

***HOLIDAY HARBOUR CONDOMINIUM***

**FINANCIAL STATEMENTS  
APRIL 30, 2021**

# ***HOLIDAY HARBOUR CONDOMINIUM***

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Managers and the Unitowners  
Holiday Harbour Condominium  
Canandaigua, New York

### **Opinion**

We have audited the accompanying financial statements of Holiday Harbour Condominium which comprise the balance sheet as of April 30, 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Holiday Harbour Condominium as of April 30, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Holiday Harbour Condominium 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 opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Holiday Harbour Condominium's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Holiday Harbour Condominium'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 Holiday Harbour Condominium'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 audit.

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

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 14 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, which 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.

A handwritten signature in cursive script that reads "Bruno, DiGuardi & Roy, LLP".

Rochester, New York  
June 22, 2021

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **BALANCE SHEET**

APRIL 30, 2021

### **ASSETS**

Assets	
Cash and cash equivalents	\$ 630,532
Accounts receivable from unitowners	591
Accounts receivable from others	5,280
Prepaid income taxes	893
Prepaid expenses	16,972
Property and equipment, net	<u>4,209</u>
Total assets	\$ <u><u>658,477</u></u>

### **LIABILITIES AND FUND BALANCES**

Liabilities	
Accounts payable	\$ 45,685
Advance payments from unitowners	61,364
Security deposits payable	50
Contract liabilities (assessments received in advance-major maintenance funds)	402,847
Accrued income taxes	<u>500</u>
Total liabilities	<u>510,446</u>
Fund balances	
Operating	0
Major maintenance	156,409
Roadway	5,104
Dock	(117,478)
Emergency	100,000
Utility emergency	(213)
Parking lot	0
Property	<u>4,209</u>
Total fund balances	<u>148,031</u>
	\$ <u><u>658,477</u></u>

See accompanying notes and independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED APRIL 30, 2021**

	Operating Fund	Major Maintenance Fund	Roadway Fund	Dock Fund	Emergency Fund	Utility Emergency Fund	Parking Lot Fund	Property Fund	Total
<b>Revenues</b>									
Common charges	\$ 457,378	\$ 0	\$ 0	\$ 3,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 460,578
Special assessment	0	0	0	200,000	0	0	0	0	200,000
Towne Harbour fee	0	0	1,600	0	0	0	0	0	1,600
Dock fees	0	0	0	1,150	0	0	0	0	1,150
Interest	44	3,617	76	0	0	0	0	0	3,737
Other	6,579	0	0	0	0	0	0	0	6,579
<b>Total revenues</b>	<b>464,001</b>	<b>3,617</b>	<b>1,676</b>	<b>204,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>673,644</b>
<b>Expenses</b>									
Landscaping and grounds maintenance	9,278	2,215	0	0	0	0	0	0	11,493
Labor and related expenses	135,233	0	0	0	0	0	0	0	135,233
Snow removal	11,083	0	0	0	0	0	0	0	11,083
Building and grounds repairs and maintenance	85,551	57,152	8,130	345,708	0	0	0	0	496,541
Utilities	82,663	0	0	0	0	0	0	0	82,663
Administrative expenses	11,266	0	0	0	0	0	0	0	11,266
Management fees	36,594	0	0	0	0	0	0	0	36,594
Legal and professional fees	3,674	0	0	6,774	0	2,000	0	0	12,448
Insurance	47,664	0	0	0	0	0	0	0	47,664
Depreciation	0	0	0	0	0	0	0	1,203	1,203
Income taxes	887	0	0	0	0	0	0	0	887
<b>Total expenses</b>	<b>423,893</b>	<b>59,367</b>	<b>8,130</b>	<b>352,482</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>1,203</b>	<b>847,075</b>
Excess of revenues over (under) expenses	40,108	(55,750)	(6,454)	(148,132)	0	(2,000)	0	(1,203)	(173,431)
Transfers	(40,108)	38,108	0	0	0	2,000	0	0	0
Fund balances - beginning of year	0	174,051	11,558	30,654	100,000	(213)	0	5,412	321,462
Fund balances - end of year	\$ 0	\$ 156,409	\$ 5,104	\$ (117,478)	\$ 100,000	\$ (213)	\$ 0	\$ 4,209	\$ 148,031

See accompanying notes and independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED APRIL 30, 2021**

