

**Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)**

**Financial Statements
December 31, 2017**



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(A Colorado Non-Profit Corporation)
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Gold Point II Condominium Association, Inc.
Breckenridge, CO**

Report on the Financial Statements

We have audited the accompanying financial statements of Gold Point II Condominium Association, Inc. (the "Association"), a Colorado non-profit corporation, which comprise the balance sheets as of December 31, 2017, 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 purposes 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 Gold Point II Condominium Association, Inc. as of December 31, 2017, 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
Gold Point II Condominium Association, Inc.
Breckenridge, CO

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental 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 and Replacements 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 December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 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.
April 29, 2018

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Balance Sheets
December 31, 2017
(With Comparative Totals for 2016)

	<u>2017</u>			<u>2016</u>	
	<u>Operating Fund</u>	<u>Common Reserve Fund</u>	<u>Unit Reserve Fund</u>	<u>Total</u>	<u>Total</u>
Assets:					
Cash in banks	39,477	3,143	8,378	50,998	507,631
Investments	-	149,664	398,957	548,621	-
Accrued Interest		254	677	931	-
Member assessments receivable (net of allowance for doubtful accounts of \$81,744 and \$62,091 at 2017 and 2016)	53,768	-	-	53,768	61,627
Due from (to) other funds	62,246	(13,801)	(48,445)	-	-
Inventory - Units	34,076	-	-	34,076	16,095
Inventory - Housekeeping supplies	3,192	-	-	3,192	1,521
Prepaid expenses	970	-	-	970	1,171
Total Assets	<u>193,729</u>	<u>139,260</u>	<u>359,567</u>	<u>692,556</u>	<u>588,045</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	27,441	-	-	27,441	10,756
Deferred assessment revenue	6,478	-	-	6,478	4,898
Due to Grand Timber Lodge	-	-	-	-	550
Due to (from) Gold Point Condominium	4,343	-	-	4,343	7,498
Property tax payable	22,230	-	-	22,230	20,180
Due to Management Company	30,279	-	-	30,279	25,774
Total Liabilities	<u>90,771</u>	<u>-</u>	<u>-</u>	<u>90,771</u>	<u>69,656</u>
Fund Balances (Deficit)	<u>102,958</u>	<u>139,260</u>	<u>359,567</u>	<u>601,785</u>	<u>518,389</u>
Total Liabilities and Fund Balances (Deficit)	<u>193,729</u>	<u>139,260</u>	<u>359,567</u>	<u>692,556</u>	<u>588,045</u>

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

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balances
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			2016	
	Operating Fund	Common Reserve Fund	Unit Reserve Fund	Total	Total
Revenues:					
Assessments, net of discounts	455,515	49,024	127,507	632,046	608,247
Less: Association owned unit-weeks	(16,866)	-	-	(16,866)	(7,267)
Late fee revenue	16,462	-	-	16,462	14,587
Interest income	-	1,579	4,210	5,789	3,475
Rental income	2,086	-	-	2,086	1,258
Miscellaneous	881	-	-	881	1,035
Total Revenues	<u>458,078</u>	<u>50,603</u>	<u>131,717</u>	<u>640,398</u>	<u>621,335</u>
Expenses:					
Bad debt expense	5,853	-	-	5,853	18,542
Accounting	6,353	-	-	6,353	6,050
Assessment servicing fees	6,254	-	-	6,254	6,318
Cable television	4,684	-	-	4,684	6,454
Common area expenses	7,691	-	-	7,691	4,015
Commons building expenses	5,126	-	-	5,126	4,882
Collections expense	5,208	-	-	5,208	2,927
Fire alarm maintenance	5,902	-	-	5,902	2,206
Elevator maintenance	789	-	-	789	239
Health club dues	4,410	-	-	4,410	8,003
Hot tub maintenance	1,227	-	-	1,227	1,620
HR Fees	7,275	-	-	7,275	6,929
Insurance	12,673	-	-	12,673	14,054
Landscaping	268	-	-	268	69
Management fee	17,111	-	-	17,111	16,296
Miscellaneous	4,479	-	-	4,479	4,175
Printing and postage	650	-	-	650	522
Professional fees	12,466	-	-	12,466	6,657
Property tax expense	22,233	-	-	22,233	20,180
Front desk and reservationists	58,779	-	-	58,779	55,980
Snow removal	1,092	-	-	1,092	1,064
Trash removal	2,589	-	-	2,589	2,289
Board and annual meetings	597	-	-	597	611
Truck lease	2,421	-	-	2,421	2,421
Unit expenses	212,598	-	-	212,598	193,375
Water and sanitation	13,010	-	-	13,010	12,619
Common reserve - exterior	-	115,498	-	115,498	8,166
Unit reserve - renovation	-	-	5,985	5,985	3,196
Unit reserve - furniture and inventory replacement	-	-	13,781	13,781	88,844
Total Expenses	<u>421,738</u>	<u>115,498</u>	<u>19,766</u>	<u>557,002</u>	<u>498,703</u>
Excess (Deficiency) of Revenues Over Expenses	36,340	(64,895)	111,951	83,396	122,632
Beginning Fund Balances (Deficit)	<u>66,618</u>	<u>204,155</u>	<u>247,616</u>	<u>518,389</u>	<u>395,757</u>
Ending Fund Balances (Deficit)	<u><u>102,958</u></u>	<u><u>139,260</u></u>	<u><u>359,567</u></u>	<u><u>601,785</u></u>	<u><u>518,389</u></u>

