

COLONOS LA HACIENDA

# 2019 ANNUAL PERFORMANCE REPORT

---

CAL CHAMBERS, TREASURER

2/15/2020

**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.**

# TABLE OF CONTENTS

1.0 INTRODUCTION	1
2.0 FUNDING SOURCES	2 - 3
3.0 LA HACIENDA WORK BREAKDOWN STRUCTURE	3 - 4
3.1 LA HACIENDA WBS DICTIONARY	4 - 7
4.0 FINANCIAL PERFORMANCE	
4.1 2018 QUARTERLY FINANCIAL REPORT	8
4.2 2018 CUMULATIVE BUDGET PERFORMANCE REPORT	9
5.0 LA HACIENDA IMPROVEMENTS & STORM DAMAGE REPAIR	
5.1 STREET REPAIR	10
5.2 WATER VALVE REPAIR	10 -11
5.3 SEWER MAIN LINE REPAIR	12
5.4 WATER RECLAMATION FACILITY	13
5.5 STREET LIGHTING	13
5.6 VANDALIZED ELECTRICAL PANEL	14
5.7 SEWER ELECTRICAL	14
5.8 GATE COMPUTER	14-15
5.9 SEA WALL REPAIR	15-16
5.10 SEA WALL HEIGHT EXTENSION	17
5.11 SEA WALL STORM DAMAGE	17-21
5.12 PUMP HOUSE STRUCTURE	21
5.13 BERM BUILDING	21

## 1.0 INTRODUCTION

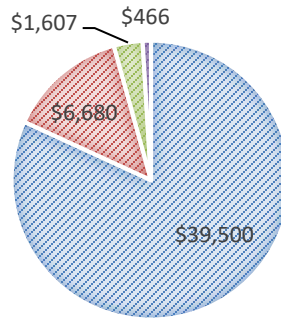
The community of La Hacienda is comprised of single-family homes, condominiums, and Casitas. Moreover, the community is a hybrid of vacation homes, permanent residences, and rental units (Homes, Condos, & Casitas). The La Hacienda Home Owners Association provides for the repair of existing infrastructure, 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. 2019 Calendar Year revenues totaled approximately \$48,253 dollars (includes Pesos @ various exchange rates). This represents a \$6,825 dollar decrease over 2018 revenues or 12.4% decrease. There are approximately 84 single family homes in La Hacienda and approximately 66 homes paid all or some HOA dues in 2019. Single-family homes provided approximately 82% of all HOA revenues for 2019 for a total of \$39,500. This is an \$4,861 dollar decrease over 2018 or a 11% decrease in Home dues collected. This drop is not unanticipated given that last year's dues "Special Offer" generated additional dues. There are 21 Condos at La Hacienda and only 7 Condos contributed dues and those dues fell far short of the anticipated Condo revenues (Invoice- \$4,620; Collected \$1,607). This is a decrease of \$1,147 dollars or 41.6% decrease over the prior year. The Condo dues reduction was not anticipated. Additional dues are collected through the sale and replacement of lost gate cards that allow access to the community. The graph below depicts the 2019 combined sources of funding for La Hacienda (Homes, Lots, Condos, and GROSS Gate Cards sales, including pesos).

