

THE ENCLAVE ASSOCIATION

SECOND QUARTER FINANCIAL
STATEMENTS

Cumulative from October 1, 2022 through March 31, 2022

Dear Board Members,

Year to date (YTD) through the second quarter of 2022-23, the Enclave Association had an operating surplus to budget of \$34,305. All referenced comparisons are actual to budget.

Total Revenue through quarter two was at a deficit of \$2,315, or .35%. This deficit is in part the result of changes in Colorado law that affected HOA interest collection policies, which resulted in a \$712 deficit to budget for the Late Fees & Penalty Revenue line item & Loss of employee housing rents which will continue to increase until the old arrival center punch list is completed and the upstairs unit is fully converted into employee housing. It is the HOA's plan to recoup lost rents from the General Contractor.

Utility costs were under budget by \$7,331, or 6.8%. Savings for the Utilities Expense category were largely a result of lower than budgeted consumption related to line items Water & Sewer and Gas. Savings in these line items were likely a result of the closure of the property beyond the anticipated opening date. Further savings in this category were a result of the lack of anticipated increase in the monthly charges for the Cable TV line item. As hoped, gas costs have roughly returned to historical norms. While gas unit prices remain inflated, consumption is down because of the absence of a snow-melted driveway hardscape due to construction delays. The annual rebate from Holy Cross Energy (electricity supplier) was \$20 higher than last year. This rebate is for capital credits of the Electricity Co-Op.

Repairs and Maintenance expenses related to Painting & Staining Vacasa Labor, Painting & Staining Supplies, Pest Control, Special Projects Vacasa Labor, Roof and Special Projects Vendor were under budget by \$37,728, or 69.6%. The reason for this large surplus is due to the surplus of \$38,816.49 in the two Special Project line items. The Special Projects budget lines items were established as operating budget contingencies because of construction delays for the 2022-2023 fiscal year. Work charged to the Special Projects – Vendor line item was for maintenance of the rear-access ski stairs.

Service expenses as a category were over budget by \$10,353, or 14%. Savings in Snow Removal Vacasa Labor and Custodial Services Vacasa Labor were offset by overages in Groundskeeping Vacasa Labor, Groundskeeping Vendors, Chimney Cleaning, Window Cleaning and Snow Removal Vendors. Snow Removal – Vendors in particular was affected by a large snowfall year coupled with the desire to keep all areas under management control as clear as possible to offset the state of the driveway.

Professional Expenses related to Repairs & Maintenance – Contractors, Legal and Accounting/Audit were under budget by \$5,941, or 23.9%. This surplus is largely due to \$6,940 in the Custodial Services – Vendors line item. Savings in this line item are a result of less of a need for contracted custodial workers or the allocation of their services to assist in having the property ready for a late-December opening.

Office Expenses related to Direct Office Expense, Internet Support, Telephone Equipment, and Miscellaneous Expenses were under budget by \$395, or 5%. Savings in this category were a result of the HOA contract with Resort Internet not receiving an anticipated price increase.

Administrative costs related to Depreciation Association Funds, Directors' Expense, Management Fee, Insurance, Taxes Assessments & Licenses, Vehicle Rental and Front Office Fee were over budget by \$13,446, or 4.4%. The large increase in the Insurance line of \$13,848 was primarily due to a shrinking market for excess umbrella liability insurance. Due to a national increase in massive liability claims coupled with the location and occupancy of The Enclave, only two providers for this type of insurance provided a quote for this type of service.

The Pool Maintenance category was over budget by \$1,821 or 11.1%. The deficit in this category is due to maintenance work performed on the spa timer and controls.

Supplies expenses including Firewood Vacasa Labor, Supplies Miscellaneous and general Firewood Supplies were under budget by \$3,461, or 20.7%. 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 \$7,385 or 73.9%. Savings were a result of the continued efforts of management-to-line staff focus on proper line item labor classifications as well the lack of access to Vacasa maintenance staff at different periods of the winter 2022/2023 season due to illness (de la Cruz) and surgery (Parra).

There were no delinquent owner assessment accounts at quarter two end.

The Reserve Fund (Non-Arrival Center) amounted to \$521,941 and the Reserve Fund -Arrival Center amounted to \$3,777 as of May 15, 2023.

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 to date through 05/15/2023 for these efforts amount to \$1,222,318. Funding via approved assessments for Phase 1 and 2 and surplus transfers to date (including those approved in January 2019, February 2021 and March 2023) amount to \$619,127 – leaving a present deficit for these efforts, including invoices awaiting approval, of \$603,191.