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

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			2016	
	Operating Fund	Common Reserve Fund	Unit Reserve Fund	Total	Total
Cash Flow From Operating Activities:					
Cash received from owners	464,550	49,024	127,507	641,081	605,785
Interest received	-	1,325	3,533	4,858	3,475
Other receipts of cash	2,967	-	-	2,967	2,293
Cash transfers from (to) other fund	(158,733)	105,628	53,105	-	-
Cash payments for goods and services	(401,471)	(115,498)	(19,766)	(536,735)	(476,431)
Cash payments for property taxes	(20,183)	-	-	(20,183)	(19,660)
Net Cash Provided (Used) by Operating Activities	<u>(112,870)</u>	<u>40,479</u>	<u>164,379</u>	<u>91,988</u>	<u>115,462</u>
Cash Flow From Investing Activities:					
Purchase of investments	-	(158,500)	(158,500)	(317,000)	-
Sale of investments	-	50,000	50,000	100,000	-
Transfer of investment allocation	-	(41,164)	(290,457)	(331,621)	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(149,664)</u>	<u>(398,957)</u>	<u>(548,621)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(112,870)	(109,185)	(234,578)	(456,633)	115,462
Cash and Cash Equivalents - Beginning of Year	<u>152,347</u>	<u>112,328</u>	<u>242,956</u>	<u>507,631</u>	<u>392,169</u>
Cash and Cash Equivalents - End of Year	<u><u>39,477</u></u>	<u><u>3,143</u></u>	<u><u>8,378</u></u>	<u><u>50,998</u></u>	<u><u>507,631</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>36,340</u>	<u>(64,895)</u>	<u>111,951</u>	<u>83,396</u>	<u>122,632</u>
Adjustments to Reconcile Excess (Deficiency) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:					
Unrealized (gain) loss on investments	-	(254)	(677)	(931)	-
Increase (decrease) in interfund balances	(158,733)	105,628	53,105	-	-
(Increase) decrease in assessments receivable	(11,794)	-	-	(11,794)	(35,125)
Increase (decrease) in allowance for doubtful accounts	19,653	-	-	19,653	23,548
(Increase) decrease in due from Gold Point Condominium	(3,155)	-	-	(3,155)	3,512
(Increase) decrease in due from Grand Timber Lodge	(550)	-	-	(550)	550
(Increase) decrease in prepaid expenses	201	-	-	201	-
(Increase) decrease in inventory - units	(17,981)	-	-	(17,981)	(7,611)
(Increase) decrease in inventory - supplies	(1,671)	-	-	(1,671)	82
Increase (decrease) in due to related parties	4,505	-	-	4,505	(132)
Increase (decrease) in accounts payable	16,685	-	-	16,685	5,692
Increase (decrease) in property tax payable	2,050	-	-	2,050	520
Increase (decrease) in deferred assessment revenue	1,580	-	-	1,580	1,794
Total Adjustments	<u>(149,210)</u>	<u>105,374</u>	<u>52,428</u>	<u>8,592</u>	<u>(7,170)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(112,870)</u></u>	<u><u>40,479</u></u>	<u><u>164,379</u></u>	<u><u>91,988</u></u>	<u><u>115,462</u></u>

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

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017

1. Organization

Gold Point II Condominium Association, Inc., (the "Association") is a condominium association organized as a Colorado not-for-profit corporation for the purposes of maintaining and preserving common property of the Association. The Association is located in Breckenridge, Colorado and consists of 13 units which are divided into 50 time-span ("timeshare") estates. The Association, which is located in Breckenridge, Colorado, was incorporated April 25, 1995.

