

THE ENCLAVE ASSOCIATION

THIRD QUARTER FINANCIAL
STATEMENTS

Cumulative from October 1, 2022 through June 30, 2023

Dear Board Members,

For the 2022 – 23 fiscal year through the third quarter ending June 30th, the Enclave Association had an operating surplus to budget of \$78,401. All referenced comparisons are actual to budget.

Total Operating Income through quarter three was at a surplus of \$13,030, or 1.3%. This surplus is due to the purchase of the shuttle vans from the HOA by Frias Properties of Aspen. This is partly offset by changes in Colorado law that affected HOA interest collection policies, which resulted in a \$762 deficit to budget for the Late Fees & Penalty Revenue line item and also 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 Expenses were under budget by \$12,611, or 8.1%. Savings for the Utilities Expense category were largely a result of lower than budgeted consumption related to line items Cable TV and Gas. Savings in Cable TV were a result of the lack of anticipated increase in the monthly charges. Savings in Gas are a result of the absence of a snow-melted driveway hardscape due to construction delays. The savings in Gas are mostly negated by the increase in cost of the Snow Removal – Vendors line item. As hoped, gas costs have roughly returned to historical norms. 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 were under budget by \$65,243 or 20.2%. The reason for this large surplus is due to the surplus of \$78,976 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. The only work charged to these line items was in the Special Projects – Vendor line item for maintenance of the rear-access ski stairs. Above-average variances in R&M Expenses line items are addressed below.

Painting & Staining – Mgmt Co Labor was over budget by \$4,114, or 82.3%, due to painting performed by maintenance on the southside breezeway ski lockers and the stairs throughout the property. Roof Repairs – Vendor was under budget by \$4,205, or 27.6%, due to a decreased need in snow shoveling of the roof for the winter 2022/2023 season. Groundskeeping – Mgmt. Co Labor was under budget by \$15,866, or 30.8%, due to work being performed for other line items or in units. Groundskeeping – Vendors was over budget by \$14,367, or 89.8%, due to the restoration of the grounds of the property to its normal state after almost two years of inactivity. Some portion of this will be billed to Real America for repair of damage caused by subcontractors. Equipment Service Contracts was over budget by \$5,293, or 26.9%, largely due to a higher-than-normal need for fire extinguishers throughout the property to be replaced or serviced. Snow Removal – Vendors was over budget by \$7,091, or 471%, due to the lack of a snow-melted driveway necessitating manual servicing. R&M – Contractors was over budget by \$21,885, or 168%, due to the crawlspace leak under the 113/213/313 stack. The insurance deductible of \$25,000 was placed in this line item. Custodial Services – Vendors was under budget by \$9,235, or 42.8%, due to late opening of the building and contracted work in November and December charged to Real America. Pool – Vendor Repairs was over budget by \$3,020, or 539.2%, largely due to the replacement of the spa control valve. Supplies – Miscellaneous was over budget by \$6,277,

or 101.7%, largely due to the unplanned purchases of replacement pool towels and fire extinguishers for the east parking area. R&M – Mgmt Co Labor was under budget by \$8,651, or 57.7%, due to a combination of work performed under other line items, some October – December work being billed to Real America, and maintenance staff absences for medical reasons at different periods of the winter 2022/2023 season.

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

The Reserve Fund (Non-Arrival Center) amounted to \$495,003 and the Reserve Fund -Arrival Center amounted to \$3,777 as of June 30, 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 2020. A detailed breakdown of these additional expenditures can be obtained from the Enclave Property Manager. 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 7/31/2023 for these efforts amount to \$1,237,811. 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) amounts to \$619,127 – leaving a present deficit for these efforts, excluding invoices awaiting approval, of \$618,685.

Since Vacasa exited the market as of June 1, 2023, no report of rental performance is included with this quarterly report. Under the new reservation software "Streamline" that Frias is anticipated to switch to on 9/1/23, rental performance reports should resume.

