

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

Financial Statements

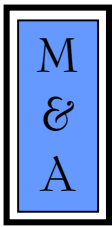
September 30, 2022



**Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
September 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Bachelor Gulch Village Association (the "Association"), which comprise the balance sheets as of September 30, 2022 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of September 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

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 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 U.S. GAAS. In our opinion, the information, except for the 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.

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

Required Supplementary Information

U.S. GAAP requires that the supplementary information on future major repairs and replacements on page 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 U.S. GAAS, 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021 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.
Avon, Colorado
February 16, 2023

Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
Balance Sheets
September 30, 2022
(With Comparative Totals For September 30, 2021)

	2022			2021
	Operating Fund	Improvement Fund	Total	Total
Assets:				
Cash and cash equivalents	2,109,788	11,859,422	13,969,210	9,975,088
Accounts receivable	569,813	-	569,813	624,175
Prepaid expenses	9,967	-	9,967	9,286
Due (to) from other fund	2,903,087	(2,903,087)	-	-
Fixed assets, net	460,780	-	460,780	351,201
Total Assets	6,053,435	8,956,335	15,009,770	10,959,750
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	19,145	123,800	142,945	44,901
Due to (from) management company	269,597	22,148	291,745	294,413
Income taxes payable	23,829	-	23,829	-
Design review deposits	672,163	-	672,163	634,084
Total Liabilities	984,734	145,948	1,130,682	973,398
Fund Balances	5,068,701	8,810,387	13,879,088	9,986,352
Total Liabilities and Fund Balances	6,053,435	8,956,335	15,009,770	10,959,750

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, 2022
(With Comparative Totals For the Year Ended September 30, 2021)

	2022			2021
	Operating Fund	Improvement Fund	Total	Total
Revenues:				
Real estate transfer assessments	4,899,270	-	4,899,270	5,438,955
Civic assessments	3,348,509	-	3,348,509	2,443,830
Design Review fees	44,191	-	44,191	241,056
Investment income	2,185	5,058	7,243	405
Other	-	-	-	16,793
Total Revenues	8,294,155	5,058	8,299,213	8,141,039
Expenses:				
Common area expenses:				
Landscaping	128,328	-	128,328	83,643
Recreation	69,430	-	69,430	81,914
Common area maintenance	68,618	-	68,618	68,965
Common area utilities	50,928	-	50,928	48,914
Trash removal	301,123	-	301,123	235,511
Public safety	808,795	-	808,795	798,529
Village Transportation service	2,107,503	-	2,107,503	1,850,062
Subtotal - Common area	3,534,725	-	3,534,725	3,167,538
Operating expenses:				
Insurance	22,250	-	22,250	19,977
Legal and accounting	38,498	-	38,498	129,597
Design Review	98,341	-	98,341	104,027
Property owner functions	2,387	-	2,387	2,283
Marketing, events and promotion	10,000	-	10,000	12,677
Income tax expense	23,829	-	23,829	-
Administrative and management	252,177	-	252,177	241,632
Depreciation	243,247	-	243,247	244,564
Subtotal - Operating	690,729	-	690,729	754,757
Improvement expenses:				
Common area landscape	-	4,713	4,713	-
Tennis court	-	1,954	1,954	43,826
Deck	-	-	-	25,975
Security	-	5,484	5,484	-
Wildfire protection	-	110,000	110,000	37,020
Gatehouse improvements	-	25,723	25,723	-
Signage	-	22,148	22,148	-
Other improvement expenses	-	11,001	11,001	28,046
Subtotal - Improvement	-	181,023	181,023	134,867
Total Expenses	4,225,454	181,023	4,406,477	4,057,162
Excess (Deficiency) of Revenues Over Expenses	4,068,701	(175,965)	3,892,736	4,083,877
Fund Balances - Beginning of Year	5,213,719	4,772,633	9,986,352	5,902,475
Transfer (to) from other fund	(4,213,719)	4,213,719	-	-
Fund Balances - End of Year	5,068,701	8,810,387	13,879,088	9,986,352

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, 2022
(With Comparative Totals For the Year Ended September 30, 2021)