## SOURCES OF HOA FUNDING 2019

■ Homes ■ Lots ■ Condo's ■ Gate

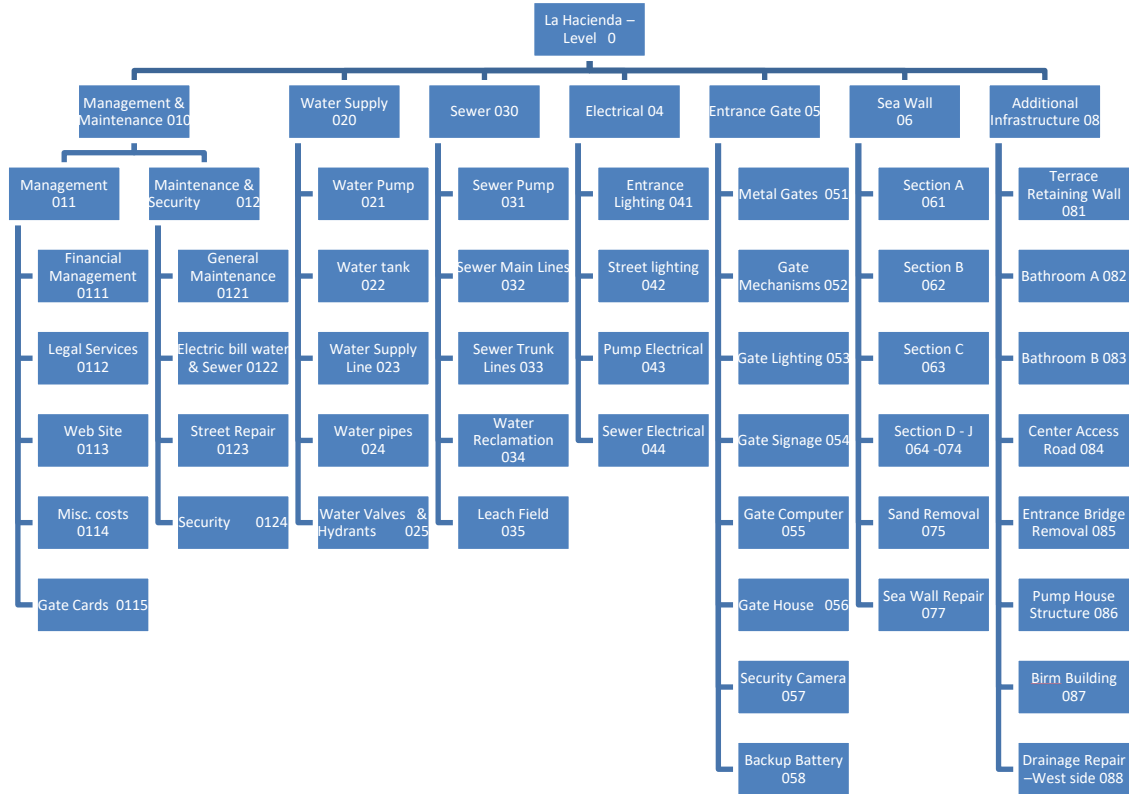


Source	Homes	Lots	Condo's	Gate Cards	Total
Amount	\$39,500	\$6,680	\$1,607	\$466	\$48,253
%	82%	14%	3%	1%	

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

### 3.0 LA HACIENDA WORK BREAKDOWN STRUCTURE

During the annual 2019 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).
0112	Legal Services	All legal fees and service costs incurred by La Hacienda HOA, including but not limited to ACTA Notario.
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.
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.
043	Pump Electrical	Includes electrical lines to the water pump.
044	Sewer Electrical	Includes electrical lines to the sewer
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.
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
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 seawall 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	Maintenance and repair of Terrace and the retaining wall 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	Entrance Bridge Removal	Removal of dilapidated wooden bridge structure at the entrance to La Hacienda.
086	Pump House Structure	Water pump house modifications for security improvements.
087	Berm Building	Security berm building 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 2019 Quarterly Financial Report:

The unaudited Quarterly Financial Reports below depict 2019 revenues and expenses by Quarter. Beginning and ending balances are provided for both the Peso and Dollar accounts. In June Bancomer opened the dollar account for transactional purposes (Bank Transfers & Check writing). However, the majority of deposits for 2019 were made directly to the Peso Account. Please note that the Quarterly Financial Reports below indicate that the Peso account was the primary transactional account during 2019.

