

COLONOS LA HACIENDA

2022 ANNUAL PERFORMANCE REPORT

CAL CHAMBERS, TREASURER

2/18/2023

DISCLOSURE STATEMENT: THIS DOCUMENT INCLUDES UNAUDITED FINANCIAL DATA. ADDITIONALLY, BUDGET PERFORMANCE DATA INCLUDES ESTIMATED ACTUALS. QUARTERLY FINANCIAL REPORT HAS BEEN RECONCILED WITH MONTHLY BANK STATEMENTS FROM BANCOMER. ANNUAL FUNDING SOURCES DATA INCLUDES PESO DEPOSITS CONVERTED TO DOLLARS US.

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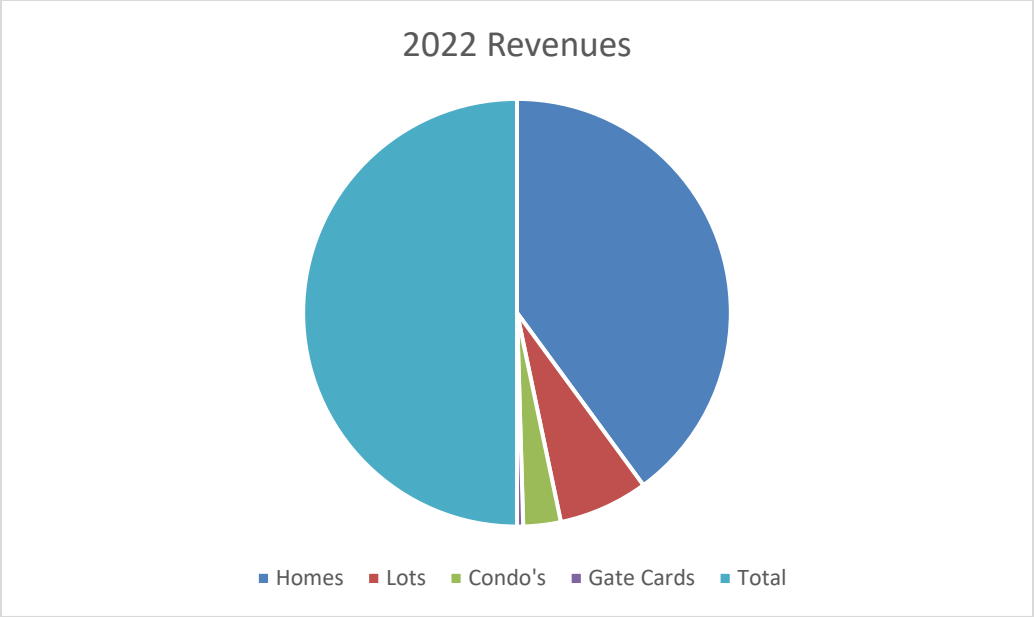
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1.0 INTRODUCTION

The community of La Hacienda is comprised of single-family homes, condominiums, and Casitas. Moreover, the community is a hybrid of vacation homes, permanent residences, and rental units. The La Hacienda Home Owners Association provides for the repair of existing infrastructure, general maintenance and security of the La Hacienda community.

2.0 FUNDING SOURCES

The La Hacienda HOA is funded primarily through the collection of dues from home, lot, and condo owners. 2022 Calendar Year revenues totaled approximately \$50,585 dollars (includes Pesos @ various exchange rates) and excludes Construction deposits. This represents a \$2,195 dollar increase over 2021 revenues or 4.5% increase. There are approximately 85 single family homes in La Hacienda (five new homes under construction). Single-family homes provided approximately 80% of all HOA revenues for 2022 for a total of \$40,400. This is an \$4,300 dollar increase over 2021 or a 11.9% increase in home dues collected. There are 21 Condos at La Hacienda and only 9 Condos contributed dues and those dues fell far short of the anticipated Condo revenues (single year invoice- \$4,620, Collected \$2,860). This is an increase of \$1,320 dollars or 85.7% increase over the prior year. This increase is due to Condo Back dues being collected during the sale of a condo. Additional revenues are collected through the sale and replacement of lost gate cards that allow access to the community. The graph below depicts the 2022 combined sources of funding for La Hacienda (Homes, Lots, Condos, and gross Gate Cards sales, including pesos).