Cash flows from operating activities:	
Excess of revenues under expenses	\$ (173,431)
Adjustments to reconcile excess of revenues under expenses to net cash and cash equivalents used by operating activities:	
Depreciation	1,203
(Increase) decrease in:	
Accounts receivable from unitowners	1,680
Accounts receivable from others	(691)
Prepaid income taxes	(893)
Prepaid expenses	(16,301)
Increase (decrease) in:	
Accounts payable	32,898
Advance payments from unitowners	22,328
Security deposits payable	(150)
Contract liabilities (assessments received in advance-major maintenance fund)	134,762
Accrued income taxes	<u>(915)</u>
Net cash and cash equivalents provided by operating activities	490
Cash and cash equivalents - beginning of year	<u>630,042</u>
Cash and cash equivalents - end of year	<u><u>\$ 630,532</u></u>
Supplemental disclosure of cash flow information:	
Cash paid for income taxes	<u><u>\$ 2,695</u></u>

See accompanying notes and independent auditors' report.



# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 1: SUMMARY OF OPERATIONS**

The Condominium was formed under the Real Property Laws of New York State in May 1975 for the purpose of maintaining the common areas (consisting of exteriors, asphalt, grounds, docks, lawns, pool, and recreational facilities) of one hundred and fifty-five condominiums, in Canandaigua, New York. The unitowners elect a board of managers who hire an independent property management firm to manage the Condominium.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash and Cash Equivalents - The Condominium considers all highly liquid investments to be cash equivalents.

Furniture and Equipment, Net - Furniture and equipment are recorded at cost. When retired or otherwise disposed of, the related cost and accumulated depreciation are cleared from the respective accounts and the net difference, less any amount realized from disposition, is reflected in income. Depreciation is provided for on the straight-line method over the estimated useful lives of five years.

Fund Accounting - The Condominium's governing documents provide certain guidelines for governing its financial activities, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operation of the Condominium.

Major Maintenance Fund - This fund is used to accumulate financial resources for future major repairs and replacements.

Roadway Fund - This fund is used for upkeep of a road shared with another association.

Dock Fund - This fund is used for maintenance of the docks.

Emergency Fund - This fund is used for unanticipated expenses.

Utility Emergency Fund - This fund is used for unanticipated utility expenses.

Parking Lot Fund - This fund is used for maintenance of the parking lot.

Property Fund - This fund consists of furniture and equipment, less annual depreciation charges.

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Member Assessments - Condominium members are subject to monthly assessments to provide funds for the Condominium's operating and major maintenance expenses. Assessment revenue is recognized as the related performance obligations related to its operating and major maintenance assessments are satisfied over time on a daily pro-rata basis using the input method as disclosed in Note 3 to the financial statements.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from owners. The Condominium's policy is to retain legal counsel and place liens on the properties of unitowners whose assessments are significantly in arrears. An allowance for uncollectible accounts is not deemed necessary as of April 30, 2021. The Condominium treated uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Condominium's control.

Income Taxes - Pursuant to the Tax Reform Act of 1976, condominium associations are permitted to make an annual election to be treated as a regular corporation or a tax-exempt organization. Each year the Condominium will file its tax returns under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest, rent and laundry income, net of expenses).

The Condominium's tax returns for the years ending 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Condominium has evaluated events and transactions for potential recognition and disclosure through June 22, 2021, the date the financial statements were available to be issued. Specific events have been identified in Note 11 to these financial statements.

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 3: NEW ACCOUNTING GUIDANCE IMPLEMENTATION**

The Financial Accounting Standards Board (FASB) issued guidance that created Topic 606, *Revenue Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate – Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Condominium adopted the new guidance as of May 1, 2020, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning major maintenance fund balance. The Condominium applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of May 1, 2020. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities (assessments received in advance-major maintenance fund).

The adoption of the new revenue recognition guidance resulted in the following change to major maintenance fund balance as of May 1, 2020:

Major maintenance fund balance, as previously reported	
at May 1, 2020	\$ 417,215
Adjustment	<u>(243,164)</u>
Major maintenance fund balance, as adjusted	
at May 1, 2020	<u>\$ 174,051</u>

The effect of the adoption is a decrease in assessments by \$243,164, which is recorded as a contract liability at May 1, 2020. The Condominium had no customer contract modifications that had an effect on the Condominium's transition to the new guidance.