#### 2019 Quarterly Financial Report Pesos

Item	Year to date 2019	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Peso Account Status</b>					
Beginning Balances	407,501.20	407,501.20	624,291.67	625,084.78	521,253.02
Transfers from Dollar Account	0.00	0.00	0.00	0.00	0.00
Dues	808,432.99	529,415.67	244,871.32	0.00	34,146.00
Other Income	0.00	0.00	0.00	0.00	0.00
<b>Total Peso Income</b>	<b>1,215,934.19</b>	<b>936,916.87</b>	<b>869,162.99</b>	<b>625,084.78</b>	<b>555,399.02</b>
<b>Peso Account Expenses</b>					
Refunds	0.00	0.00	0.00	0.00	0.00
Banking Charges	1,307.32	204.16	519.68	230.84	352.64
Legal Services	12,720.05	0.00	12,720.05	0.00	0.00
Misc. Costs	50,220.48	11,042.04	27,010.08	1,887.84	10,280.52
Supplies	4,535.92	2,870.00	1,665.92	0.00	0.00
Outside Labor	674,534.66	251,885.00	133,377.48	65,503.08	223,769.10
Maintenance Manager	169,008.00	36,210.00	42,905.00	36,210.00	53,683.00
Electric bill Water, Sewer, etc.	50,539.00	10,414.00	25,880.00	0.00	14,245.00
<b>Total Peso Expenses</b>	<b>962,865.43</b>	<b>312,625.20</b>	<b>244,078.21</b>	<b>103,831.76</b>	<b>302,330.26</b>
<b>Peso Account Balance ending</b>	<b>253,068.76</b>	<b>624,291.67</b>	<b>625,084.78</b>	<b>521,253.02</b>	<b>253,068.76</b>

#### Quarterly Financial Report (Dollars)

Item	Year to date 2019	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Dollar Account Status</b>					
Beginning Balances	9,400.38	9,400.38	10,598.38	11,548.38	12,644.32
Dues Income	3,248.00	1,198.00	950.00	1,100.00	0.00
Other Income	0.00	0.00	0.00	0.00	0.00
<b>Total Dollar Income</b>	<b>12,648.38</b>	<b>10,598.38</b>	<b>11,548.38</b>	<b>12,648.38</b>	<b>12,644.32</b>
<b>Dollar Account Expenses</b>					
Transfers to Peso Account	0.00	0.00	0.00	0.00	0.00
Transfers to Peso Account Mexicali	0.00	0.00	0.00	0.00	0.00
Banking Charges	4.06	0.00	0.00	4.06	0.00
Legal Services	100.00	0.00	0.00	0.00	100.00
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	0.00	0.00	0.00	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
<b>Total Dollar Expenses</b>	<b>104.06</b>	<b>0.00</b>	<b>0.00</b>	<b>4.06</b>	<b>100.00</b>
<b>Dollar Account Balances Available</b>	<b>12,544.32</b>	<b>10,598.38</b>	<b>11,548.38</b>	<b>12,644.32</b>	<b>12,544.32</b>

These costs have been accumulated based upon expenditure types.

## 4.2 2019 YEAR END BUDGET PERFORMANCE

Prepared 1/9/2020		<b>Colonos La Hacienda San Felipe A.C. 2019</b>		
		<b>Cum-to-Date Nov. Variance by WBS Element</b>		
		<b>Dollars - US (Peso Conversion)</b>		
WBS #	WBS Description	Cum-to-Date Budget Dec 2019	Cum-to-Date Actual Costs Dec 2019	Cum-to-Date VARIANCE Plan vs Actual
0	La Hacienda	42,500	54,584	(12,083)
010	Management & Maintenance			
011	Management			
0111	Financial Management	570	556	14
0112	Legal Services (Incl. ACTA)	1,501	862	638
0113	Web Site	0	0	0
0114	Misc. Costs	250	302	(52)
0115	Gate Cards	645	0	645
012	Maintenance & Security			
0121	General Maintenance	12,551	13,127	(577)
0122	Electric bill Water, Sewer, etc.	3,500	2,808	693
0123	Street Repair	5,365	1,921	3444
0124	Security	700	914	(214)
020	Water Supply			
021	Water Pump	0	0	0
022	Water Tank	0	0	0
023	Water Supply line	0	0	0
024	Water Pipes	0	0	0
025	Water Valves and Hydrants	500	5,019	(4519)
030	Sewer			
031	Sewer Pump	0	0	0
032	Sewer Main Lines	0	180	(180)
033	Sewer Trunk Lines	0	0	0
034	Water Reclamation Facility	3,000	3,084	(84)
035	Leach Field	0	0	0
04	Electrical			
041	Entrance Lighting	0	0	0
042	Street Lighting	1,090	585	505
043	Pump Electrical	0	1,149	(1149)
044	Sewer Electrical	0	492	(492)
05	Entrance Gate			
051	Metal Gates	100	0	100
052	Gate Mechanisms	0	0	0
053	Gate Lighting	0	0	0
054	Gate Signage	55	0	55
055	Gate Computer	100	300	(200)
056	Gate House	74	74	(0)
057	Entrance Security Camera	0	0	0
058	Backup Battery	0	175	(175)
06	Sea Wall			
061	Section A-completed 2016	0	0	0
062	Section B	5,500	4,890	610
063	Section C	5,500	4,890	610
064 - 074	Section D - J	0	11,844	(11844)
075	Sea Wall Sand Removal	300	0	300
077	Sea Wall between Palapas	1,000	835	165
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	0	0
085	Bridge removal (at entrance)	0	0	0
086	Pump House Structure	0	180	(180)
087	Berm Building	200	396	(196)
088	Drainage Repair - West side	0	0	0

