

THE ENCLAVE ASSOCIATION

THIRD QUARTER FINANCIAL STATEMENTS
APRIL 1, 2020 THROUGH JUNE 30, 2020

Dear Board Members,

Year to date (YTD) through the third quarter of 2019-20, The Enclave Association had an operating surplus to budget of \$20,851. All referenced comparisons are actual to budget.

Total Operating Income through quarter three was higher by \$3,951. This is largely due to the HOA leasing its meeting room as a staff rental unit starting December 1st, 2019. Interest on owner assessment delinquencies is also higher than budget.

Utility costs were under budget by \$9,882 or 7.4%. Aggregate savings of \$11,270 in Electric, Gas and Trash expenses partially offset higher than budgeted Water/Sewer costs of \$1,046 and Cable TV costs of \$324. 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 in January 2020. 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 Painting/Staining, Pest Control and Roof Repairs were over budget by \$3,083, or 21%. Higher than anticipated costs in roof repairs resulted from shoveling the roof to remove excess snow and ice.

Service expenses related to Groundskeeping, Snow Removal, Custodial Services, Equipment Contracts, Window Cleaning and Chimney Cleaning were over budget by \$481, or .3%. Minor savings in Chimney Cleaning and Equipment Service Contracts were offset by slightly higher Snow Removal expenses. Expense variances in Groundskeeping and Custodial Services are due to a continued management-to-line staff focus on proper line item labor classifications, with the variances largely offsetting each other.

Professional Expenses related to Accounting/Audit Expense, Legal, and Repairs & Maintenance – Contractors were under budget by \$1,031, or 4%. Higher than anticipated Legal were due to unanticipated legal discussions regarding the Vacasa acquisition of Wyndham Vacation Rental and new Co-Op agreement with Vacasa.

Office Expenses related to Direct Office Expense, Internet Support, Telephone Equipment, and Miscellaneous Expenses were under budget by \$2,733, or 24%. One off-setting item was the Telephone Equipment budget line – minor repairs have been needed, against an anticipated \$900. 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 Summer 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. Fiscal year savings from RI are currently \$2,227.

Administrative costs related to Depreciation, Directors' Expense, Management Fee, Insurance, Taxes and Vehicle Rental were under budget by \$1,347, or .27%. Savings were a result of lower than budgeted insurance costs – budget was set on an anticipated 3% premium increase, while premium increase was actually 2.7%.

Pool Maintenance was over budget by \$4,239, or 20%. These 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.

Supplies expenses including Firewood and general HOA Supplies were under budget by \$4,865, or 37.3%. Savings were a result of an audit of current firewood stock vs. past orders and a general focus on supply ordering.

Labor Allocations of Repairs & Maintenance – Colorado Staff was under budget by \$4,845, or 25.6%. Savings were a result of both Covid-19 related employment mandates as well as the continued efforts of management-to-line staff focus on proper line item labor classifications.

There were two delinquent owner assessment accounts at quarter three end, totaling \$10,053. Management contacted these owners and has yet to receive payment – interest entries did not accrue per HOA Board direction.

The Reserve Funds for the Arrival Center amounted to \$76,671 as of June 30, 2020.

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 7/28/20 for these efforts amount to \$560,596. 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 \$61,136.

In October 2019, the Wyndham Vacation Rentals (WVR) sale to Vacasa closed. Vacasa is in the process of integrating all operations into its fold, and is expected to be fully functioning on August 8th, 2020.

Rental performance between November 2019 and June 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 06/30/20

<u>UNIT</u>	<u>OWNER</u>	<u>AMOUNT</u>	<u>NOTES</u>
306	Ainsworth Investments	\$5,204.15	Payment is forthcoming
309	Eugene Kravitz	\$4,848.45	Payment is forthcoming
Total		\$10,052.60	

FINANCIAL STATEMENTS

Annual Budget - Comparative

Properties: The Enclave Association, Inc. Snowmass - P.O. Box 5441 360 Wood Rd. Snowmass, CO 81615
 Period Basis: Calendar
 As of: Jun 2020

