

THE ENCLAVE ASSOCIATION

THIRD QUARTER FINANCIAL STATEMENTS
CUMULATIVE FROM OCTOBER 1, 2020 THROUGH JUNE 30, 2021

Dear Board Members,

Year to date (YTD) through the third quarter of 2020-21, the Enclave Association had an operating surplus to budget of \$11,407, or 24.8%. All referenced comparisons are actual to budget.

Total Operating Income through quarter three was lower by \$2,302. Higher than budgeted interest on owner assessment delinquencies was offset by the loss of one employee renter for four months and a decrease in the other employee renter's monthly rent.

Utility costs were over budget by \$2,689 or 1.9%. Savings in Electric expenses were offset by higher than budgeted Gas costs of \$6,604. Gas costs for the first three quarters of fiscal 2020/2021 are likely higher as a result of increased occupation (higher Domestic Hot Water "DHW" Consumption) at The Enclave during this period. The annual rebate from Holy Cross Energy (electricity supplier) was the same as in the prior year, so it had no impact on this line item. The rebate is for capital credits of the Electricity Co-Op.

Repairs and maintenance expenses related to Pest Control, Roof Repairs, Painting & Staining and Painting & Staining- Deferral were under budget by \$17,445, or 72.8%. Lower than anticipated snowfall in Snowmass resulted in only one roof shoveling in Winter 2020/2021, compared to twice last Winter during this period. The two roof shoveling performed last Winter also lasted longer in duration than the one performed this year. Also, upkeep painting of various exterior surfaces of the property was deferred due to the potential of the start of the planned renovation/development project.

Service expenses related to Groundskeeping, Snow Removal, Custodial Services, Equipment Contracts, Window Cleaning and Chimney Cleaning were over budget by 25%, or \$38,077. Savings in Chimney Cleaning and Snow Removal were offset by higher than budgeted Groundskeeping and Custodial costs. Groundskeeping excess is attributable to the installation of new holiday lights on the property, installation of new ski hill lights, new bushes and vines near the pool mechanical room, and continual upkeep of ski hill stairs. Custodial excess is largely due to the increased cleaning of public areas (front office, elevators, exercise room, pool area), due to Covid-19 protocols and precautions. Labor cost overruns in this category are partially offset by YTD savings in R&M - Mgmt Co. Staff, Pool, R&M Contractors and Painting line items.

Professional Expenses related to Repairs & Maintenance – Contractors, Legal and Accounting/Audit were under budget by \$11,346, or 36.9%. This is mostly a result of maintenance work for the property either not being needed or being performed by the local staff.

Office Expenses related to Direct Office Expense, Internet Support, Telephone Equipment, and Miscellaneous Expenses were under budget by \$1,908, or 17.5%. Savings are largely attributable to the two rebates from Resort Internet that Enclave received as a result of the delayed timetable for promised upgrades by the vendor. Resort Internet largely completed the upgrade on 12/26/20, and these rebates became inactive in February 2021.

Administrative costs related to Depreciation, Directors' Expense, Management Fee, Insurance,

Taxes, Vehicle Rental and Front Office Fee were under budget by \$13,211, or 2.8%. This is due to a front desk rebate assigned to the Front Office Fee negotiated by The Enclave Board from Vacasa. This \$12,513 rebate is primarily responsible for the current large budget surplus.

Pool Maintenance was under budget by \$1,060 or 4.3%. Savings can be attributed to previous expenditures related to pool equipment and upkeep that have resulted in less needed labor.

Supplies expenses including Firewood and general HOA Supplies were under budget by \$3,291, or 17.1%. Savings are a result of management of shelf stocks to keep inventory on hand as low as possible.

Labor Allocations of Repairs & Maintenance – Mgmt. Co. Staff was under budget by \$6,213, or 29%. Savings were a result of the continued efforts of management-to-line staff focus on proper line item labor classifications.

There are two delinquent owner assessment accounts at quarter three end. These owners have been contacted about their delinquent accounts and one has since been paid in full. Interest on the remaining delinquent account is being charged at 1.5% compounded per month.

The Reserve Fund (Non-Arrival Center) amounted to \$727,806, and the Reserve Fund - Arrival Center amounted to \$106,155 as of June 30, 2021.

In order to obtain final Town of Snowmass Village approval for the Enclave's proposed renovation/development project, in January 2019 the Board approved further expenditures totaling up to \$213,000. Another \$100,000 for expenditures was approved by the Board in February 2021. The expenditures are to be made from the overall Reserve Fund and are anticipated to be replaced as a component of an HOA approved loan related to the renovation/development project. Cumulative sunk costs through 8/3/21 for these efforts amount to \$686,767. Funding via approved assessments for Phase 1 and 2 and surplus transfers to date (including those approved in January 2019 and February 2021 amount to \$721,733 – leaving a present remaining budget for these efforts, including invoices awaiting approval, of \$17,625, with unpaid invoices attributable to the Enclave HOA totaling 17,341.

