA long-term rent	21,192	21,192	-
Office supplies	6,280	5,400	880
Key blank expense	4,025	6,252	(2,227)
Telephone	2,039	1,800	239
Miscellaneous	947	300	647
Advertising	723	2,400	(1,677)
Uniforms	706	2,400	(1,694)
Postage	425	600	(175)
Transportation	16	240	(224)
Training	-	600	(600)
Front desk expenses related to HOA	(46,629)	(46,629)	-
Pro shop front desk expense - Allocated Club	(99,475)	(99,475)	-
Total front desk expenses	**$ 156,146**	**$ 185,949**	**$ (29,803)**

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, 2020		
	Actual	Budget (Not Reviewed)	Variance
Sales and Marketing Department			
Salaries, payroll taxes and benefits	$ 197,262	$ 234,273	$ (37,011)
Advertising	72,168	90,114	(17,946)
Dues	8,697	13,884	(5,187)
Travel and transport	2,421	5,275	(2,854)
Promotion	2,378	2,364	14
Contract services	1,350	1,500	(150)
Training	650	2,004	(1,354)
Office supplies	392	756	(364)
Advertising - employees	400	-	400
Postage	13	72	(59)
Advertising - brochures	-	996	(996)
Guest and entertainment	-	504	(504)
Total sales and marketing department	**$ 285,731**	**$ 351,742**	**$ (66,011)**
Reservations Department			
Credit card commissions	$ 72,385	$ 66,900	$ 5,485
Adjustments	707	600	107
Total reservations department	**$ 73,092**	**$ 67,500**	**$ 5,592**
Housekeeping Department			
Housekeeping - Non-billable	$ 233,063	$ 253,821	$ (20,758)
Housekeeping - Billable	98,922	96,283	2,639
Contract labor	84,420	100,200	(15,780)
Guest supplies	26,946	26,016	930
Laundry supplies	17,886	8,256	9,630
Guest amenities	17,370	18,505	(1,135)
Linen replacement	11,548	24,200	(12,652)
Glass, china, silver	3,824	1,500	2,324
Cleaning expenses	3,015	3,000	15
Office supplies	1,141	360	781
Repairs/supplies - Machinery	768	1,440	(672)
Postage	8	180	(172)
Travel and transport	-	360	(360)
Training	-	400	(400)
Total housekeeping department	**$ 498,911**	**$ 534,521**	**$ (35,610)**
Total rental operating expenses exclusive of Club fees	**$ 1,310,060**	**$ 1,451,500**	**$ (141,440)**

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

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

Club Operating Expenses

	Year Ended May 31, 2020		
	Actual	Budget (Not Reviewed)	Variance
Cost of sales	$ 22,358	$ 25,840	$ (3,482)
Payroll and Employee Expenses			
Club administration	$ 100,032	$ 97,308	$ 2,724
Pro shop front desk - Allocated	99,475	99,475	-
Contract labor - Housekeeping and laundry	78,282	82,088	(3,806)
Accounting salaries	58,136	57,532	604
Payroll taxes and benefits	52,203	55,712	(3,509)
Class instructions	23,249	29,841	(6,592)
Housekeeping	23,081	28,665	(5,584)
Massage therapists salaries	16,896	20,390	(3,494)
Fitness salaries	14,049	24,180	(10,131)
Personal trainers	7,340	5,775	1,565
Tennis pro	5,000	6,000	(1,000)
Swim instructor/lifeguard salaries	2,946	4,500	(1,554)
Taxes - Other	1,236	1,750	(514)
Uniforms	11	1,000	(989)
Maintenance salaries	-	1,000	(1,000)
Training	-	1,548	(1,548)
Labor Assistant	-	480	(480)
Total payroll and employee expenses	**$ 481,936**	**$ 517,244**	**$ (35,308)**
Office Expenses			
Computer expenses	$ 22,640	$ 22,535	$ 105
Office supplies and miscellaneous	4,032	4,000	32
Office equipment maintenance	2,526	2,437	89
Printing	1,538	1,200	338
Postage	341	735	(394)
Total accounting department	**$ 31,077**	**$ 30,907**	**$ 170**
Maintenance Department			
Gas and electric	$ 72,992	$ 80,675	$ (7,683)
Association repairs and maintenance	65,581	58,300	7,281
Water and sewer	49,198	40,047	9,151
Repairs and maintenance	25,151	36,000	(10,849)
Trash removal	2,496	2,500	(4)
Telephone	2,412	2,221	191
Fire alarm expense	1,358	1,800	(442)
Snow removal	505	-	505
Supplies	356	-	356
Landscaping	83	3,500	(3,417)
Equipment repairs and fuels	-	2,100	(2,100)
Total maintenance department	**$ 220,132**	**$ 227,143**	**$ (7,011)**