	2022			2021
	Operating Fund	Improvement Fund	Total	Total
Cash Flows From Operating Activities:				
Cash received from members	5,123,300	-	5,123,300	5,977,675
Cash received from civic assessment	3,178,841	-	3,178,841	2,355,824
Net cash received (paid) for Design Review:				
Non-refundable fees	44,191	-	44,191	241,056
Refundable deposits	38,079	-	38,079	76,127
Investment income received	2,185	5,058	7,243	405
Other cash receipts	-	-	-	278
Cash payments for goods and services	(4,009,631)	(35,075)	(4,044,706)	(3,870,235)
Transfer (to) from other fund	(3,753,717)	3,753,717	-	-
Net Cash Provided (Used) by Operating Activities	<u>623,248</u>	<u>3,723,700</u>	<u>4,346,948</u>	<u>4,781,130</u>
Cash Flows From Investing Activities:				
Cash paid to purchase vehicles	(352,826)	-	(352,826)	-
Proceeds received from sale of vehicles	-	-	-	16,515
Net Cash Provided (Used) by Investing Activities	<u>(352,826)</u>	<u>-</u>	<u>(352,826)</u>	<u>16,515</u>
Net Increase (Decrease) in Cash and Cash Equivalents	270,422	3,723,700	3,994,122	4,797,645
Cash and Cash Equivalents - Beginning of Year	<u>1,839,366</u>	<u>8,135,722</u>	<u>9,975,088</u>	<u>5,177,443</u>
Cash and Cash Equivalents - End of Year	<u><u>2,109,788</u></u>	<u><u>11,859,422</u></u>	<u><u>13,969,210</u></u>	<u><u>9,975,088</u></u>
Reconciliation of Excess (Deficiency) of Revenues over Expenses to Net Cash Provided (Used) by Operating Activities:				
Excess (deficiency) of revenues over expenses	<u>4,068,701</u>	<u>(175,965)</u>	<u>3,892,736</u>	<u>4,083,877</u>
Adjustments:				
Depreciation	243,247	-	243,247	244,564
(Gain)/loss on sale of assets	-	-	-	(16,515)
(Increase) decrease - Accounts receivable	54,362	-	54,362	450,714
(Increase) decrease - Prepaid expenses	(681)	-	(681)	(7,357)
Increase (decrease) - Accounts payable/accruals	(50,572)	145,948	95,376	(50,280)
Increase (decrease) - Income taxes payable	23,829	-	23,829	-
Increase (decrease) - Design review deposits	38,079	-	38,079	76,127
Transfer (to) from other fund	(3,753,717)	3,753,717	-	-
Total Adjustments	<u>(3,445,453)</u>	<u>3,899,665</u>	<u>454,212</u>	<u>697,253</u>
Net Cash Provided (Used) by Operating Activities	<u><u>623,248</u></u>	<u><u>3,723,700</u></u>	<u><u>4,346,948</u></u>	<u><u>4,781,130</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, 2022**

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, 2022
(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, 2022, since all receivables were deemed to be collectible.

F. Revenues and Revenue Recognition

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, 2022, 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, 2022, the civic assessment rate was set at 5%.

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

The Association also recognizes revenues from various administrative fees and fines as earned upon provision of the underlying goods or service. All such revenues are non-refundable.

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 2019 by the Internal Revenue Service and for tax years prior to 2018 by the Colorado Department of Revenue.

**Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
September 30, 2022
(Continued)**

2. Summary of Significant Accounting Policies (continued)

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.

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, 2021, from which the comparative totals were derived.

J. Subsequent Events

Management has evaluated subsequent events through February 16, 2023; the date that these financial statements were available to be issued.

3. Fixed Assets

Vehicles, at cost	\$ 1,661,042
less: Accumulated depreciation	<u>(1,200,262)</u>
Net book value	<u><u>\$ 460,780</u></u>

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 13 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, 2022.

**Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
September 30, 2022
(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 2022 was \$240,695.

For the year ended September 30, 2022, 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	797,418
Design Review	98,341
Administration and management	<u>240,695</u>
Total	<u><u>\$ 1,190,698</u></u>

At September 30, 2022, the Association owed VRDC \$291,745 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 2022, Vail Resorts and affiliated entities paid the Association civic assessments aggregating to \$351,722. At September 30, 2022, Vail Resorts owned 195 units within the Association.

B. Transportation Agreement

Effective October 1, 2018, the Association entered into an agreement (the "Village Transportation Agreement") with The Vail Corporation ("Vail"), a related company of Vail Resorts, to operate and maintain a transportation system for residents, businesses, and guests of Bachelor Gulch Village. The Village Transportation 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 Village Transportation Agreement has a one-year term, but automatically renews for five successive one-year terms, unless otherwise terminated.

For fiscal year 2022, the fee to be paid to Vail, based upon budgeted hours of services, provided under the Village Transportation Agreement was \$2,314,964. The actual fee paid to Vail was \$2,073,729.

Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
September 30, 2022
(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. In addition, At September 30, 2022, the Association's uninsured cash balances totaled \$11,371,507.

