

**Bachelor Gulch Village Association  
(A Colorado Non-Profit Corporation)**

**Financial Statements**

**September 30, 2019**



**Bachelor Gulch Village Association  
(A Colorado Non-Profit Corporation)  
September 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Bachelor Gulch Village Association  
Avon, Colorado**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Bachelor Gulch Village Association (the "Association"), a Colorado non-profit corporation, which comprise the balance sheets as of September 30, 2019, and the related statements of revenues, expenses and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibilities***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bachelor Gulch Village Association as of September 30, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Bachelor Gulch Village Association**  
**Avon, Colorado**

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental budgetary comparison schedule on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, except for that portion marked "unaudited", on which we express no opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs, Replacements and Improvements on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Report on Summarized Comparative Information***

We have previously audited the Association's September 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**June 25, 2020**

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Balance Sheets**  
**September 30, 2019**  
**(With Comparative Totals For September 30, 2018)**

	<b>2019</b>			<b>2018</b>
	<b>Operating Fund</b>	<b>Improvement Fund</b>	<b>Total</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	2,350,221	1,494,515	3,844,736	4,131,948
Accounts receivable	312,353	-	312,353	341,561
Prepaid expenses	1,913	-	1,913	1,953
Due (to) from other fund	(1,192,506)	1,192,506	-	-
Fixed assets, net	589,180	-	589,180	523,058
<b>Total Assets</b>	<b>2,061,161</b>	<b>2,687,021</b>	<b>4,748,182</b>	<b>4,998,520</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	58,951	-	58,951	162,491
Due to (from) management company	328,849	9,245	338,094	309,741
Design review deposits	594,627	-	594,627	540,275
<b>Total Liabilities</b>	<b>982,427</b>	<b>9,245</b>	<b>991,672</b>	<b>1,012,507</b>
<b>Fund Balances</b>	<b>1,078,734</b>	<b>2,677,776</b>	<b>3,756,510</b>	<b>3,986,013</b>
<b>Total Liabilities and Fund Balances</b>	<b>2,061,161</b>	<b>2,687,021</b>	<b>4,748,182</b>	<b>4,998,520</b>

The accompanying notes are an integral part of these financial statements.

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Revenues, Expenses and Changes in Fund Balances**  
**For the Year Ended September 30, 2019**  
**(With Comparative Totals For the Year Ended September 30, 2018)**

	<b>2019</b>			<b>2018</b>
	<b>Operating Fund</b>	<b>Improvement Fund</b>	<b>Total</b>	<b>Total</b>
<b>Revenues:</b>				
Real estate transfer assessments	1,481,984	-	1,481,984	1,625,664
Civic assessments	2,669,074	-	2,669,074	2,482,330
Design Review fees	85,688	-	85,688	369,061
Investment income	137	2,835	2,972	2,527
Other	490	33,000	33,490	13,142
<b>Total Revenues</b>	<b>4,237,373</b>	<b>35,835</b>	<b>4,273,208</b>	<b>4,492,724</b>
<b>Expenses:</b>				
<b>Common area expenses:</b>				
Landscaping	98,673	-	98,673	127,490
Recreation	65,304	-	65,304	61,960
Common area maintenance	81,377	-	81,377	69,247
Common area utilities	39,625	-	39,625	34,640
Trash removal	262,859	-	262,859	250,215
Public safety	779,929	-	779,929	747,519
Dial-a-Ride service	2,394,146	-	2,394,146	2,306,633
<b>Subtotal - Common area</b>	<b>3,721,913</b>	<b>-</b>	<b>3,721,913</b>	<b>3,597,704</b>
<b>Operating expenses:</b>				
Insurance	17,218	-	17,218	15,762
Legal and accounting	85,575	-	85,575	57,567
Design Review	90,048	-	90,048	81,699
Property owner functions	12,556	-	12,556	9,360
Marketing, events and promotion	10,000	-	10,000	10,000
Administrative and management	232,353	-	232,353	224,560
Depreciation	239,526	-	239,526	231,867
<b>Subtotal - Operating</b>	<b>687,276</b>	<b>-</b>	<b>687,276</b>	<b>630,815</b>
<b>Improvement expenses:</b>				
Bachelor Gulch Metropolitan District contribution	-	-	-	1,500,000
Tennis court	-	43,466	43,466	-
Security	-	5,638	5,638	-
Parking lot improvements	-	-	-	159,328
Gatehouse improvements	-	-	-	28,403
Trail and bike path	-	35,172	35,172	-
Signage	-	9,245	9,245	-
<b>Subtotal - Improvement</b>	<b>-</b>	<b>93,522</b>	<b>93,522</b>	<b>1,687,731</b>
<b>Total Expenses</b>	<b>4,409,189</b>	<b>93,522</b>	<b>4,502,711</b>	<b>5,916,250</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(171,816)</b>	<b>(57,687)</b>	<b>(229,503)</b>	<b>(1,423,526)</b>
<b>Fund Balances - Beginning of Year</b>	<b>1,250,550</b>	<b>2,735,463</b>	<b>3,986,013</b>	<b>5,409,539</b>
<b>Fund Balances - End of Year</b>	<b>1,078,734</b>	<b>2,677,776</b>	<b>3,756,510</b>	<b>3,986,013</b>