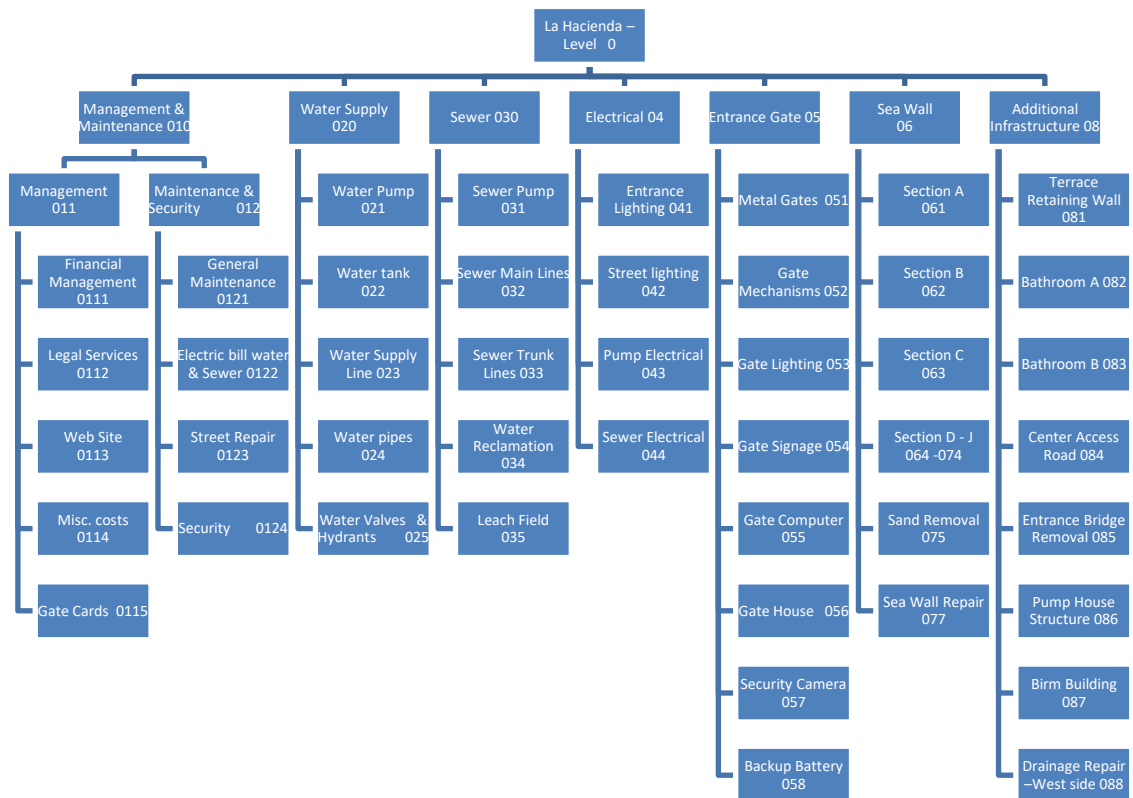
Source	Homes	Lots	Condo's	Gate Cards	Total
2022 Revenues	\$40,400	\$6,855	\$2,860	\$470	\$50,585
%	80%	14%	6%	1%	

Please note that these figures include Pesos @ various exchange rates .

2022 HOA dues revenues exclude \$4,470.00 of 2023 HOA dues received in December of 2022. The exclusion of early 2023 dues receipts is to enable year-to-year comparisons of annual revenue.