As Vacasa is exiting the market as of June 1, 2023, no report of rental performance is included with this quarterly report.

THE ENCLAVE ASSOCIATION, INC.
Delinquent Owners Accounts Receivable as of 3/31/23

<u>Unit</u>	<u>Owner</u>	<u>Amount</u>	<u>Notes</u>
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FINANCIAL STATEMENTS

Annual Budget - Comparative

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

Period Basis: Calendar

As of: Mar 2023

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	624,023.83	624,024.00	-0.17	0.00%	1,248,048.01	4000
Special Assessments	35,729.94	35,730.00	-0.06	0.00%	71,460.00	4023
Rental Income	4,000.00	5,600.00	-1,600.00	-28.57%	14,000.00	4100
Late Fees & Penalty Revenue	238.50	950.00	-711.50	-74.89%	1,000.00	4300
Interest Income	116.64	120.00	-3.36	-2.80%	182.47	8010
Total Operating Income	664,108.91	666,424.00	-2,315.09	-0.35%	1,334,690.48	
Expense						
UTILITIES EXPENSE						5000
Cable TV	12,024.27	14,223.60	2,199.33	15.46%	28,447.16	5001
Electric	27,460.78	28,000.00	539.22	1.93%	53,460.64	5003
Trash Collection	2,976.18	3,000.00	23.82	0.79%	5,719.56	5004
Water & Sewer	20,641.85	21,817.64	1,175.79	5.39%	45,635.26	5005
Telephone Service	2,347.89	2,400.00	52.11	2.17%	5,263.87	5006
Gas	34,758.92	38,100.00	3,341.08	8.77%	65,000.00	5007
Total UTILITIES EXPENSE	100,209.89	107,541.24	7,331.35	6.82%	203,526.49	
REPAIRS AND MAINTENANCE EXPENSE						5100
Painting & Staining - Vacasa Labor	5,456.00	5,000.00	-456.00	-9.12%	7,800.00	5104
Painting & Staining - Supplies	175.41	200.00	24.59	12.30%	500.00	5105
Pest Control - Vacasa Labor	6.59	0.00	-6.59	0.00%	0.00	5116
Pest Control - Vendors	2,511.36	2,419.20	-92.16	-3.81%	2,550.00	5118
Special Projects - Vacasa Labor	0.00	30,000.00	30,000.00	100.00%	91,520.00	5121
Roof - Vendor	3,183.47	2,625.00	-558.47	-21.28%	15,220.20	5126
Special Projects - Vendor	5,133.51	13,950.00	8,816.49	63.20%	33,480.00	5128
Total REPAIRS AND MAINTENANCE EXPENSE	16,466.34	54,194.20	37,727.86	69.62%	151,070.20	
SERVICES						5200
Groundskeeping - Vacasa Labor	20,784.00	19,000.00	-1,784.00	-9.39%	94,000.00	5201
Snow Removal - Vacasa Labor	11,726.00	13,367.10	1,641.10	12.28%	14,855.07	5202
Custodial Services - Vacasa Labor	10,824.00	10,915.92	91.92	0.84%	23,831.80	5203
Groundskeeping -	13,004.40	10,000.00	-3,004.40	-30.04%	40,000.00	5207