THE ENCLAVE ASSOCIATION, INC.
Delinquent Owners Accounts Receivable as of 6/30/23

<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

As of: Jun 2023

Additional Account Types: None

Accounting Basis: Accrual

GL Account Map: 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	936,035.80	936,036.01	-0.21	0.00%	1,248,048.01	4000
Special Assessments	53,594.91	53,595.00	-0.09	0.00%	71,460.00	4023
Miscellaneous Revenue	18,384.08	0.00	18,384.08	0.00%	0.00	4070
Rental Income	5,000.00	9,800.00	-4,800.00	-48.98%	14,000.00	4100
Late Fees & Penalty Revenue	238.50	1,000.00	-761.50	-76.15%	1,000.00	4300
Interest Income	388.15	180.00	208.15	115.64%	182.47	8010
Total Operating Income	1,013,641.44	1,000,611.01	13,030.43	1.30%	1,334,690.48	
Expense						
UTILITIES EXPENSE						5000
Cable TV	18,264.87	21,335.39	3,070.52	14.39%	28,447.16	5001
Electric	33,677.67	35,300.00	1,622.33	4.60%	53,460.64	5003
Trash Collection	3,768.36	4,000.00	231.64	5.79%	5,719.56	5004
Water & Sewer	34,767.71	33,226.46	-1,541.25	-4.64%	45,635.26	5005
Telephone Service	2,869.37	3,600.00	730.63	20.30%	5,263.87	5006
Gas	40,253.50	47,600.00	7,346.50	15.43%	65,000.00	5007
Internet Support	9,254.52	10,404.71	1,150.19	11.05%	13,872.92	5405
Total UTILITIES EXPENSE	142,856.00	155,466.56	12,610.56	8.11%	217,399.41	
REPAIRS & MAINTENANCE EXPENSE						5100
Painting & Staining - Mgmt Co Labor	9,113.50	5,000.00	-4,113.50	-82.27%	7,800.00	5104
Painting & Staining - Supplies	368.80	500.00	131.20	26.24%	500.00	5105
Pest Control - Mgmt Co Labor	6.59	0.00	-6.59	0.00%	0.00	5116
Pest Control - Supplies	22.80	0.00	-22.80	0.00%	0.00	5117
Pest Control - Vendors	2,511.36	2,419.20	-92.16	-3.81%	2,550.00	5118
Special Projects - Mgmt Co Labor	0.00	59,000.00	59,000.00	100.00%	91,520.00	5121
Roof Repairs - Vendor	11,014.72	15,220.20	4,205.48	27.63%	15,220.20	5126
Special Projects - Vendor	5,133.51	25,110.00	19,976.49	79.56%	33,480.00	5128
Groundskeeping - Mgmt Co Labor	35,634.00	51,500.00	15,866.00	30.81%	94,000.00	5201
Snow Removal - Mgmt Co Labor	12,122.00	14,855.07	2,733.07	18.40%	14,855.07	5202
Custodial Services - Mgmt Co Labor	13,036.00	15,873.86	2,837.86	17.88%	23,831.80	5203
Groundskeeping - Vendors	30,366.97	16,000.00	-14,366.97	-89.79%	40,000.00	5207