3.0 LA HACIENDA WORK BREAKDOWN STRUCTURE

During the annual 2022 General Assembly Meeting the Annual Operating Budget was presented and approved by the general members attending the Home Owners Association meeting. The La Hacienda budget was formulated using a standard project management tool commonly referred to as a Work Breakdown Structure or WBS. The graphic below depicts the La Hacienda WBS as a Hierarchical structure which breaks down the systems and subsystems that comprise La Hacienda.



3.1 La Hacienda WBS Dictionary

La Hacienda WBS Dictionary
Rev. 4 dtd 01/09/2018

WBS Element	WBS Name	WBS Description
0	La Hacienda	The scope of this activity is limited to the management, operations, administration, and maintenance of the La Hacienda infrastructure. This HOA is not responsible for the development of the La Hacienda community. Moreover, the La Hacienda HOA is not responsible for the care and maintenance of either the Condominiums nor the Casitas.
010	Management & Maintenance	This scope included HOA Management oversight, general maintenance and security. The HOA Board members do not incur a labor cost but will be reimbursed for expenses incurred in the support of the management and operations of the La Hacienda HOA.
011	Management	
0111	Financial Management	Includes Banking Fees, Monthly Financial reconciliation (Bancomer), Annual Book keeping services
0112	Legal Services	All legal fees and service costs incurred by La Hacienda HOA, including but not limited to ACTA Notario, and legal services.
0113	Web Site	La Hacienda HOA web site service provider fees
0114	Misc. Costs	Misc. management costs incurred by Board Members, including but not limited to postage, office supplies, etc.
0115	Gate Cards	Periodic acquisition of additional gate cards
012	Maintenance & Security	General maintenance and security, including but not limited to landscaping, fencing repair, garbage cleanup and removal, street cleaning, and sand removal.
0121	General Maintenance	Including but not limited to landscaping irrigation, fence maintenance, grounds maintenance, garbage cleanup and removal, and street cleaning.
0122	Electric bill Water, Sewer, etc.	Monthly operations costs for HOA electricity including, water, sewer, and lights.
0123	Street Repair	Repair of existing streets including but not limited to sidewalks, street electrical boxes and drainage repair.
0124	Security	Security personnel
020	Water Supply	Existing water systems including Water Pump, Water supply trunk lines, water tank reservoir, water supply lines, water pipes, and valves.
021	Water Pump	Includes water pump which supplies the La Hacienda community
022	Water Tank	Includes the water tank / reservoir and devices

023	Water Supply line	Includes water supply line from pump to reservoir/tank.
024	Water Pipes	Includes all water trunk lines from the reservoir tank to the La Hacienda community.
025	Water Valves and Hydrants	Includes all water valves and Hydrants throughout the La Hacienda community.
030	Sewer	Existing sewer system including sewer pump, sewer main lines, sewer trunk lines, and water reclamation.
031	Sewer Pump	Sewer pump and housing structure.
032	Sewer Main Lines	Main lines that support trunk lines and lines from sewer to reclamation facility
033	Sewer Trunk Lines	Sewer trunk lines that feed into main line
034	Water Reclamation Facility	Includes water reclamation facility structure (aka septic tank cesspool and mechanisms).
035	Leach Field	Includes maintenance and repair of Leach field and Leach line.
040	Electrical	Includes all existing electrical systems including entrance lighting, and street lighting. Additionally this element includes the electrical supply lines to the pump and sewer.
041	Entrance Lighting	Electrical lighting in Breezeway.
042	Street Lighting	Includes all street lighting repairs and installation.
043	Pump Electrical	Includes electrical lines to the water pump.
044	Sewer Electrical	Includes electrical lines to the sewer, electrical switches, and electric breakers.
050	Entrance Gate	Includes all facets of the entrance gate, structure, metal gates, mechanisms, lighting, signage, computer, gate house and security camera and backup emergency batteries.
051	Metal Gates	Gate structures, locking mechanisms, frames and cross bars, reflective paint/tape.
052	Gate Mechanisms	Gate actuators, automated sensors, and actuator bars and gate actuator batteries.
053	Gate Lighting	Gate electronic lighting
054	Gate Signage	Gate signs, street markings, cones, and reflective materials
055	Gate Computer	Computer hardware and software which monitors gate card access, and 1520 Card Reader.
056	Gate House	Gate house improvements in conjunction with the addition of the security gate.
057	Entrance Security Camera	Security camera hardware, wiring, and installation.
058	Backup Battery	Emergency backup batteries that ensure the operation of the gate entrance and exit during power outages.

