

**LANAI
CONDOMINIUM
ASSOCIATION,
INC.**

Financial Statements

December 31, 2021

CONTENTS

	<u>Page</u>
<u>Independent Auditor's Report</u>	1 – 3
<u>Financial Statements</u>	
Balance Sheets	4
Statements of Revenues, Expenses and Changes in Fund Balances	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 12
<u>Supplemental Information</u>	
Supplementary Information on Future Major Repairs and Replacements (Unaudited)	13 - 16

Independent Auditor's Report

To the Board of Directors

Lanai Condominium Association, Inc.

Opinion

We have audited the accompanying financial statements of Lanai Condominium Association, Inc., which comprise the balance sheet as of December 31, 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 Lanai Condominium Association, Inc. as of December 31, 2021, and the results of its operations and 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 Lanai Condominium Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 Lanai Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors

Lanai Condominium Association, Inc.

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 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 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 Lanai Condominium Association, Inc.'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 Lanai Condominium Association, Inc.'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.

Board of Directors

Lanai Condominium Association, Inc.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements on pages 13-16 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.

Report on Summarized Comparative Information

We have previously audited Lanai Condominium Association, Inc.'s December 31, 2020 financial statements, and our report dated April 15, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

R W & Associates P.C.

R W & Associates, P.C.

Englewood, Colorado

June 27, 2022

LANAI CONDOMINIUM ASSOCIATION, INC.

Balance Sheets
December 31, 2021 and 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>2021 Total</u>	<u>Summarized 2020 Total</u>
Assets				
Cash and cash equivalents	\$ 132,328	\$ 210,732	\$ 343,060	\$ 130,855
Assessments receivable, net of allowance for doubtful accounts of \$0 in 2021 and 2020	8,419	-	8,419	1,937
Special assessments receivable, net of allowance for doubtful accounts of \$0	-	-	-	265,934
Condominium, less accumulated depreciation of \$20,000 in 2021 and 2020	-	-	-	-
Prepaid insurance	<u>7,984</u>	<u>-</u>	<u>7,984</u>	<u>15,008</u>
Total assets	\$ <u>148,731</u>	\$ <u>210,732</u>	\$ <u>359,463</u>	\$ <u>413,734</u>
 Liabilities and Homeowners' Equity				
Liabilities				
Accounts payable	\$ 32,266	\$ -	\$ 32,266	\$ 13,004
Deferred special assessment revenue	-	61,630	61,630	213,968
Assessments received in advance - operating fund	14,795	-	14,795	6,049
Contract liabilities (assessments received in advance - replacement fund)	<u>-</u>	<u>149,102</u>	<u>149,102</u>	<u>-</u>
Total liabilities	<u>47,061</u>	<u>210,732</u>	<u>257,793</u>	<u>233,021</u>
 Homeowners' equity				
Contributed capital	10,100	-	10,100	10,100
Fund balances	<u>91,570</u>	<u>-</u>	<u>91,570</u>	<u>170,613</u>
Total homeowners' equity	<u>101,670</u>	<u>-</u>	<u>101,670</u>	<u>180,713</u>
 Total liabilities and homeowners' equity	 \$ <u>148,731</u>	 \$ <u>210,732</u>	 \$ <u>359,463</u>	 \$ <u>413,734</u>

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

LANAI CONDOMINIUM ASSOCIATION, INC.

Statements of Revenues, Expenses and Changes in Fund Balances
For the Years Ended December 31, 2021 and 2020

	<u>Operating</u> <u>Fund</u>	<u>Replacement</u> <u>Fund</u>	<u>2021</u> <u>Total</u>	<u>Summarized</u> <u>2020</u> <u>Total</u>
Revenues				
Assessments	\$ 589,034	\$ -	\$ 589,034	\$ 568,975
Special assessment revenue recognized	-	157,414	157,414	84,500
Interest income	-	455	455	438
Rental income	18,700	-	18,700	18,000
Warranty claim proceeds	49,666	-	49,666	-
Other income	15,123	-	15,123	14,830
Total revenues	<u>672,523</u>	<u>157,869</u>	<u>830,392</u>	<u>686,743</u>
Expenses				
Building exterior maintenance	63,512	92,994	156,506	33,285
Building interior maintenance	122,872	64,420	187,292	286,230
Cleaning and extermination	35,422	-	35,422	35,719
Gas and electricity	68,732	-	68,732	56,822
Cable	40,979	-	40,979	42,100
Insurance	77,728	-	77,728	69,921
Professional fees	68,945	-	68,945	13,045
Management fee	44,339	-	44,339	13,095
Administrative expenses	3,553	-	3,553	8,383
Salaries and related expenses	40,165	-	40,165	46,948
Social activities	28	-	28	40
Telephone	6,677	-	6,677	2,034
Trash removal	8,755	-	8,755	8,400
Water and sewer	31,655	-	31,655	32,999
Total expenses	<u>613,362</u>	<u>157,414</u>	<u>770,776</u>	<u>649,021</u>
Excess of revenues over expenses	59,161	455	59,616	37,722
Interfund transfers	455	(455)	-	-
Fund balances - beginning of year	<u>31,954</u>	<u>-</u>	<u>31,954</u>	<u>132,891</u>
Fund balances - end of year	<u>\$ 91,570</u>	<u>\$ -</u>	<u>\$ 91,570</u>	<u>\$ 170,613</u>

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

LANAI CONDOMINIUM ASSOCIATION, INC.

Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	Operating Fund	Replacement Fund	2021 Total	Summarized 2020 Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:				
Excess of revenues over expenses	\$ 59,161	\$ 455	\$ 59,616	\$ 37,722
Adjustments to reconcile to cash provided (used) by operating activities:				
Interfund transfers	455	(455)	-	-
Decrease (increase) in:				
Assessments receivable	(6,482)	-	(6,482)	524
Special assessments receivable	-	265,934	265,934	(265,934)
Prepaid insurance	7,024	-	7,024	(1,253)
Increase (decrease) in:				
Accounts payable	21,462	(2,200)	19,262	2,303
Deferred special assessment revenue	-	(152,338)	(152,338)	213,968
Assessments received in advance - operating fund	8,746	-	8,746	(5,125)
Contract liabilities (assessments received in advance - replacement fund)	-	10,443	10,443	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash provided (used) by operating activities	<u>90,366</u>	<u>121,839</u>	<u>212,205</u>	<u>(17,795)</u>
Increase (decrease) in cash and cash equivalents	90,366	121,839	212,205	(17,795)
Cash and cash equivalents - beginning	<u>41,962</u>	<u>88,893</u>	<u>130,855</u>	<u>148,650</u>
Cash and cash equivalents - ending	<u>\$ 132,328</u>	<u>\$ 210,732</u>	<u>\$ 343,060</u>	<u>\$ 130,855</u>
Supplemental disclosure:				
Income tax and interest payments			\$ -	\$ -

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

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 1: NATURE OF OPERATIONS

Lanai Condominium Association, Inc. was incorporated in the State of Colorado on December 9, 1974. The Association, which consists of 101 residential units located in Denver, Colorado, is responsible for the operation and maintenance of the common property.

NOTE 2: DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 27, 2022, the date that the financial statements were available to be issued.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. 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 operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements.

Recognition of Assets Policy

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

Interest Income

The Association recognizes interest income on the operating fund and the replacement fund when earned. The Association's policy is to account for fund expenditures using fund interest income before fund assessment income.

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purposes. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association has the right to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. As of December 31, 2021, the Association had delinquent assessments of \$0, and thus has not recorded an allowance for uncollectible accounts.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include consideration of past experience and susceptibility to factors outside the Association's control. The balance of assessments receivable at December 31, 2021 is \$8,419.

Contract Liabilities (Assessments Received in Advance – Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. During the current year, the Association assessed and received \$9,988 in the replacement fund. The balance of contract liabilities (assessments received in advance – replacement fund) as of December 31, 2021 is \$149,102.

Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as 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.

Income Tax

The Association's policy is to record interest expense or penalties related to income tax in operating expenses. For the year ended December 31, 2021, no interest or penalties were paid or accrued.

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 4: CONDOMINIUM

Condominium unit #1201 is recorded at the Association's cost of \$20,000 and was depreciated over its estimated useful life of 27.5 years using the straight line method. As of December 31, 2021, the condominium unit is fully depreciated.

NOTE 5: INCOME TAXES

The Association qualifies as a tax-exempt homeowner's association under Internal Revenue Code Section 528 for the year ended December 31, 2021. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government and at 4.5% by the State of Colorado.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$149,102, and are presented on the accompanying balance sheet as a contract liability (assessments received in advance – replacement fund) at December 31, 2021, are held in separate accounts and are generally not available for operating purposes.

The Association contracted with an engineer who conducted a study in April 2016 to estimate the remaining useful lives and replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 7: CONTINGENCIES

The Association may be a party to various legal actions normally associated with homeowner associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

NOTE 8: COVID-19

The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements, and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus has caused business disruptions domestically that are anticipated to continue for the foreseeable future. The extent and continued impact of the COVID-19 pandemic on the Association's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel restrictions and the impact of the COVID-19 pandemic on overall demand for the Association's services, all of which are highly uncertain and cannot be predicted.

NOTE 9: FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from 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 Association, 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 Association adopted the requirements of new guidance as of January 1, 2021, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association 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 January 1, 2021. Adoption of the new guidance resulted in changes to the accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The adoption of the new revenue recognition guidance resulted in the following change to fund balance as of January 1, 2021:

Fund balance, as previously reported, at January 1, 2021	\$ 138,659
Adjustment	<u>(138,659)</u>
Fund balance, as adjusted, at January 1, 2021	\$ <u> -</u>

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 9: FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (CONTINUED)

The effect of the adoption is a decrease in 2021 assessments of \$10,443 and a recording of a contract liability (assessment received in advance – replacement fund) at December 31, 2021, of \$149,102. The Association has no customer contract modifications that had an effect on the Association’s transition to the new guidance.