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

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, 2020		
	Actual	Budget (Not Reviewed)	Variance
Other Operating Expenses			
Tennis court supplies	$ 1,096	$ 4,000	$ (2,904)
Exercise equipment	343	-	343
Massage room expense	192	1,300	(1,108)
Supplies	183	-	183
Rental equipment	127	1,000	(873)
Total other operating expenses	**$ 1,941**	**$ 6,300**	**$ (4,359)**
Supplies			
Swimming pool	$ 11,148	$ 12,000	$ (852)
Locker room	9,588	9,000	588
Linen	5,423	4,400	1,023
Supplies	5,247	6,000	(753)
Laundry	4,253	2,750	1,503
Weight room	1,924	1,000	924
Total supplies	**$ 37,583**	**$ 35,150**	**$ 2,433**
Taxes and Business Licenses			
Property	$ 21,519	$ 21,519	$ -
License fees	459	450	9
Total taxes and business licenses	**$ 21,978**	**$ 21,969**	**$ 9**
General Expenses			
Depreciation	$ 180,480	$ 177,877	$ 2,603
Insurance property and liability	14,730	14,700	30
Commissions	14,582	15,800	(1,218)
Accounting and legal	10,392	10,388	4
Advertising	9,520	12,000	(2,480)
Music, television, and internet	3,797	4,392	(595)
Entertainment/travel	1,777	3,646	(1,869)
Miscellaneous expense	1,529	2,113	(584)
Club activities	607	1,000	(393)
Promotions	557	600	(43)
Dues and publications	167	920	(753)
Advertising - employees	65	600	(535)
Adjustments	-	300	(300)
Total general expenses	**$ 238,203**	**$ 244,336**	**$ (6,133)**
Total Club operating expenses	**$ 1,055,208**	**$ 1,108,889**	**$ (53,681)**

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

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 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	FY 29/30	Total
Major Capital Projects											
Deck Replacement (includes patios & stairtowers)	$ 203,000	$ 120,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,323,000
Condo Roof Replacement	85,000	-	90,000	-	-	120,000	-	-	120,000	-	415,000
Condo Built-in Wood-burning Fireplace Conversion to Gas Units	600,000	635,000	-	-	-	-	-	-	-	-	1,235,000
Condo Bldgs 9-12 Fireplace Upgrade Contribution/Incentive	15,000	33,000	33,000	33,000	-	-	-	-	-	-	114,000
Townhome Exteriors	736,000	-	-	-	-	-	-	-	-	-	736,000
Townhome Roof Replacement	266,000	-	-	-	-	-	-	-	-	-	266,000
Major Asphalt Replacement	-	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	600,000
Main Sidewalk Snowmelt Expansion	-	-	-	-	-	60,000	60,000	60,000	60,000	60,000	300,000
Landscaping & Other Grounds Major Projects	45,000	45,000	20,000	20,000	20,000	30,000	30,000	30,000	30,000	30,000	300,000
Vehicles & Equipment Replacement	-	-	8,000	-	40,000	-	-	40,000	-	-	88,000
Hot Tub & Pool (re-plaster, tile, boilers…)	94,000	-	-	-	-	-	75,000	-	-	40,000	209,000
Locker Rooms	-	-	-	-	-	-	-	-	-	-	-
Playground Replacement	-	-	-	-	-	-	-	90,000	-	-	90,000
Tennis Court Resurfacing & Fence Replacement	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Other Major Club Refurbishment Projects	-	20,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	260,000
Other Major Condo & Townhome Projects	27,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	477,000
Subtotal	2,081,000	913,000	566,000	468,000	475,000	625,000	580,000	635,000	625,000	545,000	7,513,000
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 & Radios	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	**$ 2,264,000**	**$ 1,096,000**	**$ 749,000**	**$ 651,000**	**$ 658,000**	**$ 808,000**	**$ 763,000**	**$ 818,000**	**$ 808,000**	**$ 728,000**	**$ 9,343,000**

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

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)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Reserve fund beginning balance	$ 2,438.3	$ 824.9	$ 223.4	$ 217.4	$ 341.4	$ 458.4	$ 425.4	$ 437.5	$ 394.5	$ 361.5	$ 6,122.7
Reserve expenditures	(2,264.0)	(1,096.0)	(749.0)	(651.0)	(658.0)	(808.0)	(763.0)	(818.0)	(808.0)	(728.0)	$ (9,343.0)
	174.3	(271.1)	(525.6)	(433.6)	(316.6)	(349.6)	(337.6)	(380.5)	(413.5)	(366.5)	(3,220.3)
Capital assessments from owners	423.4	423.4	538.0	538.0	538.0	538.0	538.0	538.0	538.0	538.0	5,150.8
Special assessment from owners	290.2	-	-	-	-	-	-	-	-	-	290.2
From operations	(63.0)	71.0	205.0	237.0	237.0	237.0	237.0	237.0	237.0	237.0	1,872.0
Subtotal funding	650.6	494.4	743.0	775.0	775.0	775.0	775.0	775.0	775.0	775.0	**$ 7,313.0**
Reserve fund ending balance	**$ 824.9**	**$ 223.3**	**$ 217.4**	**$ 341.4**	**$ 458.4**	**$ 425.4**	**$ 437.4**	**$ 394.5**	**$ 361.5**	**$ 408.5**	

Shown in current fiscal year 2020 dollars.

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

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