06	Sea Wall	Maintenance and repair of existing sea walls. Due to budgetary constraints the existing sea wall will be repaired a section at a time.
061	Section A	Repair of section A of sea wall
062	Section B	Repair of section B of sea wall
063	Section C	Repair of section C of sea wall
064 - 074	Section D - J	Repair of section D – J of sea wall
075	Sand Removal	Removal of sand to prevent Quad access over the top of the sea wall.
077	Sea Wall Repair	The Section of sea wall in front of the palapas.
080	Additional Infrastructure	Includes La Hacienda infrastructure not previously discussed in the WBS including but not limited to: Terrace Retaining Wall, Bathroom A, Bathroom B, Center Access Road, Entrance Bridge Removal, Pump House Structure, Berm Building and Drain Repair - West Side of development
081	Terrace Retaining Wall & Stairs	Maintenance and repair of Terrace retaining wall and stairs located on the north west side of the development. This terrace provides La Hacienda beach access.
082	Bathroom A	Improvements for non-functional bathroom located under terrace.
083	Bathroom B	Improvements for non-functional bathroom located under terrace.
084	Center Access Road	Maintenance and repair of the access road located in the center of the La Hacienda development.
085	Place Holder	Place holder
086	Pump House Structure	Water pump house modifications for security improvements.
087	Berm Building	Security berm building and berm repair on the east side of the entrance gate.
088	Drainage Repair - West Side	The existing Drainage and Arroyo on the north west side of the development.

4.0 FINANCIAL PERFORMANCE

4.1 2021 Quarterly Financial Report:

The unaudited Quarterly Financial Reports below depict 2022 revenues and expenses by Quarter. Beginning and ending balances are provided for both the Peso and Dollar accounts. Please note that the Quarterly Financial Reports below indicate that the Peso account was the primary transactional account during 2022. Moreover, in order to reconcile with Bancomer BBVA monthly statements income includes Construction Deposits. Upon completion and inspection of newly constructed homes, construction deposits are refunded to the homeowner and will appear in this report under "Refunds". In addition, the Dollar Account balance below includes \$4,470 dollars in 2023 HOA dues deposited in December of 2022. The account balance also includes \$4,520.00 in construction deposits.

2022 Quarterly Financial Report Pesos

Item	Year to date 2022	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Peso Account Status					
Beginning Balances	95,622.33	95,622.33	168,995.93	315,715.98	232,956.01
Transfers from Dollar Account	1,074,504.60	198,344.56	485,910.04	0.00	390,250.00
Dues	80,164.05	74,661.00	0.00	5,503.05	0.00
Other Income	0.00	0.00	0.00	0.00	0.00
Total Peso	1,250,290.98	368,627.89	654,905.97	321,219.03	623,206.01
Peso Account Expenses					
Refunds	0.00	0.00	0.00	0.00	0.00
Banking Charges	1,504.52	283.04	459.36	229.68	532.44
Legal Services	17,820.00	0.00	17,820.00	0.00	0.00
Misc. Costs	0.00	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00	0.00
Outside Labor	846,598.69	129,855.19	229,962.63	51,133.34	435,647.53
Maintenance Manager	175,024.73	43,094.73	39,916.00	36,900.00	55,114.00
Electric bill Water, Sewer, etc.	86,577.00	26,399.00	51,032.00	0.00	9,146.00
Total Peso Expenses	1,127,524.94	199,631.96	339,189.99	88,263.02	500,439.97
Peso Account Balance	122,766.04	168,995.93	315,715.98	232,956.01	122,766.04

The Peso Account includes \$35,400 in Construction Deposits. Therefore, the actual Carry Over into CY 2023 is \$87,366.04 Pesos @ 18.12 to 1 is approx. \$4,821 USD.