## 5.0 LA HACIENDA IMPROVEMENTS and STORM DAMAGE REPAIR

### 5.1 Street Repair Planned and Water Main Repair (Feb & Mar), WBS 0123

WBS 0123 Street Repair - \$5,365 was Budgeted for continued Street Repair for La Hacienda. A water main burst at the base of the Cul-de-sac located on the lower east side of La Hacienda which damaged the street, water main line, and the electrical utilities. The corrective action cost \$1,921. No further street repairs were performed during 2019. Therefore, we underran the street repair budget by \$3,444.

#### Street & Water Main Repair: South East Cul-de-sac



### 5.2 Water Valve Repair, WBS 025 (Nov. 2018)

WBS 025 Water Valves - \$500 was budgeted as a place holder for a water valve repair for La Hacienda's aging water supply system. However, we incurred an actual water valve failure in June of 2019. The total cost of the repair was \$5,019 dollars, which included 4 additional water valves (two 6-inch valves and two 4-inch valves). The additional water valves were acquired because of the lead time for delivery of the valves and the necessity to have the valves on hand to support future repairs. Upon delivery and installation of the valves Alejandro noted that the bolts used to couple the valve to the pipe were of poor quality so we ordered stainless steel bolts to correct this deficiency. This resulted in a hole in the street remained open until these bolts arrived. The repair was completed January 2019. This action culminated in a \$4,519 overrun.



### 5.3 Sewer Main Line repair, WBS 032 (May 2019)

During the start of the Memorial Day weekend the sewer holding tank (located on the La Hacienda Malecon) overflowed. The overflow occurred at approximately 8:00 am. The sewer main line had ruptured and spilled sewage on the Malecon and the beach. What a way to start a holiday weekend. However, Jose jumped into action and contacted Alejandro. Jose described the nature of the break and the needed supplies for the fix. Alejandro and Jose had the sewer main line repaired by 11:00 a.m. the same day for a cost of \$180.



#### 5.4 Water Reclamation Facility, WBS 034 (Feb / Mar 2019)

It had been over ten years since the La Hacienda Septic Tank and Cesspool had been pumped, sealed, and painted. A budget of \$3,000 was planned and the work was performed in February and March of 2019. The actual cost was approximately \$3,084 dollars. The additional costs were due to increased usage of the pumper truck to remove and haul away waste.

#### 5.5 Street Lighting WBS 042, (November 2019)

The 2019 Annual Budget included \$1,000 for a Solar Street light. The plan was to acquire one Solar Street Light and determine if it will meet La Hacienda's needs for illumination, durability, and style. After researching available numerous solar street lights on-line a GAMA SONIC Imperial II Solar Lamp was selected. This lamp was chosen for its styling, Lumen efficiency, and technical design (sealed against the elements). The GAMA SONIC solar lamp cost \$585 delivered and installed. HOA members are encouraged to comment on the lamp. Durability in the harsh San Felipe environment still remains a concern and the Board recommends evaluating the Solar Lamps performance through the fall of 2020. The Solar Lamp has been installed on the main street using one of the existing brick street light bases.



### 5.6 Repair of Vandalized Water Pump Electrical Panel, WBS 043 (March 2019)

In March 2019 the electrical panel and electrical lines were vandalized and stolen twice. Alejandro and Jose coordinated with CFE on the replacement of the electrical panel. Since the panel was stolen twice (two police reports were filed) the pump house was modified to install the electrical panel inside the pump house. This modification and installation cost \$1,149.