The adoption of the new revenue recognition guidance resulted in the following change to roadway fund balance as of May 1, 2020:

Roadway fund balance, as previously reported	
at May 1, 2020	\$ 22,356
Adjustment	<u>(10,798)</u>
Roadway fund balance, as adjusted	
at May 1, 2020	<u>\$ 11,558</u>

The effect of the adoption is a decrease in assessments by \$10,798, which is recorded as a contract liability at May 1, 2020. The Condominium had no customer contract modifications that had an effect on the Condominium's transition to the new guidance.

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 3: NEW ACCOUNTING GUIDANCE IMPLEMENTATION (CONTINUED)**

The adoption of the new revenue recognition guidance resulted in the following change to dock fund balance as of May 1, 2020:

Dock fund balance, as previously reported	
at May 1, 2020	\$ 32,854
Adjustment	<u>(2,200)</u>
Dock fund balance, as adjusted	
at May 1, 2020	\$ <u>30,654</u>

The effect of the adoption is a decrease in assessments by \$2,200, which is recorded as a contract liability at May 1, 2020. The Condominium had no customer contract modifications that had an effect on the Condominium's transition to the new guidance.

The adoption of the new revenue recognition guidance resulted in the following change to parking lot fund balance as of May 1, 2020:

Parking lot fund balance, as previously reported	
at May 1, 2020	\$ 11,923
Adjustment	<u>(11,923)</u>
Parking lot fund balance, as adjusted	
at May 1, 2020	\$ <u>0</u>

The effect of the adoption is a decrease in assessments by \$11,923, which is recorded as a contract liability at May 1, 2020. The Condominium had no customer contract modifications that had an effect on the Condominium's transition to the new guidance.

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 4: CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE-MAJOR MAINTENANCE FUNDS)**

Contract liabilities (assessments received in advance-major maintenance funds) records the deferral of assessments allocated to the major maintenance fund as a result of the adoption of the new revenue recognition policy described in Note 3.

The implementation of this new policy requires assessments budgeted for the major maintenance fund to be deferred as follows:

Budgeted assessments for the year ended April 30, 2021	\$ 123,242
Assessments deferred in the current year	(123,242)
Assessments previously deferred recognized in the current year	<u>0</u>
Major maintenance assessments at April 30, 2021	\$ <u>0</u>

As of April 30, 2021, contract liabilities (assessments received in advance-major maintenance funds) is recorded as follows:

Contract liabilities, as of May 1, 2021	\$ 243,164
Assessments deferred in the current year	<u>123,242</u>
Contract liabilities, as of April 30, 2021	\$ <u>366,406</u>

The implementation of this new policy requires assessments budgeted for the roadway fund to be deferred as follows:

Budgeted assessments for the year ended April 30, 2021	\$ 7,720
Assessments deferred in the current year	(7,720)
Assessments previously deferred recognized in the current year	<u>0</u>
Major maintenance assessments at April 30, 2021	\$ <u>0</u>

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 4: CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE-MAJOR MAINTENANCE FUNDS) (CONTINUED)**

As of April 30, 2021, contract liabilities (assessments received in advance-major maintenance funds) is recorded as follows:

Contract liabilities, as of May 1, 2021	\$ 10,798
Assessments deferred in the current year	<u>7,720</u>
Contract liabilities, as of April 30, 2021	\$ <u><u>18,518</u></u>

The implementation of this new policy requires assessments budgeted for the dock fund to be deferred as follows:

Budgeted assessments for the year ended April 30, 2021	\$ 1,000
Assessments recognized in the current year	2,200
Assessments previously deferred recognized in the current year	<u>0</u>
Major maintenance assessments at April 30, 2021	\$ <u><u>3,200</u></u>

As of April 30, 2021, contract liabilities (assessments received in advance-major maintenance funds) is recorded as follows:

Contract liabilities, as of May 1, 2021	\$ 2,200
Assessments recognized in the current year	<u>(2,200)</u>
Contract liabilities, as of April 30, 2021	\$ <u><u>0</u></u>

The implementation of this new policy requires assessments budgeted for the parking lot fund to be deferred as follows:

Budgeted assessments for the year ended April 30, 2021	\$ 6,000
Assessments deferred in the current year	(6,000)
Assessments previously deferred recognized in the current year	<u>0</u>
Major maintenance assessments at April 30, 2021	\$ <u><u>0</u></u>

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 4: CONTRACT LIABILITIES (ASSESSMENTS RECEIVED IN ADVANCE-MAJOR MAINTENANCE FUNDS) (CONTINUED)**