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in our 2021 financial statements. Following are the line items from the balance sheet as of December 31, 2021, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities – (assessments received in advance – replacement fund)	\$ -	\$ 149,102	\$ 149,102
Total liabilities	\$ 108,691	\$ 149,102	\$ 257,793
<u>Fund Balances:</u>			
Ending fund balances	\$ 240,672	\$(149,102)	\$ 91,570

The following are the line items from the statement of revenue, expenses, and changes in fund balances and the statement of cash flows for the year ended December 31, 2021, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

LANAI CONDOMINIUM ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2021

NOTE 9: FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (CONTINUED)

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenue:</u>			
Assessments	\$ 599,477	\$ (10,443)	\$ 589,034
Excess of revenues over expenses	\$ 70,059	\$ (10,443)	\$ 59,616
<u>Cash Flows:</u>			
Excess of revenues over expenses	\$ 70,059	\$ (10,443)	\$ 59,616
Increase in contract liabilities – (assessments received in advance- replacement fund)	\$ -	\$ 10,443	\$ 10,443

LANAI CONDOMINIUM ASSOCIATION, INC.

Supplementary Information on Future Major Repairs and Replacements

December 31, 2021

(Unaudited)

The Association contracted with an engineer who conducted a study in April 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

<u>Components</u>	<u>Remaining Useful Life (Years)</u>	<u>Estimated Replacement Cost.</u>
Site and Grounds:		
Concrete parking deck – coat/repair	0	\$ 18,500
Garage doors – replace	15	6,000
Asphalt – seal/repair	1	3,700
Asphalt – resurface	9	31,000
Asphalt – crack fill/repair	0	1,050
Site rail: metal – repair/paint	3	1,800
Site rail: metal – replace	15	15,000
Block walls – repair	11	3,000
Metal lettering – refurbish/replace	10	2,500
Outdoor roof furniture – allowance – 10%	2	2,500
Building Exteriors:		
Rooftop exterior wall lights - replace	7	1,800
Entry awning – replace	0	6,000
Metal awning - replace	15	1,300
Rooftop deck - recoat	0	39,050
Balcony decks - recoat	0	61,000
Balcony rails – paint	3	40,925

LANAI CONDOMINIUM ASSOCIATION, INC.

Supplementary Information on Future Major Repairs and Replacements

December 31, 2021

(Unaudited)

<u>Components</u>	<u>Remaining Useful Life (Years)</u>	<u>Estimated Replacement Cost</u>
Balcony rails – replace	15	\$ 267,750
Stucco/EIFS – seal/paint	15	12,900
Windows – replace	0	22,000
Flat roof - replace	0	30,250
Building Interiors:		
Interior surfaces – repaint	0	20,000
Interior lights – replace	11	7,250
Stairwells – refurbish	11	2,750
Tile flooring – replace	10	7,450
Carpet – replace	0	25,900
Vinyl flooring – replace	14	2,250
Mailboxes – replace	25	8,750
Bathrooms – remodel	6	10,500
Office – remodel	4	2,500
Lobby – remodel	4	5,000
Manager apartment - remodel	8	5,750
Laundry rooms - remodel	10	1,250
Mechanical:		
Entry access system – replace	4	6,000
Card/fob reader system – replace	4	13,300
Gate operator – replace	0	4,850
Traction elevator – modernize	5	175,000
Elevator cab – remodel	5	11,000
Swamp cooler – replace	5	3,750

LANAI CONDOMINIUM ASSOCIATION, INC.

Supplementary Information on Future Major Repairs and Replacements

December 31, 2021

(Unaudited)

<u>Components</u>	Remaining Useful <u>Life (Years)</u>	Estimated Replacement <u>Cost</u>
Fan coil – replace	9	\$ 3,750
Exhaust fans/hoods - allowance	5	2,500
Chiller – replace	16	200,000
Cooling tower - replace	16	100,000
Control panel – replace	16	75,000
Pumps/motors – repair – 50%	4	12,500
Laundry machines - replace	7	15,500
Security system - modernize	9	15,650
Fire control panel – update/replace	17	8,500
Exit/emergency lights - replace	15	6,400
Boiler – replace (1.4 million BTU)	18	87,500
Boiler – replace (6 million BTU)	0	300,000
Water storage tanks – replace	21	5,000
Expansion tank – replace	29	8,000
Amenities:		
Amenity room furniture – partial replace	0	5,500
Amenity rooms/kitchen – remodel	0	10,000
Fitness equipment – replace	2	9,000
Fitness flooring – replace	0	3,900
Pool Area:		
Fencing: pool metal – repair/repaint	3	1,500
Fencing: pool metal – replace	15	12,600
Pool/patio furniture – replace	0	2,500
Pool deck – seal/repair	7	7,500

LANAI CONDOMINIUM ASSOCIATION, INC.

Supplementary Information on Future Major Repairs and Replacements

December 31, 2021

(Unaudited)

<u>Components</u>	<u>Remaining Useful Life (Years)</u>	<u>Estimated Replacement Cost</u>
Pool – resurface	9	\$ 9,750
Pool cover – replace	0	3,250
Pool heater - replace	0	3,000
Pool filter - replace	9	<u>2,000</u>
		\$ <u>1,792,075</u>