The accompanying notes are an integral part of these financial statements.

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Statements of Cash Flows**  
**For the Year Ended September 30, 2019**  
**(With Comparative Totals For the Year Ended September 30, 2018)**

	<u>2019</u>			<u>2018</u>
	<u>Operating Fund</u>	<u>Improvement Fund</u>	<u>Total</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>				
Cash received from members	1,481,264	-	1,481,264	1,653,484
Cash received from civic assessment	2,679,124	-	2,679,124	2,317,296
Net cash received (paid) for Design Review:				
Non-refundable fees	85,688	-	85,688	369,061
Refundable deposits	54,352	-	54,352	209,025
Investment income received	137	2,835	2,972	2,527
Other cash receipts	20,368	-	20,368	(20,870)
Cash payments for goods and services	(4,064,862)	(273,470)	(4,338,332)	(5,540,225)
Transfer (to) from other fund	(241,350)	241,350	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>14,721</u>	<u>(29,285)</u>	<u>(14,564)</u>	<u>(1,009,702)</u>
<b>Cash Flows From Investing Activities:</b>				
Cash paid to purchase vehicles	(305,648)	-	(305,648)	(277,271)
Proceeds received from sale of vehicles	-	33,000	33,000	32,065
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(305,648)</u>	<u>33,000</u>	<u>(272,648)</u>	<u>(245,206)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(290,927)	3,715	(287,212)	(1,254,908)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>2,641,148</u>	<u>1,490,800</u>	<u>4,131,948</u>	<u>5,386,856</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>2,350,221</u></u>	<u><u>1,494,515</u></u>	<u><u>3,844,736</u></u>	<u><u>4,131,948</u></u>
<b>Reconciliation of Excess (Deficiency) of Revenues over Expenses to Net Cash Provided (Used) by Operating Activities:</b>				
Excess (deficiency) of revenues over expenses	<u>(171,816)</u>	<u>(57,687)</u>	<u>(229,503)</u>	<u>(1,423,526)</u>
<b>Adjustments:</b>				
Depreciation	239,526	-	239,526	231,867
(Gain)/loss on sale of assets	-	(33,000)	(33,000)	(12,677)
(Increase) decrease - Accounts receivable	29,208	-	29,208	(158,549)
(Increase) decrease - Prepaid expenses	40	-	40	(215)
Increase (decrease) - Accounts payable/accruals	104,761	(179,948)	(75,187)	144,373
Increase (decrease) - Design review deposits	54,352	-	54,352	209,025
Transfer (to) from other fund	(241,350)	241,350	-	-
<b>Total Adjustments</b>	<u>186,537</u>	<u>28,402</u>	<u>214,939</u>	<u>413,824</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>14,721</u></u>	<u><u>(29,285)</u></u>	<u><u>(14,564)</u></u>	<u><u>(1,009,702)</u></u>

The accompanying notes are an integral part of these financial statements.