2022 Quarterly Financial Report (Dollars)

Item	Year to date 2022	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Dollar Account Status					
Beginning Balances	45,027.91	45,027.91	57,328.75	47,868.31	46,746.00
Dues Income	46,860.00	23,375.00	18,685.00	0.00	4,800.00
Other Income (includes Returned Checks)	0.00	0.00	0.00	0.00	0.00
Total Dollar	91,887.91	68,402.91	76,013.75	47,868.31	51,546.00
Dollar Account Expenses					
Transfers to Peso Account	55,000.00	10,000.00	25,000.00	0.00	20,000.00
Transfers to Peso Account Mexicali	0.00	0.00	0.00	0.00	0.00
Banking Charges	13.92	0.00	0.00	0.00	13.92
Legal Services	0.00	0.00	0.00	0.00	0.00
Misc. Costs	3,818.68	596.16	768.96	1,122.31	1,331.25
Supplies	0.00	0.00	0.00	0.00	0.00
Outside Labor	2,854.48	478.00	2,376.48	0.00	0.00
Maintenance Manager	0.00	0.00	0.00	0.00	0.00
Electric bill Water, Sewer, etc.	0.00	0.00	0.00	0.00	0.00
Total Dollar Expenses	61,687.08	11,074.16	28,145.44	1,122.31	21,345.17
Dollar Account Balances	30,200.83	57,328.75	47,868.31	46,746.00	30,200.83

These costs have been accumulated based upon expenditure types.

The actual available 2022 Carry Over into CY 2023 is \$30,300.83 dollars less \$4,470 dollars in 2023 HOA dues deposited in December of 2022 and Less \$4,520 dollars in refundable construction deposits or \$21,210.83 USD.

4.2 2022 YEAR END BUDGET PERFORMANCE

Prepared 01/15/2023		Colonos La Hacienda San Felipe A.C. 2022			
		Cum-to-Date Dec. Variance by WBS Element			
		Dollars - US (Peso Conversion)			
WBS #	WBS Description		Budget Dec 2022	Actual Costs Dec 2022	Cum-to- Date VARIANCE Plan vs Actual
0	La Hacienda		52,106	69,536	(17,430)
010	Management & Maintenance				
011	Management				
0111	Financial Management		850	570	280
0112	Legal Services (Incl. ACTA)		1,489	991	498
0113	Web Site		553	628	(75)
0114	Misc. Costs		450	688	(238)
0115	Gate Cards		0	770	(770)
012	Maintenance & Security				
0121	General Maintenance		14,850	13,366	1484
0122	Electric bill Water, Sewer, etc.		6,000	4,544	1456
0123	Street Repair		7,500	6,755	745
0124	Security		12,354	13,096	(742)
020	Water Supply				
021	Water Pump		2,500	2,376	124
022	Water Tank		0	0	0
023	Water Supply line		0	0	0
024	Water Pipes		0	0	0
025	Water Valves and Hydrants		2,100	7,276	(5176)
030	Sewer				
031	Sewer Pump		0	0	0
032	Sewer Main Lines		0	0	0
033	Sewer Trunk Lines		0	0	0
034	Water Reclamation Facility		0	0	0
035	Leach Field		0	0	0
04	Electrical				
041	Entrance Lighting		0	0	0
042	Street Lighting		2,310	1,373	937
043	Pump Electrical		0	0	0
044	Sewer Electrical		0	0	0
05	Entrance Gate				
051	Metal Gates		100	0	100
052	Gate Mechanisms		200	85	115
053	Gate Lighting		200	0	200
054	Gate Signage		100	0	100
055	Gate Computer		0	0	0
056	Gate House		0	50	(50)
057	Entrance Security Camera		0	28	(28)
058	Backup Battery		150	186	(36)
06	Sea Wall				
061	Section A-completed 2016		0	0	0
062	Section B		0	0	0
063	Section C		0	0	0
064 - 074	Section D - J		0	0	0
075	Sea Wall Sand Removal		0	0	0
077	Sea Wall Old Section (east side)		0	0	0
078	Four New Palapas		0	0	0
08	Additional Infrastructure				
081	Terrace Retaining Wall		0	0	0
082	Bathroom A		0	0	0
083	Bathroom B		0	0	0
084	Access Road drainage repair		0	1,277	(1277)
085	Bridge removal (at entrance)		0	0	0
086	Pump House Structure		0	0	0
087	Berm Building		400	0	400
088	Drainage Repair - West side		0	15,475	(15475)

