



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Charbonneau Country Club

We have reviewed the accompanying financial statements of Charbonneau Country Club, which comprise the balance sheets as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion on the Financial Statements

Based on our review, except for the issue noted in the Known Departure from Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Known Departure from Accounting Principles Generally Accepted in the United States of America

As disclosed in the footnotes to these financial statements, the Association has elected to record its subsidiary at cost and not consolidate the financial statements which is required by generally accepted accounting principles. The results of the operations and cash flows of the subsidiary have not been included in these financial statements.

Report on Summarized Comparative Information

We have previously reviewed Charbonneau Country Club's December 31, 2019 financial statements and stated that we were not aware of any material modification that should be made on those financial statements in our report dated May 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Supplementary Information

The Supplementary Statements of Revenue and Expenses - Separated by Operating Funds and Reserve Funds are presented for the purposes of additional analysis and are not a required part of the financial statements. The information is the representation of management. The information has been subjected to the auditing procedure applied to 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property 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, 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 compiled the supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

Hindsgaard & Company, PC

Portland, Oregon
May 10, 2021

CHARBONNEAU COUNTRY CLUB

BALANCE SHEETS

December 31, 2020 (With Comparative Totals for 2019)

	Operating Fund	Reserve Fund	Totals 2020	2019
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 442,844	\$ 1,966,157	\$ 2,409,001	\$ 1,145,883
Certificates of Deposits	-	240,000	240,000	1,200,000
Investments	-	-	-	200,024
Assessments receivable	33,648	-	33,648	18,926
Prepaid expenses	56,783	-	56,783	45,633
Prepaid income taxes	1,816	-	1,816	-
Deposits	1,303	-	1,303	1,282
Total Current Assets	536,394	2,206,157	2,742,551	2,611,748
IMPROVEMENTS AND EQUIPMENT,				
net of accumulated depreciation	2,227,797	-	2,227,797	1,788,814
Subsidiary-Charbonneau Golf Club, Inc	49,894	-	49,894	-
Total Assets	\$ 2,814,085	\$ 2,206,157	\$ 5,020,242	\$ 4,400,562
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 3,963	\$ -	\$ 3,963	\$ 24,654
Unearned revenue	85,743	-	85,743	49,070
Payroll liabilities	567	-	567	565
Assessments received in advance	254,216	-	254,216	182,878
Income taxes payable	-	-	-	518
Reserve-contracts liability	-	185,885	185,885	150,878
Refundable deposits	15,895	-	15,895	15,245
Total Current Liabilities	360,384	185,885	546,269	423,808
RESERVE-CONTRACTS LIABILITY	-	2,020,272	2,020,272	2,054,218
Fund balances	2,453,701	-	2,453,701	1,922,536
Total Liabilities and Fund Balances	\$ 2,814,085	\$ 2,206,157	\$ 5,020,242	\$ 4,400,562