**Bachelor Gulch Village Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
September 30, 2019**

**1. Organization**

Bachelor Gulch Village Association (the "Association") is a Colorado non-profit corporation formed July 28, 1995 for the benefit of the owners of property in the large planned unit development located within Bachelor Gulch Village in Eagle County, Colorado.

The primary purpose of the Association is to enforce the Association's Declaration of Covenants, Conditions, and Restrictions (the "Declaration") and to provide for the care and operations, management, maintenance, repair and replacement of all the common elements. The functions may include operations of public health, safety, parking, transportation, vehicular access, recreation, marketing, solid waste, animal control, environmental, television, and any other function deemed necessary for operations and management. The Declaration was recorded June 19, 1996 and has a term of 20 years from the date of recording, after which the Declaration is to automatically extend for successive 10-year periods, unless otherwise terminated.

The membership of the Association is comprised of four classes of members. Class "A" members are the owners of estate lots and the owners of undeveloped units, unless these owners elect to be considered voting members of Class "B" or Class "C". Class "A" members are entitled to one vote for each estate lot or undeveloped unit. Class "B" members are the owners of multi-family residential units, and are entitled to one vote for each multi-family residential unit. Class "C" members are the owners of commercial space or lodge units, and are entitled to a vote equal to the greater of one vote for each commercial unit or one vote for each 150 square feet of commercial space and one vote for each two lodge units. Class "D" members, comprised solely of the owners of Tract A on the plat for Bachelor Gulch Village, are entitled to two votes. The master plan for Bachelor Gulch Village permits construction of up to 795 dwelling units and up to 67,880 square feet of commercial space of not less than 150 square feet per commercial unit.

**2. Summary of Significant Accounting Policies**

**A. Fund Accounting**

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs, improvements, and additions, be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the Operating Fund are generally at the discretion of the Board. Disbursements from the Improvement Fund may be made only upon consent of the Board.

**B. Basis of Accounting**

These financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned or assessed, and expenses when incurred.

**C. Recognition of Assets**

Replacements and improvements to real and personal common property acquired from the developer are not recorded by the Association as capitalized fixed assets because their disposition is restricted. Rather, such replacements and improvements are expensed in the period incurred.

The Association recognizes as assets on its financial statements only personal property to which it has title and that it can dispose of for cash, while retaining the proceeds thereto.



**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**September 30, 2019**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**C. Recognition of Assets (continued)**

The Association has capitalized public transportation vehicles, which are recorded at cost and depreciated, using the straight-line method, over their estimated useful lives of 5 years.

**D. Cash and Cash Equivalents**

The Association considers all checking, money market, savings accounts, and investments with original maturities of less than 90 days when purchased to be cash equivalents for the purposes of the Statement of Cash Flows, since all such funds are highly liquid.

**E. Allowance for Uncollectible Accounts**

The Association uses the allowance method for recognizing the potential future uncollectibility of delinquent accounts receivable. No such allowance has been established at September 30, 2019, since all receivables were deemed to be collectible.

**F. Assessments**

Pursuant to the Declaration, the Association is permitted to charge each owner an annual common assessment to meet the budgeted expenses of the Association. For the year ended September 30, 2019, the Association did not levy an annual common assessment.

The Association levies and collects from members a civic assessment in respect of all sales of tangible personal property and rentals. For the year ended September 30, 2019, the civic assessment rate was set at 5%.

In addition, the Association's organizational documents established a 2% real estate transfer assessment.

**G. Income Taxes**

While the Association has been organized under Colorado non-profit statutes as a corporation without capital stock or shareholders, the Association is not a tax-exempt organization. Consequently, the Association is subject to Federal and state income taxes on net income derived from investments and other non-membership sources.

The income tax returns of the Association are subject to examination by the Internal Revenue Service and the Colorado Department of Revenue. The Association's returns are no longer subject to examination for tax years prior to 2016 by the Internal Revenue Service and for tax years prior to 2015 by the Colorado Department of Revenue.

**H. 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Bachelor Gulch Village Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
September 30, 2019  
(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**I. Comparative Information**

The financial statements include certain prior year comparative information in total but not by fund class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the fiscal year ended September 30, 2018, from which the comparative totals were derived.

