

THE ENCLAVE ASSOCIATION

SECOND QUARTER FINANCIAL STATEMENTS
JANUARY 1, 2020 THROUGH MARCH 31, 2020

Dear Board Members,

Year to date (YTD) through the first quarter of 2019-20, the Enclave Association had an operating surplus to budget of \$10,048, or 28.74%. All referenced comparisons are actual to budget.

Revenue through quarter two was higher by \$2,601 because of the HOA is now leasing its meeting room as a staff rental unit, and interest on owner assessment delinquencies is higher than budget.

General and Administrative costs were over budget by \$319. Legal was \$2,909 over budget due to unanticipated legal discussions regarding the Vacasa acquisition of Wyndham Vacation Rental. This cost was partially offset by lower than budgeted insurance costs – budget was set on an anticipated 3% premium increase, while premium increase was actually 2.7%. Another off-setting item was the Telephone Equipment budget line – no repairs were needed, against an anticipated \$450. The Enclave also continues to enjoy two rebates from Resort Internet. Internet support costs were budgeted to include both fixed monthly service costs and an estimate of repairs. The actual cost is lower due to continued rebates from Resort Internet, as its planned April 2019 facility upgrade has been delayed until spring of 2020. Century Link, RI's vendor for the physical upgrade, was unable to complete its portion of the work before onset of Winter 2019-2020.

Utility costs were under budget by \$5,168 or 5.17%. Aggregate savings of \$5,633 in Electric, Gas and Trash expenses partially offset higher than budgeted Water/Sewer costs of \$460. Efforts by management related to the early closure of the Winter 2019/2020 resulted in the savings in most of the utilities. Water/Sewer exceeded budgeted amounts as a result of work performed to return the pool to normal working order. 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 overall costs were under budget by \$1,959, or 1.27%, with line item variances essentially offsetting. Lower than anticipated costs for General R&M, Supplies, Firewood, and Custodial were partially offset by higher than anticipated costs for Pool Maintenance, Groundskeeping, and Snow removal. R&M SLC expenses netted against higher Groundskeeping costs are the result of improved management-to-line staff focus on proper line item labor classifications. Pool Maintenance expense overruns were a result of work performed to return the pool to proper working order – replacement of a spa valve and repairs to leaking components in the pool mechanical room. Higher than anticipated costs in Roof Repair and Maintenance resulted from shoveling the roof to remove excess snow and ice.

There was one delinquent owner assessment account at quarter two end, totaling \$5,444. Management contacted this owner and has received payment – interest entries accrued in the interim.

The Reserve Funds (Normal and Arrival Center) amounted to \$662,692 as of March 31, 2020. The Arrival Center Fund totaled \$99,074, and the main Reserve Fund totaled \$563,618.

In order to obtain final Town of Snowmass Village approval for the Enclave's proposed renovation/development project, on January 15, 2019 the Board approved further expenditures

totaling up to \$213,000. The expenditures are to be made from the overall Reserve Fund and replaced via a series of annual special assessments that are scheduled to occur in fiscal years 2020/2021, 2021/2022, and 2022/2023. Cumulative sunk costs through 4/25/20 for these efforts amount to \$560,019. Funding via approved assessments for Phase 1 and 2 and surplus transfers to date (including those approved on 01/15/19 by the Board for fiscal years 2020/2021, 2021/2022, and 2022/2023) amount to \$621,733 – leaving a present remaining budget for these efforts of up to \$61,714.

In October 2019, the Wyndham Vacation Rentals (WVR) sale to Vacasa closed. Vacasa is in the process of integrating all operations into its fold.

Rental performance between November 2019 and March 2020 had the following results:

Enclave – Overall performance without any adjustments, winter to date compared to prior winter to date:

Gross rents declined \$216,773, or 20.6%
Average rate increased \$32.52, or 4.2%
Paid occupancy nights declined by 319, or 23.8%
REVPAR declined by \$77.47, or 21.2%
REVPAR yield surplus over market: \$42.50, or 17.3%

Enclave – Overall performance adjusted for units that joined/left the program (4) 2 have since returned, but are excluded because of joining late in winter season

Gross rents decreased \$90,992, or 10.2%
Average rate increased \$34.39 or 4.4%
Paid occupancy nights decreased by 159, or 14.0%
REVPAR decreased by \$42.50, or 10.8%
REVPAR yield surplus over market was \$105.05, or 42.6%

Enclave – owner use of rental units declined by 43 nights, or 14.0%

Enclave – owner use of units, overall, increased by 160 nights, or 12.3%

Market – Overall performance between November 2019 and March 2020:

REVPAR average Nov 2019 March 2020 was \$246.36, versus Enclave adjusted performance of \$351.40, and unadjusted performance of \$288.86.