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Vendors						
Snow Removal - Supplies	121.19	149.03	27.84	18.68%	149.03	5208
Equipment Service Contracts	14,785.17	14,467.90	-317.27	-2.19%	30,630.00	5209
Chimney Cleaning	1,446.00	1,000.00	-446.00	-44.60%	1,000.00	5211
Window Cleaning - Vendors	3,852.00	3,600.00	-252.00	-7.00%	7,200.00	5214
Snow Removal - VendorsExpense	7,816.21	1,505.58	-6,310.63	-419.15%	1,505.58	5215
Total SERVICES	84,358.97	74,005.53	-10,353.44	-13.99%	213,171.48	
PROFESSIONAL EXPENSE						5300
Accounting/Audit Expense	0.00	0.00	0.00	0.00%	13,530.00	5301
Legal	2,975.00	500.00	-2,475.00	-495.00%	500.00	5302
Repairs & Maintenance - Contractors	8,599.48	10,075.00	1,475.52	14.65%	15,000.00	5303
Custodial Services - Vendors	7,352.00	14,292.05	6,940.05	48.56%	29,168.20	5305
Total PROFESSIONAL EXPENSE	18,926.48	24,867.05	5,940.57	23.89%	58,198.20	
OFFICE EXPENSE						5400
Direct Office Expense	965.10	965.10	0.00	0.00%	1,930.20	5403
Internet Support	6,169.68	6,936.48	766.80	11.05%	13,872.92	5405
Telephone Equipment	0.00	0.00	0.00	0.00%	1,378.66	5406
Miscellaneous Expenses	371.44	0.00	-371.44	0.00%	300.00	5407
Total OFFICE EXPENSE	7,506.22	7,901.58	395.36	5.00%	17,481.78	
ADMINISTRATION EXPENSE						5500
Depreciation - Association Funds	347.52	347.52	0.00	0.00%	695.04	5501
Directors' Expense	0.00	400.02	400.02	100.00%	800.00	5503
Management Fee	162,082.75	162,082.78	0.03	0.00%	324,165.51	5504
Insurance	104,196.27	90,348.55	-13,847.72	-15.33%	90,348.55	5510
Taxes, Assessments, & Licenses	7,022.78	7,022.78	0.00	0.00%	14,045.55	5513
Vehicle Rental	10,569.08	10,570.68	1.60	0.02%	26,422.70	5514
Front Office Fee	31,892.48	31,892.48	0.00	0.00%	79,731.20	5517
Total ADMINISTRATION EXPENSE	316,110.88	302,664.81	-13,446.07	-4.44%	536,208.55	
POOL/HOT TUB EXPENSE						5600
Pool - Vacasa Labor	13,593.00	13,545.72	-47.28	-0.35%	29,236.96	5602
Pool - Supplies	1,875.07	2,333.76	458.69	19.65%	4,667.49	5603
Pool - Vendor Repairs	2,792.81	560.14	-2,232.67	-398.59%	1,607.87	5604
Total POOL/HOT TUB EXPENSE	18,260.88	16,439.62	-1,821.26	-11.08%	35,512.32	
SUPPLIES EXPENSE						5700
Firewood - Vacasa Labor	2,794.00	5,427.12	2,633.12	48.52%	12,214.02	5701

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Supplies -Miscellaneous	8,106.71	5,875.00	-2,231.71	-37.99%	7,000.00	5702
Firewood - Supplies	1,536.59	5,414.07	3,877.48	71.62%	8,847.44	5703
Groundskeeping - Supplies	817.73	0.00	-817.73	0.00%	0.00	5704
Total SUPPLIES EXPENSE	13,255.03	16,716.19	3,461.16	20.71%	28,061.46	
LABOR ALLOCATIONS						5800
Repairs & Maintenance - Management Co Staff	2,615.00	10,000.02	7,385.02	73.85%	20,000.00	5802
Total LABOR ALLOCATIONS	2,615.00	10,000.02	7,385.02	73.85%	20,000.00	
Interest Expense	35,730.00	35,730.00	0.00	0.00%	71,460.00	8000
Total Operating Expense	613,439.69	650,060.24	36,620.55	5.63%	1,334,690.48	
Total Operating Income	664,108.91	666,424.00	-2,315.09	-0.35%	1,334,690.48	
Total Operating Expense	613,439.69	650,060.24	36,620.55	5.63%	1,334,690.48	
NOI - Net Operating Income	50,669.22	16,363.76	34,305.46	209.64%	0.00	
Total Income	664,108.91	666,424.00	-2,315.09	-0.35%	1,334,690.48	
Total Expense	613,439.69	650,060.24	36,620.55	5.63%	1,334,690.48	
Net Income	50,669.22	16,363.76	34,305.46	209.64%	0.00	

Balance Sheet

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

As of: 03/31/2023

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	
Timber Operating - 1905	144,528.98
Timber Operating ICS	367,156.87
ABS: OP 6060702595	16,516.86
Timber Reserve	1,001.07
Timber Construction	1,001.37
Total Cash	530,205.15
ASSESSMENTS RECEIVABLE	
Assessments Receivable	472.19
Total ASSESSMENTS RECEIVABLE	472.19
Prepaid Expense	3,954.50
Prepaid Insurance	8,971.59
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	-63,405.84
Total ACCUMULATED DEPRECIATION	-161,996.29
TOTAL ASSETS	545,396.18
LIABILITIES & CAPITAL	
Liabilities	
Accounts Payable	35,525.95
Line of Credit	35,730.00
Total Liabilities	71,255.95
Capital	
Working Capital	6,000.00
RETAINED EARNINGS	
Reserve Fund	568,002.92
Reserve Fund - Arrival Center	2,832.60
Operating Fund Current Year Balance	-250,521.65
Total RETAINED EARNINGS	320,313.87
Calculated Retained Earnings	50,669.22
Calculated Prior Years Retained Earnings	97,157.14
Total Capital	474,140.23
TOTAL LIABILITIES & CAPITAL	545,396.18