7. Revenue from Contracts with Customers

For the year ended September 30, 2022, revenue recognized for goods transferred or performance obligations met at a point in time were \$8,291,970. There were no revenues recognized for goods transferred or performance obligations met over time during 2022. Revenues may be affected by general economic conditions and inflationary pressures. Revenues are primarily collected from members of the Association.

8. Memorandum of Understanding – Bachelor Gulch Metropolitan District

In October 2022, the Association executed a Memorandum of Understanding with Bachelor Gulch Metro District ("BGMD"), pursuant to which the Association agreed to make a \$1,000,000 contribution to BGMD in order for BGMD to pay down its long-term debt obligations and reduce its debt service mill levy. BGMD's debt was incurred to fund the cost of public improvements within the common boundaries of the Association and BGMD, and such public infrastructure is used by and benefits the Association's members and assessment payers, and the residents and taxpayers of BGMD. The Association made its required contribution to BGMD in November 2022.

Bachelor Gulch Village Association
(A Colorado Non-Profit Corporation)
Schedule of Operating Fund - Budget and Actual
For the Year Ended September 30, 2022
(With Comparative Actual Amounts for the Year Ended September 30, 2021)

	<u>2022</u>		Variance Positive (Negative)	<u>2021</u>
	Budget (Unaudited)	Actual		Actual
Revenues:				
Real estate transfer assessments	2,000,000	4,899,270	2,899,270	5,438,955
Civic assessments	2,100,000	3,348,509	1,248,509	2,443,830
Design Review fees	85,688	44,191	(41,497)	241,056
Investment income	750	2,185	1,435	405
Other	500	-	(500)	11,768
Total Revenues	<u>4,186,938</u>	<u>8,294,155</u>	<u>4,107,217</u>	<u>8,136,014</u>
Expenses:				
Common area expenses:				
Landscaping	115,000	128,328	(13,328)	83,643
Recreation	98,150	69,430	28,720	81,914
Common area maintenance	74,880	68,618	6,262	68,965
Common area utilities	55,965	50,928	5,037	48,914
Trash removal	248,400	301,123	(52,723)	235,511
Public safety	850,636	808,795	41,841	798,529
Village Transportation service	2,311,117	2,107,503	203,614	1,850,062
Subtotal - Common area	<u>3,754,148</u>	<u>3,534,725</u>	<u>219,423</u>	<u>3,167,538</u>
Operating expenses:				
Insurance	21,089	22,250	(1,161)	19,977
Legal and accounting	104,500	38,498	66,002	129,597
Design Review	113,244	98,341	14,903	104,027
Property owner functions	12,300	2,387	9,913	2,283
Marketing, events and promotion	10,000	10,000	-	12,677
Income tax expense	263	23,829	(23,566)	-
Administrative and management	248,629	252,177	(3,548)	241,632
Depreciation	240,000	243,247	(3,247)	244,564
Subtotal - Operating	<u>750,025</u>	<u>690,729</u>	<u>59,296</u>	<u>754,757</u>
Total Expenses	<u>4,504,173</u>	<u>4,225,454</u>	<u>278,719</u>	<u>3,922,295</u>
Excess of Revenues Over Expenses	(317,235)	4,068,701	4,385,936	4,213,719
Fund Balance - Beginning of Year	1,000,000	5,213,719	4,213,719	3,335,165
Transfer (to) Improvement Fund	-	(4,213,719)	(4,213,719)	(2,335,165)
Fund Balance - End of Year	<u>682,765</u>	<u>5,068,701</u>	<u>4,385,936</u>	<u>5,213,719</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, 2022
(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, 2022 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, 2022</u>
Vehicles:			
Transportation vehicles	0 - 8	3,131,438	
Security vehicles	0 - 8	219,911	
Improvements:			
Gatehouse, entry and other landscaping	2 - 5	101,012	
Key control system	4 - 8	122,354	
Pedestrian trails and bike paths	2 - 8	87,647	
Wildland fire mitigation	1 - 8	312,335	
Gatehouse exterior staining	3 - 8	28,548	
Perennial landscaping at gate	1 - 4	98,435	
Other	0	1,000,000	
Replacements:			
Bus shelters	4 - 8	36,706	
Gates/cameras	0 - 8	163,063	
Plaza pavers and snowmelt	4	230,731	
Trail signage	0 - 8	260,280	
Tennis center roof	5	43,923	
Tennis center landscaping	1 - 6	57,009	
Tennis center improvements	8	103,473	
Tennis court laser releveling	0 - 8	128,541	
Tennis court replacement	4	807,560	
Landscaping	0 - 4	105,312	
Other	0	200,000	
		<u>7,238,278</u>	<u>8,810,387</u>

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