**J. Subsequent Events**

Management has evaluated subsequent events through June 25, 2020; the date that these financial statements were available to be issued.

**3. Fixed Assets**

Vehicles, at cost	\$ 1,197,633
less: Accumulated depreciation	<u>(608,453)</u>
<b>Net book value</b>	<b><u>\$ 589,180</u></b>

**4. Reserve for Future Major Repairs, Replacements and Improvements**

Although the Association's governing documents do not expressly require that funds be accumulated for future major replacement and improvement of common elements, the Association has consistently accumulated funds for such purposes. These funds, recorded in the Improvement Fund, are generally not available for expenditures for normal operations.

The Association's managing agent has conducted a study, which is updated annually, to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary Schedule of Future Major Repairs, Replacements, and Improvements on page 12 is based on the study.

Funds are being accumulated in the Improvement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Amounts accumulated in the Improvement Fund, therefore, may not be sufficient to meet all future costs of repairs and replacement. The Association retains the right to increase assessments in future years to fund capital replacements or to delay major repairs and replacements until adequate funds are available. The Association did not levy an Improvement Fund assessment for the year ended September 30, 2019.

**Bachelor Gulch Village Association  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
September 30, 2019  
(Continued)**

**5. Significant Agreements**

**A. Management Agreement**

The Association entered into a management agreement (the "Management Agreement") with Vail/Arrowhead, Inc. ("VAI") effective July 28, 1995. VAI's rights and duties under the Management Agreement were assigned to Vail Resorts Development Company ("VRDC"), a related company of Vail Resorts, Inc. ("Vail Resorts"), on October 1, 1997. The Management Agreement had an initial term of three years and, barring exercise of certain provisions as to termination, automatically renews for consecutive three-year terms.

The Management Agreement calls for VRDC to manage the business and operations of the Association, including planning, organizing, directing and controlling the resources of the Association, and implementing Association policies and procedures. For its services on behalf of the Association, VRDC is to be reimbursed for all public safety and design review costs plus a fee of 10%, as well as a flat fee set annually by the Association. The flat fee for fiscal year 2019 was \$226,200.

For the year ended September 30, 2019, the Association incurred the following expenses in respect of services provided by VRDC and/or its related companies:

Common area maintenance	\$ 54,244
Public safety	757,923
Design Review	90,048
Administration and management fee	232,333
<b>Total</b>	<b>\$ 1,134,548</b>

At September 30, 2019, the Association owed VRDC \$338,094 with respect to services rendered under the terms of the Management Agreement and for reimbursements of expenses incurred on the Association's behalf.

For fiscal year 2019, Vail Resorts and affiliated entities paid the Association civic assessments aggregating to \$320,235. At September 30, 2019, Vail Resorts owned 195 units within the Association.

**B. Transportation Agreement**

Effective October 1, 2018, the Association entered into an agreement (the "Dial-A-Ride Agreement") with The Vail Corporation ("Vail"), a related company of Vail Resorts, to operate and maintain a Dial-A-Ride transportation system for residents, businesses, and guests of Bachelor Gulch Village. The Dial-A-Ride Agreement calls for Vail to provide on-demand and fixed route transportation services, using the Association's vehicles, in return for an agreed-upon fee. The Dial-A-Ride Agreement has a one-year term, but automatically renews for five successive one-year terms, unless otherwise terminated.

For fiscal year 2019, the fee paid to Vail for services provided under the Dial-A-Ride Agreement was \$2,363,900.

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**September 30, 2019**  
**(Continued)**

**6. Concentration of Credit Risk**

The Association's cash balances held with financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor at each separately chartered FDIC-member institution, without regard to the nature of the accounts. At September 30, 2019, the Association's uninsured cash balances totaled \$1,446,604.