Summer 2021 rental performance was recently discussed in a separate Vacasa memo to the membership. Summary notes are as follows:

For the first time ever, our Vacasa/Enclave rental operation is outperforming the local market during the spring-summer-fall time frame - May 1 through October 31 - in terms of REVPAR/REVPAN. REVPAR/REVPAN are acronyms for Revenue Per Available Room/Night. Historically, we have lagged the market spring-summer-fall (approx. 10% of annual rents), and we have outperformed the market during winter and over the entire year.

Spring-summer-fall Average Daily Rate (ADR) exceeds market performance by 18%. Historically, we had held firm on pricing to certain "floor" rates per bedroom, and we had conceded lower-priced business to local competitors, as many of our owner clients did not want us to rent rooms at rates

below those pricing floors. The summer 2021 demand has been high enough that we have achieved real rate growth and real rates that have resulted in above market performance.

THE ENCLAVE ASSOCIATION, INC.

Delinquent Owners Accounts Receivable as of 6/30/21

<u>Unit</u>	<u>Owner</u>	<u>Amount</u>	<u>Notes</u>
103	George Simon	\$5,142.76	
213	Freckled Whiskey Properties, LLC	\$6,890.07	Paid on 8/14/21

FINANCIAL STATEMENTS

Annual Budget - Comparative

Properties: The Enclave Association, Inc. Snowmass - P.O. Box 5441 360 Wood Rd. Snowmass Village, CO 81615

Period Basis: Calendar

As of: Jun 2021

Additional Account Types: None

Accounting Basis: Accrual

GL Account Map: COSV - The Enclave Association, Inc.

Level of Detail: Detail View

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Income						
Regular Assessments	916,415.40	916,415.01	0.39	0.00%	1,221,886.67	4000
Rental Income	11,400.00	15,300.00	-3,900.00	-25.49%	20,400.00	4100
Late Fees & Penalty Revenue	2,497.23	900.00	1,597.23	177.47%	1,100.00	4300
Total Operating Income	930,312.63	932,615.01	-2,302.38	-0.25%	1,243,386.67	
Expense						
UTILITIES EXPENSE						5000
Cable TV	17,290.60	17,304.63	14.03	0.08%	23,072.82	5001
Electric	30,940.23	35,900.00	4,959.77	13.82%	41,681.46	5003
Trash Collection	6,291.64	5,944.06	-347.58	-5.85%	7,925.42	5004
Water & Sewer	34,713.38	34,000.00	-713.38	-2.10%	48,133.96	5005
Telephone Service	1,916.91	1,919.81	2.90	0.15%	2,559.74	5006
Gas	51,004.42	44,400.00	-6,604.42	-14.87%	49,440.00	5007
Total UTILITIES EXPENSE	142,157.18	139,468.50	-2,688.68	-1.93%	172,813.40	
REPAIRS AND MAINTENANCE EXPENSE						5100
Painting & Staining	58.34	2,136.39	2,078.05	97.27%	2,136.39	5104
Painting & Staining - Deferral	0.00	6,400.00	6,400.00	100.00%	7,807.12	5105
Pest Control	2,419.20	2,419.20	0.00	0.00%	2,503.87	5116
Roof Repairs	4,033.00	13,000.00	8,967.00	68.98%	15,220.00	5124
Total REPAIRS AND MAINTENANCE EXPENSE	6,510.54	23,955.59	17,445.05	72.82%	27,667.38	
SERVICES						5200
Groundskeeping	97,844.97	60,000.00	-37,844.97	-63.07%	85,848.24	5201
Snow Removal	11,308.00	17,034.01	5,726.01	33.62%	17,034.01	5202
Custodial Services	52,353.00	47,000.00	-5,353.00	-11.39%	59,466.39	5203
Equipment Service Contracts	20,890.21	19,712.65	-1,177.56	-5.97%	24,851.10	5209
Window Cleaning	7,200.00	7,452.00	252.00	3.38%	7,452.00	5210
Chimney Cleaning	888.00	1,208.88	320.88	26.54%	1,208.88	5211
Total SERVICES	190,484.18	152,407.54	-38,076.64	-24.98%	195,860.62	
PROFESSIONAL EXPENSE						5300
Accounting/Audit Expense	11,000.00	11,906.80	906.80	7.62%	11,906.80	5301
Legal	560.00	500.00	-60.00	-12.00%	500.00	5302