### 5.7 Sewer Electrical, WBS 044 (April 2019)

The Sewer pump is activated by an automated floatation switch. The switch activates when the sewer holding tank (located on the La Hacienda Malecon) fills up, and it shuts off when the holding tank empties. The switch failed in April thus causing the sewage to spill on the beach. Alejandro replaced the sewer switch for a cost of \$492 dollars.



### 5.8 Gate Computer, WBS 055 (November 2019)

The Card Reader which activates the security gate failed in November 2019. The HOA had budgeted \$100 for the replacement of the gate card reader. However, this failure had multiple technical issues. Alejandro was able to find a technical guide for our gate card

reader that was written in Spanish. Alejandro diagnosed the problem and repaired the gate card reader. Alejandro spent 10 days on this repair for a cost of \$300.



#### 5.9 Sea Wall Repair, WBS 062 & 063 (March – April 2019)

A budget of \$11,000 (\$5,500 per 35 foot section) for refurbishing two 35 foot sections of sea wall (WBS 062 & 063). The sea wall refurbishment was completed for \$9780 (\$4,890 per section). This was a \$1,220 underrun. These newly refurbished sections of sea wall were not impacted by the high tide and winds.







### 5.10 Sea Wall height extension, WBS 077 (March 2018)

A budget of \$1,000 for a section of Sea Wall height extension was planned for 2019. This upgrade of existing sea wall was added to prevent UTVs and Quads from driving over the wall. This is a height extension of the wall that was started in 2018. The actual cost \$835 came in \$165 under budget.



### 5.11 Sea Wall Storm Damage Repair, WBS 064 - 074 (October 2018)

On October 28, 2019 La Hacienda experienced a plus 19 ft. tide and 40 to 50 knot winds. The combination of these simultaneous events had a disastrous impact to our Sea Walls. The buttress at the west end of the Sea wall was completely exposed and ten feet of bank was lost. The Sea Wall (older section) lost its cap and the bank behind the lost cap was eroded. The Sea Wall in front of the Palapas was destroyed and all three Palapas were lost. All the trash barrels were lost as well as a portion of the railing on the stairs. The pictures below capture the destruction.

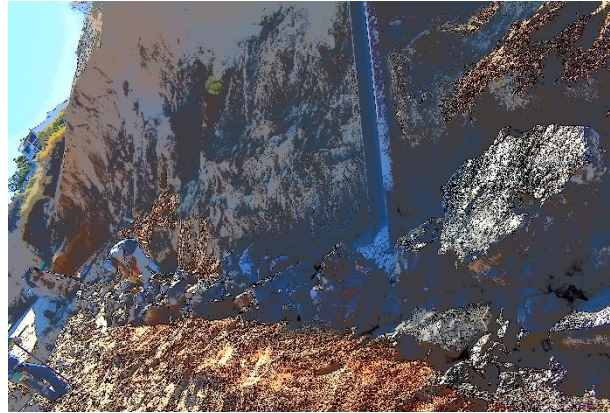






The Board met with Alejandro to review the damage and devise a corrective action plan. The repair approach included digging a deeper footing for the downed sea wall and breaking up and using the fallen sea wall to build up the footing (thus saving on materials). A 10 foot section of new wall was added to the west side sea wall buttress. Drains, one sea wall cap, new guard rail, and back fill were also proposed. Alejandro also proposed the replacement of the lost Palapas. The total estimate for the repair including equipment, labor, and materials was \$25,654 including \$2,100 for 4 new Palapas. Given the magnitude of the repair and the impact on HOA funds the Palapa replacement was delayed until 2020. Through December 2019 the HOA spent \$11,844 for this repair. The repairs commenced in November of 2019 and were completed in February 2020. The balance due is included in the 2020 budget.







### 5.12 Pump House Structure, WBS 086 (May 2019)

Background: The water pump house was vandalized and with the recent investment in pump house electrical panel (WBS 043) the board decided to add an alarm. The additional alarm cost was \$180.

### 5.13 Berm Building WBS 087 (April 2018)

A budget of \$200 dollars for additional berms was planned at the Entrance to La Hacienda. The actual cost for berms was \$396 dollars for a \$196 dollar overrun.