Additional Account Types: None

Accounting Basis: Accrual

GL Account Map: Colorado - The Enclave Association, Inc. - Snowmass

Level of Detail: Detail View

Account Name	MTD Actual	MTD Budget	MTD \$ Var.	MTD % Var.	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget
Income									
Regular Assessments	0.00	0.00	0.00	0.00%	945,434.01	945,433.86	0.15	0.00%	1,260,578.56
Rental Income	1,700.00	1,200.00	500.00	41.67%	14,300.00	10,800.00	3,500.00	32.41%	14,400.00
Interest Income	0.00	0.00	0.00	0.00%	1,551.07	1,100.00	451.07	41.01%	1,100.00
Total Operating Income	1,700.00	1,200.00	500.00	41.67%	961,285.08	957,333.86	3,951.22	0.41%	1,276,078.56
Expense									
UTILITIES EXPENSE									
Cable TV	1,885.47	1,780.35	-105.12	-5.90%	16,347.54	16,023.15	-324.39	-2.02%	22,778.88
Electric	1,702.99	1,900.00	197.01	10.37%	32,790.68	35,300.00	2,509.32	7.11%	42,230.46
Trash Collection	913.18	1,435.59	522.41	36.39%	4,457.92	5,155.98	698.06	13.54%	8,005.48
Water & Sewer	4,030.20	3,620.90	-409.30	-11.30%	28,871.85	27,826.05	-1,045.80	-3.76%	41,355.75
Telephone Service	244.78	205.05	-39.73	-19.38%	1,863.94	1,845.45	-18.49	-1.00%	2,460.57
Gas	1,533.58	2,500.00	966.42	38.66%	39,036.98	47,100.00	8,063.02	17.12%	57,968.69
Total UTILITIES EXPENSE	10,310.20	11,441.89	1,131.69	9.89%	123,368.91	133,250.63	9,881.72	7.42%	174,799.83
REPAIRS AND MAINTENANCE EXPENSE									
Painting & Staining	0.00	269.00	269.00	100.00%	164.65	302.11	137.46	45.50%	2,136.39
Painting & Staining - Deferral	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%	7,807.12
Pest Control	0.00	0.00	0.00	0.00%	2,419.20	2,419.00	-0.20	-0.01%	2,503.87
Roof Repairs	0.00	0.00	0.00	0.00%	15,220.20	12,000.00	-3,220.20	-26.84%	13,078.02
Total REPAIRS AND MAINTENANCE EXPENSE	0.00	269.00	269.00	100.00%	17,804.05	14,721.11	-3,082.94	-20.94%	25,525.40
SERVICES									
Groundskeeping	24,932.14	19,906.14	-5,026.00	-25.25%	61,330.58	42,821.97	-18,508.61	-43.22%	71,540.20
Snow Removal	0.00	0.00	0.00	0.00%	17,034.01	16,703.78	-330.23	-1.98%	17,087.97

Annual Budget - Comparative

Account Name	MTD Actual	MTD Budget	MTD \$ Var.	MTD % Var.	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget
Custodial Services	2,156.00	3,626.00	1,470.00	40.54%	38,827.83	56,714.43	17,886.60	31.54%	74,332.99
Equipment Service Contracts	0.00	0.00	0.00	0.00%	19,402.29	19,712.65	310.36	1.57%	24,851.10
Window Cleaning	0.00	0.00	0.00	0.00%	3,600.00	3,600.00	0.00	0.00%	7,452.00
Chimney Cleaning	0.00	0.00	0.00	0.00%	1,048.00	1,208.88	160.88	13.31%	1,208.88
Total SERVICES	27,088.14	23,532.14	-3,556.00	-15.11%	141,242.71	140,761.71	-481.00	-0.34%	196,473.14
PROFESSIONAL EXPENSE									
Accounting/Audit Expense	0.00	0.00	0.00	0.00%	8,000.00	8,000.00	0.00	0.00%	11,561.75
Legal	0.00	0.00	0.00	0.00%	3,409.07	500.00	-2,909.07	-581.81%	500.00
Repairs & Maintenance - Contractors	382.54	529.21	146.67	27.71%	12,808.81	16,748.95	3,940.14	23.52%	25,416.10
Total PROFESSIONAL EXPENSE	382.54	529.21	146.67	27.71%	24,217.88	25,248.95	1,031.07	4.08%	37,477.85
OFFICE EXPENSE									
Direct Office Expense	160.85	160.85	0.00	0.00%	1,447.65	1,447.65	0.00	0.00%	1,930.20
Internet Support	739.41	1,000.00	260.59	26.06%	6,772.63	9,000.00	2,227.37	24.75%	12,136.66
Telephone Equipment	0.00	150.00	150.00	100.00%	39.90	900.00	860.10	95.57%	1,380.12
Miscellaneous Expenses	0.00	0.00	0.00	0.00%	364.27	10.00	-354.27	-3,542.70%	230.00
Total OFFICE EXPENSE	900.26	1,310.85	410.59	31.32%	8,624.45	11,357.65	2,733.20	24.06%	15,676.98
ADMINISTRATION EXPENSE									
Depreciation - Association Funds	322.00	326.83	4.83	1.48%	2,898.00	2,941.46	43.46	1.48%	3,922.00
Directors' Expense	0.00	0.00	0.00	0.00%	1,015.02	891.00	-124.02	-13.92%	1,000.00
Management Fee	10,137.86	10,137.86	0.00	0.00%	325,230.78	325,240.80	10.02	0.00%	433,654.42
Insurance	0.00	0.00	0.00	0.00%	62,795.36	64,213.03	1,417.67	2.21%	64,213.03
Taxes, Assessments, & Licenses	0.00	0.00	0.00	0.00%	10,675.17	10,675.17	0.00	0.00%	14,233.57
Vehicle Rental	2,642.27	2,642.27	0.00	0.00%	23,780.43	23,780.43	0.00	0.00%	31,707.26
Front Office Fee	7,973.12	7,973.12	0.00	0.00%	71,758.08	71,758.09	0.01	0.00%	95,677.45
Total ADMINISTRATION EXPENSE	21,075.25	21,080.08	4.83	0.02%	498,152.84	499,499.98	1,347.14	0.27%	644,407.73
POOL/HOT TUB EXPENSE									
Pool Maintenance	2,904.00	2,141.24	-762.76	-35.62%	25,232.39	20,993.04	-4,239.35	-20.19%	30,434.34