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Repairs & Maintenance - Contractors	7,801.14	18,300.00	10,498.86	57.37%	25,416.00	5303
Total PROFESSIONAL EXPENSE	19,361.14	30,706.80	11,345.66	36.95%	37,822.80	
OFFICE EXPENSE						
Direct Office Expense	1,447.65	1,447.65	0.00	0.00%	1,930.20	5400
Internet Support	7,535.96	9,102.51	1,566.55	17.21%	12,136.66	5403
Telephone Equipment	31.71	375.02	343.31	91.54%	500.00	5405
Miscellaneous Expenses	1.55	0.00	-1.55	0.00%	230.00	5406
Total OFFICE EXPENSE	9,016.87	10,925.18	1,908.31	17.47%	14,796.86	5407
ADMINISTRATION EXPENSE						5500
Depreciation - Association Funds	522.28	635.31	113.03	17.79%	847.08	5501
Directors' Expense	406.57	761.26	354.69	46.59%	1,015.02	5503
Management Fee	306,965.06	306,965.06	0.00	0.00%	403,240.89	5504
Insurance	64,417.08	64,213.03	-204.05	-0.32%	65,935.13	5510
Taxes, Assessments, & Licenses	10,239.75	10,675.17	435.42	4.08%	14,233.57	5513
Vehicle Rental	23,780.43	23,780.45	0.02	0.00%	31,707.26	5514
Front Office Fee	59,245.49	71,758.09	12,512.60	17.44%	95,677.45	5517
Total ADMINISTRATION EXPENSE	465,576.66	478,788.37	13,211.71	2.76%	612,656.40	
POOL/HOT TUB EXPENSE						5600
Pool Maintenance	23,939.65	25,000.00	1,060.35	4.24%	33,000.00	5602
Total POOL/HOT TUB EXPENSE	23,939.65	25,000.00	1,060.35	4.24%	33,000.00	
SUPPLIES EXPENSE						5700
Firewood	15,029.75	11,200.00	-3,829.75	-34.19%	11,200.00	5701
Supplies	970.93	8,091.69	7,120.76	88.00%	10,788.90	5702
Total SUPPLIES EXPENSE	16,000.68	19,291.69	3,291.01	17.06%	21,988.90	
LABOR ALLOCATIONS						5800
Repairs & Maintenance - Management Co Staff	15,186.92	21,400.00	6,213.08	29.03%	24,552.00	5802
Total LABOR ALLOCATIONS	15,186.92	21,400.00	6,213.08	29.03%	24,552.00	
Reserve Funding	76,671.00	76,671.00	0.00	0.00%	102,228.00	8810
Total Operating Expense	964,904.82	978,614.67	13,709.85	1.40%	1,243,386.36	
Total Operating Income	930,312.63	932,615.01	-2,302.38	-0.25%	1,243,386.67	
Total Operating Expense	964,904.82	978,614.67	13,709.85	1.40%	1,243,386.36	
NOI - Net Operating Income	-34,592.19	-45,999.66	11,407.47	24.80%	0.31	
Total Income	930,312.63	932,615.01	-2,302.38	-0.25%	1,243,386.67	
Total Expense	964,904.82	978,614.67	13,709.85	1.40%	1,243,386.36	

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Net Income	-34,592.19	-45,999.66	11,407.47	24.80%	0.31	

Balance Sheet

Properties: The Enclave Association, Inc. Snowmass - P.O. Box 5441 360 Wood Rd. Snowmass Village, CO 81615

As of: 06/30/2021

Accounting Basis: Accrual

GL Account Map: COSV - The Enclave Association, Inc.

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Balance
ASSETS	
Cash	
ABS: OP 6060702595	132,917.77
ABS: ICS 8900073225	582,360.62
Total Cash	715,278.39
ASSESSMENTS RECEIVABLE	
Assessments Receivable	17,515.55
Total ASSESSMENTS RECEIVABLE	17,515.55
Other Receivable	622.10
Prepaid Expense	6,207.17
Prepaid Insurance	5,379.42
FIXED ASSETS	
Fixed Assets - Employee Units	96,823.45
Fixed Assets - Equipment & Machinery	66,965.59
Total FIXED ASSETS	163,789.04
ACCUMULATED DEPRECIATION	
Accumulated Depreciation - Employee Units	-98,590.45
Accumulated Depreciation - Equipment & Machinery	-62,190.60
Total ACCUMULATED DEPRECIATION	-160,781.05
TOTAL ASSETS	748,010.62
LIABILITIES & CAPITAL	
Liabilities	
Accounts Payable	86,635.77
Prepaid Assessments	6,767.11
Employee Unit Security Deposit	2,450.00
OTHER CURRENT LIABILITIES	
Sales Tax Liability	57.75
Total OTHER CURRENT LIABILITIES	57.75
Total Liabilities	95,910.63
Capital	
Working Capital	6,000.00
RETAINED EARNINGS	
Reserve Fund	727,806.25
Reserve Fund - Arrival Center	106,155.44
Operating Fund Current Year Balance	-153,364.51
Total RETAINED EARNINGS	680,597.18
Calculated Retained Earnings	-34,592.19
Calculated Prior Years Retained Earnings	95.00

Balance Sheet

Account Name	Balance
Total Capital	652,099.99
TOTAL LIABILITIES & CAPITAL	748,010.62