Includes Petty Cash Transactions and Peso's @ LIFO conversion rates

5.0 LA HACIENDA IMPROVEMENTS and STORM DAMAGE REPAIR

5.1 Street Repair WBS 0123

The streets of La Hacienda have been deteriorating for some time, cement bands are breaking up and were determined to be of a higher priority than repairing the (3) planters (also included in the 2022 budget). The first street repair was performed on the east Cul-de-sac. The Cul-de-sac was compromised by previous storm damage and was at risk of washing out in a major storm. The repair was made for a cost of \$430 dollars. Please note, the preventative action of repairing this vulnerable (Storm Damage) avoided a washout of the cul-de-sac during September's storm. Additionally, our 2022 Budget allocated \$7,500 dollars towards street repairs. As it turns out street repair is very expensive, especially so if fixing to a "like new" condition. Therefore, we chose to repair five sections of the main road from the trash can cul-de-sac to the street leading to the Condo's by replacing the cement bands and leveling with existing brick (including the use of stored brick). The total cost for the street repair was \$6,325 dollars. The total budget was \$7,500 dollars the total actual cost was \$6,755 for a \$745 dollar underrun.





5.2 Water Pump Replacement WBS 021

In July of 2021 after 55 months of service we replaced La Hacienda well water pump. In order to avoid future water outages a back-up Water Pump was planned to be acquired during 2022. The budgeted cost for the new Water Pump was \$2,500. The actual pump cost was \$2,376, for a \$124-dollar underrun.