Overall, the performance of all our Snowmass properties (Enclave, Chamonix, Woodrun Place) , without adjustment, winter to date compared to prior winter to date:

Gross rents decreased \$546,311, or 14.1%
Average rate increased \$53.53, or 6.3%
Paid occupancy nights declined by 874, or 19.2%
REVPAR declined by \$53.75, or 14.7%
REVPAR yield surplus over market: \$65.78, or 26.7%

Overall performance adjusted for units that joined/left the program between current and prior winter season:

Gross rents decreased \$437,860, or 12.3%
Average rate increased \$17.54, or 2.0%
Paid occupancy nights declined by 571, or 14.0%
REVPAR decreased by \$51.46, or 12.8%
REVPAR yield surplus over market: \$102.83, or 41.7%

THE ENCLAVE ASSOCIATION, INC.
Delinquent Owners Accounts Receivable as of 03/31/20

| <u>UNIT</u> | <u>OWNER</u> | <u>AMOUNT</u> | <u>NOTES</u> |
|-------------|----------------|---------------|----------------------|
| 309 | Eugene Kravitz | \$5,444.30 | Paid in full 4/29/20 |
| Total | | \$5,444.30 | |

FINANCIAL STATEMENTS

THE ENCLAVE ASSOCIATION, INC.
0360 WOOD ROAD
P.O. BOX 5441
SNOWMASS VILLAGE CO 81615

IN DOLLARS

AS OF 12/31/19

03/31/20

ASSETS

CURRENT ASSETS

| | | |
|---------------------------------|-----------|-----------|
| 1010 ABS: Operating 6060702-595 | 302949.29 | 131223.38 |
| 1015 ABS: ICS 8900073225 | 549972.85 | 550041.33 |
| 1199 Accounts Receivable | 8681.93 | 2648.45 |
| 1320 Prepaid Insurance | 5243.50 | 5243.50 |
| 1325 Prepaid Expenses | 1285.17 | 0.00 |

| | | | |
|----------------|----------|-----------|-----------|
| CURRENT ASSETS | SUBTOTAL | 868132.74 | 689156.66 |
|----------------|----------|-----------|-----------|

FIXED ASSETS

| | | |
|------------------------------------|-----------|-----------|
| 1505 Machinery & Equipment | 66965.59 | 66965.59 |
| 1599 Less Accumulated Depreciation | -62937.81 | -63135.30 |
| 1805 Employee Unit | 96823.45 | 96823.45 |
| 1899 Less Accumulated Depreciation | -94717.01 | -95485.52 |

| | | | |
|--------------|----------|---------|---------|
| FIXED ASSETS | SUBTOTAL | 6134.22 | 5168.22 |
|--------------|----------|---------|---------|

ASSETS

| | | |
|-------|-----------|-----------|
| TOTAL | 874266.96 | 694324.88 |
| ===== | | ===== |

LIABILITIES

CURRENT LIABILITIES

| | | |
|-------------------------------------|-----------|----------|
| 2101 Due to SLC by WVR Colorado LLC | 8657.55 | 29854.53 |
| 2102 Accounts Payable | 191985.86 | 20687.75 |
| 2640 Emp Unit/Unit Remodel Deposits | 7255.00 | 0.00 |

| | | | |
|-------------|-------|-----------|----------|
| LIABILITIES | TOTAL | 207898.41 | 50542.28 |
| | ----- | | ----- |

EQUITY

OPERATING FUND

| | | |
|----------------------|---------|---------|
| 2802 Working Capital | 6000.00 | 6000.00 |
|----------------------|---------|---------|

BALANCE SHEET

THE ENCLAVE ASSOCIATION, INC.
0360 WOOD ROAD
P.O. BOX 5441
SNOWMASS VILLAGE CO 81615

IN DOLLARS

AS OF 12/31/19 03/31/20

OPERATING FUND

(Continued)

2810 Current Year Balance

14990.20

-24909.78

OPERATING FUND

SUBTOTAL

20990.20

-18909.78

RESERVE FUND

2860 Capital Improvement Fund

547720.71

563618.44

2861 Cap Impr Fund - Arr Center

97657.64

99073.94

RESERVE FUND

SUBTOTAL

645378.35

662692.38

EQUITY

TOTAL

666368.55

643782.60

TOTAL LIABILITIES AND EQUITY

874266.96

694324.88

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THE ENCLAVE ASSOCIATION, INC.
0360 WOOD ROAD
P.O. BOX 5441
SNOWMASS VILLAGE CO 81615

Operating Statement

10/01/19
03/31/20

BUDGET

VARIANCE
CUR-BUD10/01/19
03/31/20YTD
BUDGETVARIANCE
YTD-BUD

REVENUES

Assessments
Rental Income
Interest

630,289
9,200
1,551

630,289
7,200
950

0
2,000
601

630,289
9,200
1,551

630,289
7,200
950

0
2,000
601

REVENUES

TOTAL

641,040

638,439

2,601

641,040

638,439

2,601

GROSS PROFIT (LOSS)