As of April 30, 2021, contract liabilities (assessments received in advance-major maintenance funds) is recorded as follows:

Contract liabilities, as of May 1, 2021	\$ 11,923
Assessments deferred in the current year	<u>6,000</u>
Contract liabilities, as of April 30, 2021	<u>\$ 17,923</u>

As of April 30, 2021, total contract liabilities (assessments received in advance-major maintenance funds) is recorded as follows:

Total contract liabilities, as of May 1, 2021	\$ 268,085
Total assessments deferred (recognized) in the current year	<u>134,762</u>
Total contract liabilities, as of April 30, 2021	<u>\$ 402,847</u>

### **NOTE 5: OWNERS' ASSESSMENTS**

Monthly assessments to unitowners for the year ended April 30, 2021, ranged from \$243 to \$392, of which a portion may be allocated to the major maintenance fund, roadway fund, dock fund, emergency fund, utility emergency fund and parking lot fund. The annual budget and assessments of owners are determined by the board of managers. The Condominium transfers any operating surplus or deficit at the end of the year to or from the major maintenance fund. As of May 1, 2021, monthly assessments remained the same.

### **NOTE 6: PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of the following as of April 30, 2021:

Furniture	\$ 1,391
Equipment	<u>93,540</u>
	94,931
Less: accumulated depreciation	<u>(90,722)</u>
Property and equipment, net	<u>\$ 4,209</u>

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 7: COMMITMENTS**

The Condominium has entered into an agreement with Kenrick Corporation for management of its operations. The agreement provides for a monthly fee of \$3,080 until October 31, 2021. For the year ending October 31, 2022, the fee will increase by 2%. The agreement will automatically renew with a 2% increase.

### **NOTE 8: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Condominium's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations. Accumulated funds, which aggregate \$268,085 at May 1, 2021, are presented in the accompanying balance sheet as contract liabilities (assessments received in advance-major maintenance fund) at April 30, 2021.

The board of managers and management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Condominium has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

### **NOTE 9: CONCENTRATIONS OF CREDIT RISK**

The Condominium's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Condominium places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Condominium routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited. As of April 30, 2021, the Condominium's cash balance was in excess of the federally insured limit by \$24,447.

### **NOTE 10: RECLASSIFICATION**

Certain amounts in the prior period statement of revenues, expenses and changes in fund balances have been reclassified to conform to the presentation of the current period statement of revenues, expenses, and changes in fund balances. These amounts effected the previously reported fund balances as described in Note 3 to conform to the new revenue recognition policy implemented in the year ended April 30, 2021.

See independent auditors' report.



# ***HOLIDAY HARBOUR CONDOMINIUM***

## **NOTES TO FINANCIAL STATEMENTS**

APRIL 30, 2021

### **NOTE 11: SUBSEQUENT EVENT**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is expected to be temporary, there is some uncertainty about unitowners' continued ability to pay common charges. This could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

See independent auditors' report.

# ***HOLIDAY HARBOUR CONDOMINIUM***

## **SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2021

Reserve Advisors, Inc. prepared a study dated October 22, 2019, to estimate the remaining useful lives and the replacement costs of components of common property. The estimates were based on estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Balconies	1 to 19	\$ 302,052
Chimney caps	21	51,057
Doors	1 to 30	103,644
Gutters and downspouts	6 to 10	118,729
Light fixtures	15	41,657
Roofs	6 to 10	576,991
Shutters	13 to 16	81,055
Walls	4 to 16	564,194
Windows	29	16,882
Floor and wall coverings	0 to 14	92,126
Asphalt pavement	1 to 30	1,625,685
Catch basins	7 to 10	37,023
Masonry	1 to 30+	745,794
Fences	14	38,205
Gate house	15	13,707
Landscaping	4	10,867
Lift station	13 to 27	111,512
Light poles and fixtures	5 to 25	145,007
Maintenance equipment	2 to 12	48,800
Utility pipes	1 to 30+	380,474
Privacy/retaining walls	0 to 9	206,201
Signage	1	5,411
Tennis Court	5 to 10	80,774
Clubhouse, pool house, shed and lift station	3 to 25	535,836
Pool	2 to 29	698,895
Marina	2 to 21	1,141,542
Unidentified capital projects	Annually	15,315 - 27,981

See independent auditors' report.