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

CHARBONNEAU COUNTRY CLUB

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Operating Fund	Reserve Fund	Totals	
			2020	2019
REVENUE				
Member assessments	\$ 1,174,668	\$ 623,180	\$ 1,797,848	\$ 1,539,260
Rental income	3,148	-	3,148	9,299
Event income	5,650	-	5,650	19,352
Fitness center	23,520	-	23,520	36,525
Guest fees	359	-	359	842
Administrative service income	4,143	-	4,143	4,500
Interest income	-	40,199	40,199	36,140
Miscellaneous income	24,113	-	24,113	31,689
Reserve transfer to contracts liability	-	(571,762)	(571,762)	(387,824)
	<u>1,235,601</u>	<u>91,617</u>	<u>1,327,218</u>	<u>1,289,783</u>
EXPENSES				
Salaries and wages	253,875	-	253,875	240,931
Payroll taxes	21,620	-	21,620	20,529
Employee benefits	35,147	-	35,147	30,253
Repairs and maintenance	68,968	91,617	160,585	122,725
Annex expenses	19,177	-	19,177	29,294
Landscape maintenance	268,216	-	268,216	257,272
Depreciation expense	75,951	-	75,951	83,901
Utilities	57,290	-	57,290	62,894
Insurance	59,019	-	59,019	47,634
Communications	11,173	-	11,173	14,382
Janitorial	34,359	-	34,359	30,447
Supplies	7,234	-	7,234	9,798
Clubhouse amenities	6,836	-	6,836	12,247
Projects	756	-	756	1,072
Filing fees	666	-	666	1,521
Community activities	7,332	-	7,332	17,857
Special events	5,197	-	5,197	26,260
Disaster preparedness	4,664	-	4,664	2,239
Civic affairs	12,000	-	12,000	12,125
Fitness center	35,650	-	35,650	36,767
Office expenses	16,202	-	16,202	21,478
Professional fees	44,345	-	44,345	30,024
Taxes and licenses	-	-	-	1,860
Security	102,533	-	102,533	102,916
Management services	87,983	-	87,983	82,301
Dues	29,739	-	29,739	27,507
Lease	2,026	-	2,026	1,870
Income taxes	4,966	-	4,966	7,072
Personal property taxes	2,213	-	2,213	2,372
	<u>1,275,137</u>	<u>91,617</u>	<u>1,366,754</u>	<u>1,337,548</u>
(DEFICIT) OF REVENUE OVER EXPENSES	(39,536)	-	(39,536)	(47,765)
BEGINNING FUND BALANCES	1,922,536	-	1,922,536	1,895,011
PERMANENT FUND TRANSFERS	570,701	(570,701)	-	-
TRANSFER TO RESERVE-CONTRACTS LIABILITY	-	570,701	570,701	75,290
ENDING FUND BALANCES	<u>\$ 2,453,701</u>	<u>\$ -</u>	<u>\$ 2,453,701</u>	<u>\$ 1,922,536</u>

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

CHARBONNEAU COUNTRY CLUB

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Operating Fund	Reserve Fund	Total 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenue over expenses	\$ (39,536)	\$ -	\$ (39,536)	\$ (47,765)
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided (used) by operating activities:				
Depreciation	75,951	-	75,951	83,901
(Increase) decrease in:				
Assessments receivable	(14,722)	-	(14,722)	(9,053)
Prepaid expenses	(11,150)	-	(11,150)	6,064
Prepaid income taxes	(1,816)	-	(1,816)	-
Increase (decrease) in:				
Accounts payable	(20,691)	-	(20,691)	8,231
Accrued expenses	2	-	2	33
Prepaid assessments	71,338	-	71,338	101,470
Deposits	629	-	629	(1,925)
Income taxes payable	(518)	-	(518)	518
Reserve-contracts liability	-	571,762	571,762	387,824
Unearned revenue	36,673	-	36,673	(40,038)
Net Cash Provided (Used) by Operating Activities	<u>96,160</u>	<u>571,762</u>	<u>667,922</u>	<u>489,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of building and equipment	(514,934)	-	(514,934)	(111,328)
Permanent fund transfers	<u>570,701</u>	<u>(570,701)</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>55,767</u>	<u>(570,701)</u>	<u>(514,934)</u>	<u>(111,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Purchase of investments	(49,894)	-	(49,894)	(1,400,024)
Redemption of Investments	<u>-</u>	<u>1,160,024</u>	<u>1,160,024</u>	<u>1,200,232</u>
Net Cash Provided (Used) by Investing Activities	<u>(49,894)</u>	<u>1,160,024</u>	<u>1,110,130</u>	<u>(199,792)</u>
 Net Increase (Decrease) in Cash	 102,033	 1,161,085	 1,263,118	 178,140
CASH, beginning of year	<u>340,811</u>	<u>805,072</u>	<u>1,145,883</u>	<u>967,743</u>
CASH, end of year	<u>\$ 442,844</u>	<u>\$ 1,966,157</u>	<u>\$ 2,409,001</u>	<u>\$ 1,145,883</u>
SUMMARY OF CASH ACCOUNTS				
Operating fund			\$ 442,844	\$ 340,811
Designated for future repairs and replacements			<u>1,966,157</u>	<u>805,072</u>
			<u>\$ 2,409,001</u>	<u>\$ 1,145,883</u>
Supplemental Disclosure:				
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,300</u>	<u>\$ 1,961</u>

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

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

DESCRIPTION OF ORGANIZATION-

Charbonneau Country Club is a homeowners' association organized under the laws of the State of Oregon for the purpose of maintaining and preserving common property of Charbonneau Country Club. Charbonneau Country Club is a master planned community which consists of 1,627 residential units including single family homes, condominiums, townhomes, an assisted living center and apartments occupying a site of approximately 312 acres in Clackamas County, Oregon. The common areas include a clubhouse, marina, tennis courts, RV yard, swimming pools and parks. The Association was incorporated on April 19, 1977.