641,040

638,439

2,601

641,040

638,439

2,601

EXPENSES

GENERAL & ADMINISTRATIVE

Management Fee
Front Office Fee
Insurance
Legal
Accounting/Audit Expense
Directors' Expense
Direct Office Expense
Taxes, Assessments, & Licenses
Depreciation
Telephone Equipment
Vehicle Rental
Miscellaneous G & A Expense
Internet Support

216,827
47,838
62,795
3,409
5,500
1,015
965
7,116
1,932
0
15,853
10
4,544

216,827
47,838
64,213
500
5,500
891
965
7,116
1,960
450
15,853
10
6,000

0
0
-1,417
2,909
0
124
0
0
-28
-450
0
0
-1,455

216,827
47,838
62,795
3,409
5,500
1,015
965
7,116
1,932
0
15,853
10
4,544

216,827
47,838
64,213
500
5,500
891
965
7,116
1,960
450
15,853
10
6,000

0
0
-1,417
2,909
0
124
0
0
-28
-450
0
0
-1,455

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INCOME STATEMENT

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THE ENCLAVE ASSOCIATION, INC.
 0360 WOOD ROAD
 P.O. BOX 5441
 SNOWMASS VILLAGE CO 81615

Operating Statement

10/01/19
03/31/20

BUDGET

VARIANCE
CUR-BUD10/01/19
03/31/20YTD
BUDGETVARIANCE
YTD-BUD

GENERAL & ADMINISTRATIVE

(Continued)

GENERAL & ADMINISTRATIVE

367,807

368,126

-319

367,807

368,126

-319

UTILITIES

Electric

Telephone Service

Gas

Water & Sewer

Cable TV

Trash Collection

UTILITIES

94,763

99,932

-5,168

94,763

99,932

-5,168

REPAIRS & MAINTENANCE

Repairs & Mtce. (SLC)

Repairs & Mtce. (Contractors)

Supplies

Pool Maintenance

Firewood

Window Cleaning

Chimney Sweeping

Pest Control

Painting & Staining

Groundskeeping

Snow Removal

Custodial Services

Equipment Service Contracts

Roof Repair & Maintenance

9,020

15,914

-6,894

9,020

15,914

-6,894

11,640

11,705

-64

11,640

11,705

-64

3,684

6,625

-2,941

3,684

6,625

-2,941

21,162

16,260

4,901

21,162

16,260

4,901

4,042

4,687

-645

4,042

4,687

-645

3,600

3,600

0

3,600

3,600

0

1,048

1,208

-160

1,048

1,208

-160

2,419

2,419

0

2,419

2,419

0

142

0

142

142

0

142

14,581

10,302

4,279

14,581

10,302

4,279

17,034

15,220

1,813

17,034

15,220

1,813

36,319

42,101

-5,782

36,319

42,101

-5,782

12,350

12,178

172

12,350

12,178

172

15,220

12,000

3,220

15,220

12,000

3,220

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INCOME STATEMENT

V12.00 Page 3

THE ENCLAVE ASSOCIATION, INC.
0360 WOOD ROAD
P.O. BOX 5441
SNOWMASS VILLAGE CO 81615

Operating Statement

| | 10/01/19 03/31/20 | BUDGET | VARIANCE CUR-BUD | 10/01/19 03/31/20 | YTD BUDGET | VARIANCE YTD-BUD |
|--|----------------------|--------|---------------------|----------------------|---------------|---------------------|
|--|----------------------|--------|---------------------|----------------------|---------------|---------------------|

(Continued)

REPAIRS & MAINTENANCE

| | | | | | | |
|--|---------|---------|--------|---------|---------|--------|
| | 152,265 | 154,224 | -1,959 | 152,265 | 154,224 | -1,959 |
|--|---------|---------|--------|---------|---------|--------|

OTHER

Reserve Funding

| | | | | | | |
|--|--------|--------|---|--------|--------|---|
| | 51,114 | 51,114 | 0 | 51,114 | 51,114 | 0 |
|--|--------|--------|---|--------|--------|---|

OTHER

| | | | | | | |
|--|--------|--------|---|--------|--------|---|
| | 51,114 | 51,114 | 0 | 51,114 | 51,114 | 0 |
|--|--------|--------|---|--------|--------|---|

EXPENSES

TOTAL

| | | | | | | |
|--|---------|---------|--------|---------|---------|--------|
| | 665,950 | 673,397 | -7,447 | 665,950 | 673,397 | -7,447 |
|--|---------|---------|--------|---------|---------|--------|

NET PROFIT (LOSS)

| | | | | | | |
|--|---------|---------|--------|---------|---------|--------|
| | -24,909 | -34,958 | 10,048 | -24,909 | -34,958 | 10,048 |
|--|---------|---------|--------|---------|---------|--------|