Annual Budget - Comparative

Account Name	MTD Actual	MTD Budget	MTD \$ Var.	MTD % Var.	YTD Actual	YTD Budget	YTD \$ Var.	YTD % Var.	Annual Budget
Total POOL/HOT TUB EXPENSE	2,904.00	2,141.24	-762.76	-35.62%	23,232.39	20,993.04	-4,239.35	-20.19%	30,434.34
SUPPLIES EXPENSE									
Firewood	0.00	86.00	86.00	100.00%	4,042.00	5,483.00	1,441.00	26.28%	13,714.39
Supplies	254.38	460.66	206.28	44.78%	4,128.05	7,551.75	3,423.70	45.34%	10,788.90
Total SUPPLIES EXPENSE	254.38	546.66	292.28	53.47%	8,170.05	13,034.75	4,864.70	37.32%	24,503.29
LABOR ALLOCATIONS									
Repairs & Maintenance - Management Co Staff	462.00	559.00	97.00	17.35%	14,058.00	18,903.45	4,845.45	25.63%	24,552.00
Total LABOR ALLOCATIONS	462.00	559.00	97.00	17.35%	14,058.00	18,903.45	4,845.45	25.63%	24,552.00
Reserve Funding	8,519.00	8,519.00	0.00	0.00%	76,671.00	76,671.00	0.00	0.00%	102,228.00
Total Operating Expense	71,895.77	69,929.07	-1,966.70	-2.81%	937,542.28	954,442.27	16,899.99	1.77%	1,276,078.56
Total Operating Income	1,700.00	1,200.00	500.00	41.67%	961,285.08	957,333.86	3,951.22	0.41%	1,276,078.56
Total Operating Expense	71,895.77	69,929.07	-1,966.70	-2.81%	937,542.28	954,442.27	16,899.99	1.77%	1,276,078.56
NOI - Net Operating Income	-70,195.77	-68,729.07	-1,466.70	-2.13%	23,742.80	2,891.59	20,851.21	721.10%	0.00
Total Income	1,700.00	1,200.00	500.00	41.67%	961,285.08	957,333.86	3,951.22	0.41%	1,276,078.56
Total Expense	71,895.77	69,929.07	-1,966.70	-2.81%	937,542.28	954,442.27	16,899.99	1.77%	1,276,078.56
Net Income	-70,195.77	-68,729.07	-1,466.70	-2.13%	23,742.80	2,891.59	20,851.21	721.10%	0.00

Balance Sheet

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

As of: 06/30/2020

Accounting Basis: Accrual

GL Account Map: Colorado - The Enclave Association, Inc. - Snowmass

Level of Detail: Detail View

Account Name	Balance
ASSETS	
Cash	
ABS: OP 6060702595	
ABS: ICS 8900073225	183,085.64
Total Cash	550,054.89
ASSESSMENTS RECEIVABLE	733,140.53
Assessments Receivable	
Total ASSESSMENTS RECEIVABLE	10,052.69
Prepaid Expense	10,052.69
Prepaid Insurance	1,875.47
FIXED ASSETS	5,243.50
Fixed Assets - Employee Units	
Fixed Assets - Equipment & Machinery	96,823.45
Total FIXED ASSETS	66,965.59
ACCUMULATED DEPRECIATION	163,789.04
Accumulated Depreciation - Employee Units	
Accumulated Depreciation - Equipment & Machinery	-96,254.03
Total ACCUMULATED DEPRECIATION	-63,332.79
TOTAL ASSETS	-159,586.82
	754,514.41
LIABILITIES & CAPITAL	
Liabilities	
Accounts Payable	25,996.86
Due To Management Company	5,258.39
Prepaid Assessments	3,591.70
Other Noncurrent Liabilities	6,000.00
Total Liabilities	40,846.95
Capital	
RETAINED EARNINGS	
Reserve Fund	691,866.93
Reserve Fund - Arrival Center	100,490.24
Operating Fund Prior Year Balance	-102,432.51
Total RETAINED EARNINGS	689,924.66
Calculated Retained Earnings	23,742.80
Total Capital	713,667.46
TOTAL LIABILITIES & CAPITAL	754,514.41