SUMMARY OF SIGNIFICANT 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

These funds are used to account for financial resources available for the general operations of the Association.

Reserve fund

These funds are used to accumulate financial resources designated for capital improvements and future major repairs and replacements. Disbursements generally may be made only for designated purposes.

Cash and cash equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Association invests in Certificates of Deposits that are FDIC insured, for cash that is in excess of reasonable current needs in the Reserve fund

Member assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions and major repairs and replacements. Assessments receivable at the balance sheet date represents fees due from unit owners. The Association's policy is to place liens on the properties of homeowners whose assessments are delinquent by 120 days or more. The Board of Directors determines the annual budget and members assessments. Any excess assessments at year end are retained by the Association for use in future years.

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

SUMMARY OF SIGNIFICANT POLICIES-(Continued)

Revenue recognition

Assessments and membership dues are billed in advance and are recognized as income when earned. Revenue billed or received, but not earned, is shown as unearned revenue and Reserve-contract liability in the liabilities section of the accompanying balance sheets. All other fees and charges are recognized when the Association's services have been provided.

Adoption of New Accounting Standards

Effective January 1, 2019, the Association adopted FASB Accounting Standards Codification ASC 606 regarding revenue recognition which creates a single framework for recognizing revenue from contracts with members (customers). Based on the Association's CCRs and the approved operating budget the Operating fund's obligation is to collect and expend funds for managing common areas for the well-being of the owners which has been fulfilled. No adjustments have been made to the Operating fund based on this adoption. Revenue is not recognized until assessments are collected.

Reserve fund's performance obligation as to reserve assessments are to collect and expend funds for future major repairs and replacements. Such repairs and replacement do not occur on a continuous basis but are performed when needed. Revenue should only be recognized when the performance obligation is expended. Reserve assessment collections in excess of current year costs increase deferred income and expenditures in excess of assessment collections reduce the deferred income. The total reserve-contracts liability (deferred income) is recorded on the balance sheet. During 2019, this change from existing practice resulted in \$1,892,562 being a reclassification of pre-adoption fund balance as a reserve-contract liability.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates.

Income taxes

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations.

If the Association elects to be taxed as a homeowner's Association, the Association is taxed on its net nonexempt function, such as interest earnings, at a flat 30% for federal, plus state. Exempt function income, which consists primarily of member assessments, is not taxable. As a regular corporation, membership income is exempt from taxations if certain elections are made, and the Association is taxed only on its net nonmembership income, such as interest earnings, at regular federal and state corporate rates.

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Interest income

Interest income is allocated to the operating and reserve funds in proportion to the interest-bearing deposits of each fund.

Property, improvements and equipment

Common property consists of common area land and improvements which were contributed by the developer to the Association. The Association's duty is to maintain these assets after transfer.

In accordance with generally accepted accounting principles for common interest realty associations, such common property is not recognized as an asset since it is not anticipated that the common areas will generate significant revenues from members or nonmembers on the basis of usage. In addition, the property may not be sold or transferred at the discretion of the Board of Directors.

Property, improvements and equipment acquired by the Association are recorded at cost. Expenditures for ordinary maintenance and repairs are charged to expense. The assets are depreciated over their estimated useful lives using the straight-line method of depreciation.

Investment in Subsidiary

The Association has acquired a subsidiary, Charbonneau Golf Club, Inc. which is being recorded at cost basis.

Comprehensive income

The Association has no components of other comprehensive income. Comprehensive income consists of net unrealized gains or losses from certain securities.

ASSESSMENTS RECEIVABLE-

At December 31, 2020, the Association had assessments receivable of \$33,648 (\$18,926 in 2019). The Board of Directors has determined that all dues are collectible, and, therefore, no allowance for doubtful accounts is deemed necessary for the years ending December 31 2020 and 2019.

PROPERTY, IMPROVEMENTS AND EQUIPMENT-

Property, improvements and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 233,627	\$ 233,627
Clubhouse and equipment	4,273,034	3,758,100
Less accumulated depreciation	<u>(2,278,864)</u>	<u>(2,202,913)</u>
	<u>\$ 2,227,797</u>	<u>\$ 1,788,814</u>

Depreciation expense related to property, improvements and equipment was \$75,951 and \$59,514 for the years ending December 31, 2020 and 2019, respectively.