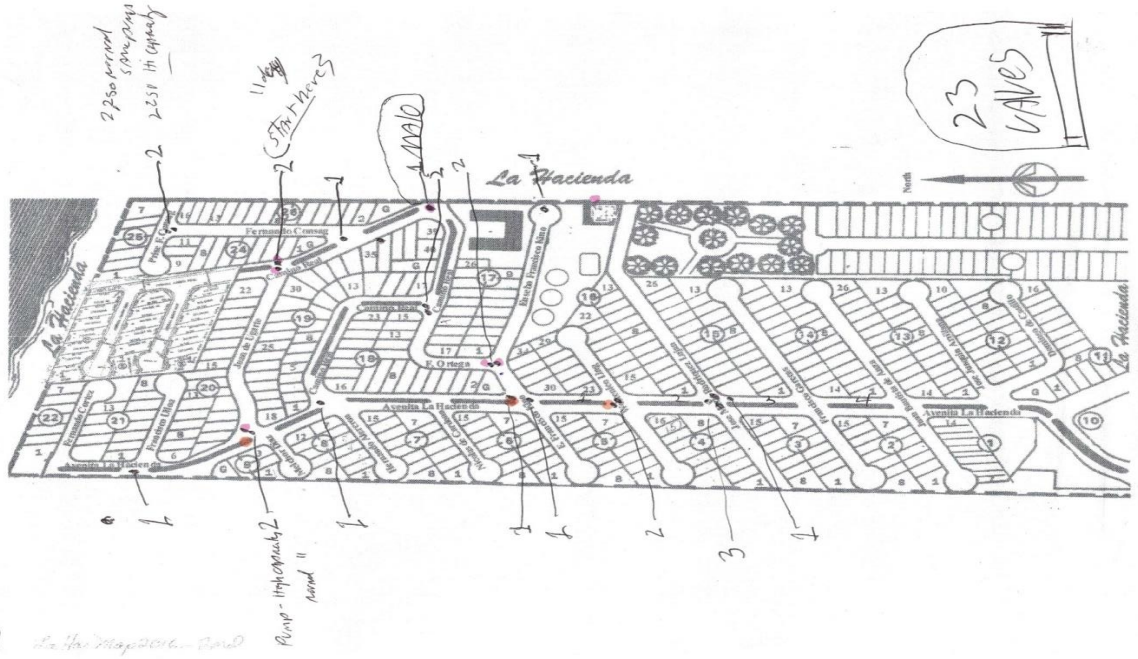
5.3 Water Valves and Hydrants, WBS 025

La Hacienda has a total of 23 Water Valves located under the streets. These water valves control the distribution of water throughout the La Hacienda community. Most of these valves are at the end of their service life and need to be replaced. The original plan was to order 3 new valves (two 4 inch and one 6 inch) and replace 3 valves in 2022 for a planned budget of \$2,100. However, multiple valve failures resulted in the ordering and replacement of 9 water valves (including the main valve at the water reservoir) for a cost of \$7,276, which is a \$5,176 overrun. Several of these repairs were emergencies and Alejandro's team worked through into the night and early morning to restore water service to the community.









5.4 Street Lighting, WBS 042

Two solar street lamps were received in April of 2022 with one lamp installed in June of 2022. The 2022 cost of the Lamps, duty, delivery & installation budget planned for this activity was \$2,310. The actual cost was \$1,373 for a \$937 dollar underrun. One lamp has not been installed, yet.



5.5 Gate Computer, WBS 055 (RECAP FROM 2021 Performance Report)

A backup gate card reader (gate computer) was budgeted at \$1,591 based upon a quote from House of Automation in San Diego (includes duty and delivery). An alternate supplier was contacted and the new gate card reader (gate computer) was acquired for \$931 (including duty and delivery). Additionally, the gate card reader failed during the summer and was replaced not with the new reader but a used backup we had saved. The cost of the replacement was \$106. The new gate card reader is available should this older reader fail. The total budget for this activity was \$1,591. The actual cost was \$1,036 dollars for a \$555 dollar underrun. In October of 2023 the old card reader failed. It was replaced with the new card reader and all gate cards were programmed into the card reader. The card reader was replaced by Alejandro at no cost. However, a Backup card reader will need to be ordered in CY 2024.

5.6 Access Road Repair, WBS 084

La Hacienda incurred significant storm damage September 2022. In order to repair the damage incurred to the West side Drainage and Sewer the access road to the Malecon needed to be repaired. Previous repairs to the access road included a significant amount of rock slurry. Therefore, the repair only required dirt to fill in. Two canyons from two sewer trunk lines were also filled in. The sewer pump failed during the storm and sewer water backup in the pipes and overflowed. The cost to repair the service road was \$1,277.00 dollars. The effort was completed in October 2022.





5.7 Drainage and Stairs Repair, WBS 088

The first repairs to the West side access and drainage occurred in early September. An early storm had caused erosion that repair was made in preparation for the upcoming repair. The early repair was completed for a cost of \$526 dollars. Pictures below do not capture the magnitude of the initial repair.



After this emergency repair was complete the larger storm hit, resulting in the additional damage depicted below.







Lauralee and I met with Alejandro and Jose and had numerous discussion and design iterations regarding the drainage and stairs repair. The repair effort for the West side drainage and stairs was started in October and completed in January 2023. The 2022 cost incurred was a total of \$15,475 (including the initial storm preparation repair of \$526) The remaining balance paid in January was \$3,540. Therefore, the total 2022, 2023 cost of this repair was \$19,015. Included in this cost was the initial repair of the sewer electrical conduit from the meter to the sewer electrical switch.



Backfill of ravine.



Laying of New Drainage Pipe.

