2. Summary of Significant Accounting Policies

A. Fund Accounting

The Association uses fund accounting, which requires that funds, such as operating funds and funds for future major repairs and replacements, be classified separately for accounting and reporting purposes. As of December 31, 2017 and 2016, the Association had the following funds:

Operating - Disbursements from this fund are generally at the discretion of the Board of Directors and property manager.

Common Reserve - Disbursements from this fund generally may be made only for designated purposes.

Unit Reserve - Disbursements from this fund are designated for the replacement of unit furniture.

B. Investment Income Allocation

Interest is recorded in the fund in which it was earned.

C. Recognition of Assets

The Association recognizes as assets on its financial statements:

- (a) common personal property and;
- (b) common real property to which it has title and that it can dispose of for cash, while retaining the proceeds thereto.

D. Basis of Accounting

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

E. Cash and Cash Equivalents

All checking and money market savings accounts are considered cash equivalents by the Association for the purpose of the Statements of Cash Flows since all funds are highly liquid with no stated maturities.

F. Common Assessments

Common assessments are the primary source of revenue for the Association. An annual budget, which is approved by the Board of Directors (the "Board"), is prepared to estimate the annual expenses of maintaining the Association's common elements. Members of the Association are assessed for their pro-rata share of these estimated expenses.

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

2. Summary of Significant Accounting Policies (continued)

F. Common Assessments (continued)

Since the Association is designed only to operate as a conduit to collect assessments and pay operating expenses on behalf of members, any excess or deficiency of revenues over expenses is repaid to or recovered from the members in a subsequent period by reducing or increasing assessments, or, with the approval of the Board, transferred to the Replacement Funds.

G. Due To/From Other Funds

The Association has chosen to record all accounts receivable and accounts payable in the Operating Fund. In accordance with generally accepted accounting principles, the differences caused by this accounting treatment are shown as interfund asset and liability accounts.

H. Allowance for Uncollectible Accounts - Assessments

The Association utilizes the allowance method of recognizing the future potential uncollectability of owner assessments receivable. This reserve is calculated based on the estimated percentage of potentially uncollectible accounts 90 or more days overdue. The Association's policy is to charge late fees to owner accounts that are 60 or more days overdue. Owner assessment accounts that are 120 or more days past due are sent to a collection agency by the Association. For the year ended December 31, 2017, the Association incurred \$5,853 in bad debt expense and wrote off accounts totaling \$14,250 (net of recoveries totaling \$30,435). For the year ended December 31, 2016, the Association incurred \$18,542 in bad debt expense and wrote off accounts totaling \$7,825 (net of recoveries totaling \$0).

I. Due (To) From Gold Point Homeowners Association, Inc. ("Gold Point HOA")

Gold Point HOA is a condominium association located adjacent to the Association. Gold Point HOA and the Association are both managed by Breckenridge Grand Vacations, which is owned and operated by Peak 8 Properties, L.L.C. The Association pays Gold Point HOA for their share of expenses related to the operation of the Commons Building. At December 31, 2017 and 2016 the Association owed Gold Point HOA \$4,343 and \$7,498 respectively.

J. Inventories

Housekeeping supply inventory is valued at cost, using the first-in/first-out (FIFO) method. The cost of inventory is recorded as an expense when consumed rather than when purchased. Association owned unit-weeks are stated at the lower of cost or market.

K. 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.

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

2. Summary of Significant Accounting Policies (continued)

L. Comparative Information

The financial statements include certain prior year comparative information in total but not by fund. 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 year ended December 31, 2016, from which the comparative totals were derived.

M. Deferred Assessment Revenue

Deferred revenue represents prepaid assessments, and is primarily composed of payments received in advance for the first quarter's billing of the next fiscal year.

N. Subsequent Events

Management has evaluated subsequent events through April 29, 2018, the date these financial statements were available to be issued.

3. 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 Federal income tax returns of the Company are subject to examination by the Internal Revenue Service and Colorado Department of Revenue. The Company's returns are no longer subject to examination for tax years prior to 2013 by the Internal Revenue Service and for tax years prior to 2012 by the Colorado Department of Revenue.

4. Significant Agreements and Transactions

On August 1, 2001, the Association entered into an agreement with Breckenridge Grand Vacations ("Manager"), which is owned and operated by Peak 8 Properties, L.L.C., for management, accounting, and reservation services. The management, accounting, and reservation fees are negotiated annually. This agreement is for five year terms that automatically renew unless terminated. This agreement may be terminated by the Association for Cause, as defined in the agreement. Breckenridge Grand Vacations may resign as manager with or without cause. However, Breckenridge Grand Vacations cannot resign until the Association obtains a substitute managing agent or until 180 days have elapsed from the resignation notification date.