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

INVESTMENTS-

The Association invests in Certificates of deposit to invest surplus cash in the Reserve Fund. Investments with over a three month maturity were:

<u>Replacement Fund</u>	2020			2019
	<u>Adjusted Cost</u>	<u>Accrued Interest</u>	<u>Balance</u>	<u>Balance</u>
Certificates of Deposit				
Synovus Bk Columbus, GA, 1.6%, maturing 5/27/21	\$ 240,000	\$ -	\$ 240,000	\$ -
Matured CD's, 1.85 to 2.49%, 2020	-	-	-	1,200,000
US Treasuary Note, 3.62%, maturing 2/15/2020				200,024
Less current portion	(240,000)	-	(240,000)	(1,400,024)
Certificates due after one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ASC topic 820 establishes a three-level hierarchy to be used when measuring and disclosing fair value of financial instruments. As of December 31, 2020, the Association classifies all investments valued at fair value as Level 1 instruments, meaning that market prices are quoted based on an active market for identical assets as of the measurement date. The Association has made no adjustments to these quoted prices when valuing these investments. All investments are FDIC insured.

FUTURE MAJOR REPAIRS AND REPLACEMENTS-

The Association's governing documents require funds to be accumulated for improvements and future major repairs and replacement. Accumulated funds are held in a separate accounts and are generally not available for expenditures for normal operations.

During 2020, the Board of Directors, through an independent local consultant, updated reserve studies without a site visit to estimate the remaining useful lives and replacement costs of common property components. Funding requirements assume an annual inflation rate of 2.5% and a 2.25% rate of investment earnings. The table included in the compiled Supplementary Information on Future Major Repairs and Replacements is based on these studies.

The Board will be funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the reserve fund. The funding requirement of \$816,769 (\$747,753 for the clubhouse of which \$663,816 is designated for capital improvements, \$28,000 for single family common property, none for tennis, \$22,634 for RV yard, and \$18,382 for marina) was estimated and included in the 2021 budget.

Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments, levy special assessments, subject to member approval, or it may delay major repairs and replacements until funds are available.

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

RESERVE-CONTRACTS LIABILITY

The Association has collected dues for future reserve assessments in excess of current year costs which are considered deferred income and are recorded as reserve-contract liability on the balance sheet. At December 31, 2020, \$2,206,157 was included on the balance sheet (\$2,205,096 in 2019).

INCOME TAXES-

Income taxes are due on net investment income and non-membership fees. Income taxes are not considered due on membership dues. For the years ended December 31, 2020 and 2019, the Association was taxed as a homeowner's association. The Association has no deferred tax assets or liabilities. The Association is no longer subject to US federal and state tax examinations for years prior to 2018.

Income taxes for the years ended December 31, consisted of the following:

	<u>2020</u>	<u>2019</u>
Current: Federal	\$ 4,019	\$ 5,724
State	<u>947</u>	<u>1,348</u>
	<u>\$ 4,966</u>	<u>\$ 7,072</u>

CONCENTRATION OF CREDIT RISK-

At December 31, 2020, the Association had one interest-bearing demand accounts that exceeded FDIC limits on hand at financial institutions in the amount of \$168,020 (\$2,573 in 2019). Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for assets in interest bearing accounts and non-interest bearing accounts. The Association does not believe its risk to be significant.

LEASES-

During March 2017, the Association extended their waterway lease for an additional 15 years with successive renewal ability for successive 15 year terms. The Association pays the State of Oregon an annual land lease for the property located under the water and docks maintained in the marina. All property improvements in excess of \$15,000 must have written approval by the lessor in advance. Lease expense was \$2,026 for the year ended December 31, 2020 and subsequent years subject to adjustments according to state law (\$1,870 in 2019).

The Association leases space for an exercise room. The current lease term is three years which expires on July 31, 2022. Lease expense was \$29,696 for the year ended December 31, 2020 which includes their pro-rata share of common area expenses (\$21,668 in 2019). Future lease commitments are as follows: Year ended December 31, 2021 -

CHARBONNEAU COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

SIMPLE PENSION PLAN-

In 2001, the Association established a SIMPLE IRA plan with employer matching contributions up to 3% of compensation for all eligible employees. Employer matching contributions totaled \$7,165 for 2020 (\$6,700 in 2019).