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Snow Removal Supplies	152.01	149.03	-2.98	-2.00%	149.03	5208
Equipment Service Contracts	25,005.35	19,712.65	-5,292.70	-26.85%	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 - Vendors	8,596.21	1,505.58	-7,090.63	-470.96%	1,505.58	5215
Repairs & Maintenance - Contractors	34,914.51	13,030.00	-21,884.51	-167.95%	15,000.00	5303
Custodial Services - Vendors	12,348.75	21,583.79	9,235.04	42.79%	29,168.20	5305
Pool - Mgmt Co Labor	21,727.50	21,647.91	-79.59	-0.37%	29,236.96	5602
Pool - Supplies	3,107.56	3,500.64	393.08	11.23%	4,667.49	5603
Pool - Vendor Repairs	3,580.49	560.14	-3,020.35	-539.21%	1,607.87	5604
Firewood - Mgmt Co Labor	3,325.25	5,427.12	2,101.87	38.73%	12,214.02	5701
Supplies - Miscellaneous	12,451.71	6,175.00	-6,276.71	-101.65%	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
Repairs & Maintenance - Mgmt Co Labor	6,349.50	15,000.02	8,650.52	57.67%	20,000.00	5802
Total REPAIRS & MAINTENANCE EXPENSE	258,541.41	323,784.28	65,242.87	20.15%	491,983.66	
ADMINISTRATION EXPENSE						5500
Accounting/Audit Expense	0.00	0.00	0.00	0.00%	13,530.00	5301
Legal	6,352.50	500.00	-5,852.50	-1,170.50%	500.00	5302
Direct Office Expense	1,447.65	1,447.65	0.00	0.00%	1,930.20	5403
Telephone Equipment	125.00	602.92	477.92	79.27%	1,378.66	5406
Miscellaneous Expenses	595.44	0.00	-595.44	0.00%	300.00	5407
Depreciation - Association Funds	521.28	521.28	0.00	0.00%	695.04	5501
Directors Expense	0.00	600.02	600.02	100.00%	800.00	5503
Management Fee	251,860.32	243,124.16	-8,736.16	-3.59%	324,165.51	5504
Insurance	104,410.32	90,348.55	-14,061.77	-15.56%	90,348.55	5510
Taxes, Assessments, & Licenses	10,534.17	10,534.17	0.00	0.00%	14,045.55	5513
Vehicle Rental	14,092.10	18,498.72	4,406.62	23.82%	26,422.70	5514
Front Office Expense	44,533.15	55,811.84	11,278.69	20.21%	79,731.20	5517
Interest Expense	53,595.00	53,595.00	0.00	0.00%	71,460.00	8000
Total ADMINISTRATION EXPENSE	488,066.93	475,584.31	-12,482.62	-2.62%	625,307.41	
Total Operating Expense	889,464.34	954,835.15	65,370.81	6.85%	1,334,690.48	
Total Operating Income	1,013,641.44	1,000,611.01	13,030.43	1.30%	1,334,690.48	

Annual Budget - Comparative

Account Name	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget	Account Number
Total Operating Expense	889,464.34	954,835.15	65,370.81	6.85%	1,334,690.48	
NOI - Net Operating Income	124,177.10	45,775.86	78,401.24	171.27%	0.00	
Total Income	1,013,641.44	1,000,611.01	13,030.43	1.30%	1,334,690.48	
Total Expense	889,464.34	954,835.15	65,370.81	6.85%	1,334,690.48	
Net Income	124,177.10	45,775.86	78,401.24	171.27%	0.00	

Balance Sheet

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

As of: 06/30/2023

Accounting Basis: Accrual

GL Account Map: The Enclave Association, Inc.

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Balance
ASSETS	
Cash	
Timberline Op - 2010161905	160,320.80
Timberline Op ICS	457,985.60
ABS: OP - 6060702595	16,516.86
Timberline Reserve - 201016913	1,001.32
Timberline Construction - 2010161897	1,001.62
Total Cash	636,826.20
ASSESSMENTS RECEIVABLE	
Assessments Receivable	-2,085.94
Other Receivable	-16,516.86
Total ASSESSMENTS RECEIVABLE	-18,602.80
Prepaid Expense	3,314.27
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	-63,579.60
Total ACCUMULATED DEPRECIATION	-162,170.05
TOTAL ASSETS	632,128.25
LIABILITIES & CAPITAL	
Liabilities	
Accounts Payable	79,115.29
OTHER ACCRUED LIABILITIES	
Accrued Other	23,825.82
Line of Credit	53,595.00
Total OTHER ACCRUED LIABILITIES	77,420.82
Total Liabilities	156,536.11
Capital	
Working Capital	6,000.00
RETAINED EARNINGS	
Reserve Fund	495,002.75
Reserve Fund - Arrival Center	3,776.80
Operating Fund Prior Year Balance	-153,364.51
Total RETAINED EARNINGS	345,415.04
Calculated Retained Earnings	124,177.10

Balance Sheet

Account Name	Balance
Total Capital	475,592.14
TOTAL LIABILITIES & CAPITAL	632,128.25