During its fiscal year, the Association incurred various expenses that were payable to Breckenridge Grand Vacations and Peak 8 Properties, LLC (collectively referred to as "Management Companies"). The following is a schedule of transactions between the Association and the Management Companies for the fiscal years ended December 31, 2017 and 2016, respectively:

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

4. Significant Agreements and Transactions (continued)

	<u>12/31/17</u>	<u>12/31/16</u>
Management fee	\$ 17,111	\$ 16,296
Accounting	6,353	6,050
Front desk/reservations	58,779	55,980
Human resources	7,275	6,929
Unit cleaning	127,292	110,450
Sustainability programs	1,114	-
Maintenance labor	<u>58,135</u>	<u>53,122</u>
 Total Services	 <u>\$ 276,059</u>	 <u>\$ 248,827</u>

The net amount owed by the Association to the Management Companies for these services was \$30,279 and \$25,774 at December 31, 2017 and 2016, respectively.

On July 29, 2011, the Association entered into an agreement with Gold Point Lodging and Realty (“GPLR”), whereby GPLR attempts to resell inventory units for the Association (which were obtained as a result of foreclosure proceedings to collect past due assessments). Upon the sale of these inventory units, GPLR is required to remit to the Association an amount equal to 15% of the Net Listed Sales Price, as defined in the agreement. During the fiscal years ended December 31, 2017 and 2016, the Association received \$10,069 and \$5,220, respectively from GPLR for the purchase of inventory units. At December 31, 2017 and 2016, the Association owned 24 and 8 unit-weeks in inventory, respectively.

GPLR pays assessments relating to its owned unit weeks throughout the year. This amount totaled \$14,718 and \$14,395 during the fiscal years ending December 31, 2017 and 2016, respectively. The GPLR assessments excluded cleaning fees of \$8,151 and \$4,755 related to services not incurred in unoccupied units for the fiscal years ending December 31, 2017 and 2016, respectively.

On October 1, 2012, the Association entered into an agreement with Concord Servicing Corporation to perform billing of assessments. The initial term began in October 2012 and is automatically renewed for 12-month terms until written notice of termination. The fee may increase annually by 1.5 times the increase in Consumer Price Index. For the years ending December 31, 2017 and 2016 the Association paid \$6,254 and \$6,318, respectively, for services provided by Concord Servicing Corporation.

5. Future Major Repairs and Replacements

As permitted by the Association's governing documents, the Association is accumulating funds for future major repairs and replacements of the Association's common property. Accumulated funds are held in separate money market accounts and are generally not available for expenses for normal operations.

During the fiscal year ended December 31, 2017, management performed an internal update of the most recent Level I – Full Service Reserve Study, completed in 2011, to estimate the remaining useful lives and replacement costs of the components of common property. The Level I – Full Service Reserve Study ascertained replacement cost estimates from industry standard estimating manuals and based upon the engineering firm's experience with similar projects. The life expectancy of all components was ascertained from visual inspections made during the study. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements is based on the study.

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

5. Future Major Repairs and Replacements (continued)

In accordance with industry guidelines, it is the Association's primary duty to maintain and preserve the common property of the owners. Therefore, it is the Association's responsibility to determine a method for funding the costs of future major repairs and maintenance by assessing owners when funds are needed or by anticipating costs over extended time periods, assessing owners for the anticipated costs, and accumulating funds in reserves to meet the future funding requirements. The Board has chosen to fund major repairs and replacements over the remaining useful lives of the components, based on the study's estimates of current replacement costs and considering amounts previously accumulated in the Replacement Funds. Assessments of \$49,024 and \$127,507 for the Common Reserve Fund and Unit Reserve Fund, respectively, were reported during the year ended December 31, 2017. During the year ended December 31, 2016, the Association levied assessments of \$46,677 and \$118,087 for the Common Reserve Fund and Unit Reserve Fund, respectively.

Funds being accumulated in the Common Reserve and Unit Reserve Funds are based on estimated costs for repairs and replacements of common property components. Actual expenditures and investment incomes may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

6. Concentration

The Association's cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the "FDIC") at December 31, 2017 up to \$250,000 on all accounts. At December 31, 2017, the Association's had no uninsured balances.

7. Operating Lease – Truck

During 2013, Gold Point and Gold Point II jointly entered into an operating lease to lease a truck with GPLR, L.L.C. The lease requires monthly payment of \$525.18 beginning on January 1, 2013 through December 1, 2019. Gold Point and Gold Point II split the payment according to the agreed upon cost sharing percentages. During the year ended December 31, 2017 and 2016, the Association paid \$1,670 and \$1,670, respectively, in accordance with the terms of the lease.