DEPARTURE FROM GENERALLY ACCEPTED FINANCIAL STANDARDS

During 2020, the Association formed a for-profit wholly owned subsidiary corporation, CC Merger Sub Inc. (Merger Sub) to complete a Reverse Triangular Merger with Charbonneau Golf Club, Inc. CC Merger Sub Inc. (Merger Sub) merged with Charbonneau Golf Club Inc., with Charbonneau Golf Club Inc. being the surviving entity. Charbonneau Golf Club Inc. is a wholly owned for-profit subsidiary of Charbonneau Country Club. The Association has determined that they are two separate businesses and will record the subsidiary at cost in the financial statements and not record any equity changes or results of operations as the Board does not have control of the operations and feel they do not have any financial exposure for the Association other than their cost basis. Charbonneau Country Club has recorded this acquisition on its books at cost.

RECLASSIFICATIONS-

Certain prior year amounts have been reclassified for consistency with the current year presentation. These classifications have no effect on the previously reported results of operations.

SUBSEQUENT EVENTS-

During 2018, the Association purchased the building located near the clubhouse in the amount of \$620,000. The Association hired professional contractors to tear down the building during December of 2019 and is currently in the process of determining the plans for the new activities center with an architect which will be constructed at that location. During 2020, the Association was reviewing plans for a new community center and was negotiating with a bank for a loan to complete capital improvements. The loan was completed in February 2021, obtaining a bank line of credit in the amount of \$6,700,000 to cover costs to be repaid with interest at 3.125%. The repayment terms are interest only for the first 15 months with a payment of \$37,735.74 including principal and interest commencing June 16, 2022 and continuing until February 16, 2031 when it will be paid in full. The loan is secured by Association assessments and reserve funds. The first draw of \$489,089 was made on February 16, 2021 to cover costs expended to date. The bank has determined that it will allow the Association to issue the financial statements stating that the Association has elected not to consolidate under GAAP and still be in line with the loan covenants.

CHARBONNEAU COUNTRY CLUB

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (COMPILED)

December 31, 2020

The Board of Directors, through an independent consultant, updated studies with out site visits in 2020 to estimate the remaining useful lives and replacement costs of the components of common property. The estimates were obtained from licensed contractors and suppliers who were familiar with the property. Replacement costs were based on estimated costs to repair or replace the common components at the date of the study. The study includes items with remaining lives between three and thirty years.

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

	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Costs	2021 Anticipated Expenditures
<u>Components</u>			
Charbonneau Country Club			
Roofing & gutters/downspouts	9 to 19	\$ 245,851	\$ -
Siding	17 to 22	269,475	-
Painting	1 to 15	77,552	-
Building components	0 to 1	13,650	7,500
Streets & asphalt	0 to 1	76,670	69,700
Fencing & security	2 to 6	51,619	-
Equipment	0 to 19	521,945	19,475
Interior furnishings	1 to 13	321,808	-
Lighting	1 to 16	121,130	-
Grounds components	0 to 25	909,836	15,586
Signs	8 to 16	34,850	-
Doors & windows	1 to 29	50,430	-
Inspection	0 to 20	35,875	25,624
Insurance deductible	0	10,000	10,000
		<u>2,740,691</u>	<u>147,885</u>
Country Club Estates			
Pools	0 to 21	388,433	28,000
Fence & walls	3 to 4	78,990	-
Inspections	4 to 24	15,375	-
Insurance deductible	0	10,000	10,000
		<u>492,798</u>	<u>38,000</u>
Total		<u>\$ 3,233,489</u>	<u>\$ 185,885</u>

The Reserve-contracts liability balance at December 31, 2020 was \$2,206,157.

See independent accountants' review report.