**7. Subsequent Event – COVID-19**

The spread of COVID-19 may have operational, economic, and financial impacts on the Association. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Operating Fund - Budget and Actual**  
**For the Year Ended September 30, 2019**  
**(With Comparative Actual Amounts for the Year Ended September 30, 2018)**

	<u>2019</u>		<b>Variance Positive (Negative)</b>	<u>2018</u>
	<b>Budget (Unaudited)</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
Real estate transfer assessments	2,015,411	1,481,984	(533,427)	1,625,664
Civic assessments	2,272,345	2,669,074	396,729	2,482,330
Design Review fees	39,800	85,688	45,888	369,061
Investment income	1,082	137	(945)	1,549
Other	28,000	490	(27,510)	465
<b>Total Revenues</b>	<u>4,356,638</u>	<u>4,237,373</u>	<u>(119,265)</u>	<u>4,479,069</u>
<b>Expenses:</b>				
<b>Common area expenses:</b>				
Landscaping	103,610	98,673	4,937	127,490
Recreation	85,754	65,304	20,450	61,960
Common area maintenance	81,223	81,377	(154)	69,247
Common area utilities	39,862	39,625	237	34,640
Trash removal	269,899	262,859	7,040	250,215
Public safety	828,735	779,929	48,806	747,519
Dial-a-Ride service	2,384,983	2,394,146	(9,163)	2,306,633
<b>Subtotal - Common area</b>	<u>3,794,066</u>	<u>3,721,913</u>	<u>72,153</u>	<u>3,597,704</u>
<b>Operating expenses:</b>				
Insurance	16,461	17,218	(757)	15,762
Legal and accounting	44,050	85,575	(41,525)	57,567
Design Review	90,847	90,048	799	81,699
Property owner functions	19,800	12,556	7,244	9,360
Marketing, events and promotion	10,000	10,000	-	10,000
Income tax expense	6,810	-	6,810	-
Administrative and management	233,534	232,353	1,181	224,560
Depreciation	193,813	239,526	(45,713)	231,867
<b>Subtotal - Operating</b>	<u>615,315</u>	<u>687,276</u>	<u>(71,961)</u>	<u>630,815</u>
<b>Total Expenses</b>	<u>4,409,381</u>	<u>4,409,189</u>	<u>192</u>	<u>4,228,519</u>
<b>Excess of Revenues Over Expenses</b>	(52,743)	(171,816)	(119,073)	250,550
<b>Fund Balance - Beginning of Year</b>	1,000,000	1,250,550	250,550	2,152,584
Transfer (to) Improvement Fund	-	-	-	(1,152,584)
<b>Fund Balance - End of Year</b>	<u>947,257</u>	<u>1,078,734</u>	<u>131,477</u>	<u>1,250,550</u>

The accompanying notes are an integral part of these financial statements.

**Bachelor Gulch Village Association**  
**(A Colorado Non-Profit Corporation)**  
**Schedule of Future Major Repairs, Replacements, and Improvements**  
**September 30, 2019**  
**(Unaudited)**

The Association's managing agent has conducted a study, which is updated annually, to estimate the remaining useful lives and the replacement costs of components of common property.

The following table is based on the study and presents significant information about the components of common property.

The Board of Directors has elected not to allocate the Improvement Fund balance at September 30, 2019 to the specific components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Improvement Fund Balance at Sep. 30, 2019</u>
<b>Vehicles:</b>			
Transportation vehicles	1 - 13	4,408,248	
Security vehicles	2 - 8	145,870	
<b>Improvements:</b>			
Base area lawn			
Gatehouse, entry and other landscaping	3 - 9	120,000	
Key control system	4	50,000	
Pedestrian trails and bike paths	1 - 8	75,000	
Wildland fire mitigation	1 - 9	170,000	
Gatehouse exterior staining	2	6,000	
Perennial landscaping at gate	4 - 8	118,640	
<b>Replacements:</b>			
Bus shelters	1 - 8	50,000	
Gates	6	60,389	
Plaza pavers and snowmelt	3	200,000	
Trail signage	1 - 6	50,000	
Tennis center roof	1	45,000	
Tennis center landscaping	5	25,000	
Tennis center improvements	1	25,000	
Tennis court laser releveling	3	22,000	
Tennis court replacement	8	700,000	
Landscaping	2 - 8	75,000	
		<u>6,346,147</u>	<u>2,677,776</u>

The accompanying notes are an integral part of these financial statements.