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Schedule of Operating Fund Revenues and Expenses -
Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	<u>2017</u>		Variance Positive (Negative)	<u>2016</u>
	Budget (Unaudited)	Actual		Actual
Revenues:				
Assessments, net of discounts	457,253	455,515	(1,738)	443,483
Less: Association owned unit-weeks	(19,662)	(16,866)	2,796	(7,267)
Late fee revenue	12,900	16,462	3,562	14,587
Rental income	653	2,086	1,433	1,258
Miscellaneous	959	881	(78)	1,035
Total Revenues	<u>452,103</u>	<u>458,078</u>	<u>5,975</u>	<u>453,096</u>
Expenses:				
Bad debt expense	11,512	5,853	5,659	18,542
Accounting	6,353	6,353	-	6,050
Assessment servicing fees	6,576	6,254	322	6,318
Cable television	6,459	4,684	1,775	6,454
Common area parts and supplies	3,259	4,794	(1,535)	465
Common area utilities	4,305	2,897	1,408	3,550
Commons building expense	5,127	5,126	1	4,882
Collection expense	2,912	5,208	(2,296)	2,927
Elevator maintenance	367	789	(422)	239
Fire alarm maintenance	2,387	5,902	(3,515)	2,206
Health club dues	6,775	4,410	2,365	8,003
HR fees	7,275	7,275	-	6,929
Hot tub maintenance	1,416	1,227	189	1,620
Insurance	14,732	12,673	2,059	14,054
Landscaping	264	268	(4)	69
Management fee	17,111	17,111	-	16,296
Miscellaneous	5,614	4,479	1,135	4,175
Printing	1,142	650	492	522
Professional fees	38,748	12,466	26,282	6,657
Property taxes	21,010	22,233	(1,223)	20,180
Front desk and reservationists	58,779	58,779	-	55,980
Snow removal	1,500	1,092	408	1,064
Trash removal	2,878	2,589	289	2,289
Travel and entertainment	667	597	70	611
Truck lease	2,424	2,421	3	2,421
Unit cleaning	131,285	127,292	3,993	111,171
Unit utilities	19,188	16,402	2,786	17,978
Unit maintenance	65,473	65,802	(329)	60,803
Unit telephones	3,533	3,102	431	3,423
Water and sanitation	13,033	13,010	23	12,619
Total Expenses	<u>462,104</u>	<u>421,738</u>	<u>40,366</u>	<u>398,497</u>
Excess (Deficiency) of Revenues Over Expenses - GAAP Basis		<u>36,340</u>		<u>54,599</u>

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

Gold Point II Condominium Association, Inc.
(A Colorado Non-Profit Corporation)
Supplementary Information on Future Major Repairs and Replacements
Common Reserve and Unit Reserve Funds
December 31, 2017
(Unaudited)

During the fiscal year ended December 31, 2017, management performed an internal update of the most recent Level I - Full Service Reserve Study, completed in 2011, to estimate the remaining useful lives and replacement costs of the components of common property. The Level I - Full Service Reserve Study ascertained replacement costs from industry standard estimating manuals and based on the engineering firm's experience with similar projects. The life expectancy of all components was ascertained from visual inspections made during this study.

The balance of the Common Reserve and Unit Reserve Funds at December 31, 2017 has not been designated by the Board for specific components of common property.

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

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Fund Balances at 12/31/17
Common Reserve			
Amenities	2 - 7	2,570	
Ammenities	0 - 1	2,600	
Aquatics	0 - 3	1,450	
Boiler	0	-	
Contingency	0 - 3	20,000	
Doors	7 - 16	57,680	
Driveways	1 - 10	107,695	
Electronics	7 - 8	4,060	
Fire Systems	4 - 7	4,385	
Flooring	2	12,640	
Furnishings	0 - 8	4,700	
Housekeeping	0	-	
HVAC	7	480	
IT	0 - 4	2,326	
Lighting	0 - 8	58,798	
Paint	2 - 10	36,550	
Plumbing	4	143	
Roofs	0 - 14	69,454	
Signs	2 - 17	5,950	
Stairs	2 - 26	24,988	
Trim	12 - 13	690	
Update	0 - 1	61,000	
Windows	10 - 12	175,000	
Unit Reserve			
Appliances	1 - 7	106,527	
Electronics	1 - 12	27,434	
Furnishings	0 - 8	169,015	
Furniture	0 - 18	187,728	
Interior Component	2 - 13	1,012,924	
Site Work	0 - 22	416,250	
Contingency	0 - 7	82,850	
Total		2,655,887	498,827