CHARBONNEAU COUNTRY CLUB

STATEMENTS OF REVENUE AND EXPENSES -SEPARATED BY OPERATING FUND

For the Year Ended December 31, 2019

(Supplemental Schedule I)

	Clubhouse	Single Family	Tennis	RV Yard	Marina	Elimination	2020
REVENUE							
Member assessments	\$ 975,106	\$ 99,172	\$ 59,825	\$ 17,774	\$ 22,791	\$ -	\$ 1,174,668
Rental income	3,148	-	-	-	-	-	3,148
Event income	5,650	-	-	-	-	-	5,650
Fitness center	23,520	-	-	-	-	-	23,520
Guest fees	-	-	359	-	-	-	359
Administrative service income	26,871	-	-	-	-	(22,728)	4,143
Miscellaneous income	23,213	-	900	-	-	-	24,113
	<u>1,057,508</u>	<u>99,172</u>	<u>61,084</u>	<u>17,774</u>	<u>22,791</u>	<u>(22,728)</u>	<u>1,235,601</u>
EXPENSES							
Salaries and wages	253,875	-	-	-	-	-	253,875
Payroll taxes	21,620	-	-	-	-	-	21,620
Employee benefits	35,147	-	-	-	-	-	35,147
Repairs and maintenance	24,800	26,964	7,955	2,816	6,433	-	68,968
Annex expenses	19,177	-	-	-	-	-	19,177
Landscape maintenance	248,587	19,629	-	-	-	-	268,216
Depreciation expense	53,680	6,265	13,902	196	1,908	-	75,951
Utilities	24,864	16,143	11,471	4,116	696	-	57,290
Insurance	45,501	2,334	7,116	1,043	3,025	-	59,019
Communications	11,173	-	-	-	-	-	11,173
Janitorial	22,959	-	11,400	-	-	-	34,359
Supplies	3,366	3,868	-	-	-	-	7,234
Clubhouse amenities	6,836	-	-	-	-	-	6,836
Projects	-	-	756	-	-	-	756
Filing fees	666	-	-	-	-	-	666
Community activities	6,539	-	793	-	-	-	7,332
Special events	4,197	-	1,000	-	-	-	5,197
Disaster preparedness	4,664	-	-	-	-	-	4,664
Civic affairs	12,000	-	-	-	-	-	12,000
Fitness center	35,650	-	-	-	-	-	35,650
Office expenses	16,202	-	-	-	-	-	16,202
Professional fees	44,345	-	-	-	-	-	44,345
Security	102,533	-	-	-	-	-	102,533
Management services	51,420	17,760	10,811	5,964	2,028	-	87,983
Dues	29,739	-	-	-	-	-	29,739
Lease	-	-	-	-	2,026	-	2,026
Income taxes	4,966	-	-	-	-	-	4,966
Administrative services	-	8,003	8,323	3,544	2,858	(22,728)	-
Personal property taxes	2,213	-	-	-	-	-	2,213
Bad debts	-	-	-	-	-	-	-
	<u>1,086,719</u>	<u>100,966</u>	<u>73,527</u>	<u>17,679</u>	<u>18,974</u>	<u>(22,728)</u>	<u>1,275,137</u>
(DEFICIT) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (29,211)</u>	<u>\$ (1,794)</u>	<u>\$ (12,443)</u>	<u>\$ 95</u>	<u>\$ 3,817</u>	<u>\$ -</u>	<u>\$ (39,536)</u>

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

CHARBONNEAU COUNTRY CLUB

STATEMENTS OF REVENUE AND EXPENSES -SEPARATED BY RESERVE FUND

For the Year Ended December 31, 2019

(Supplemental Schedule II)

	<u>Clubhouse</u>	<u>Single Family</u>	<u>Tennis</u>	<u>RV Yard</u>	<u>Marina</u>	<u>Capital Improvement</u>	<u>2020</u>
REVENUE							
Member assessments	\$ 59,666	\$ 29,684	\$ 21,634	\$ 20,177	\$ 23,443	\$ 468,576	\$ 623,180
Interest income	25,409	5,357	1,586	1,472	502	5,873	40,199
Reserve transfer to contracts liability	<u>(66,788)</u>	<u>26,211</u>	<u>(21,151)</u>	<u>(15,618)</u>	<u>(19,967)</u>	<u>(474,449)</u>	<u>(571,762)</u>
	<u>18,287</u>	<u>61,252</u>	<u>2,069</u>	<u>6,031</u>	<u>3,978</u>	<u>-</u>	<u>91,617</u>
EXPENSES							
Repairs and maintenance	<u>18,287</u>	<u>61,252</u>	<u>2,069</u>	<u>6,031</u>	<u>3,978</u>	<u>-</u>	<u>91,617</u>
	<u>18,287</u>	<u>61,252</u>	<u>2,069</u>	<u>6,031</u>	<u>3,978</u>	<u>-</u>	<u>91,617</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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