

**Paseo Master Association
Treasurer's Report**

Based on Unaudited August 31, 2020 Financial Statements (HOA meeting of September 23, 2020)

The Paseo HOA had an operating surplus of \$588,299 at 12.31.19 and it has increase by \$709,853 to \$1,298,152 as of 8.31.20. This large increase is due to operations of \$188,112, charging the Hotwire rate while we were still under contract with Comcast of \$105,307 and Hotwire free service of \$416,434.

The replacement reserves were \$679,756 at 12.31.19 and decreased to \$575,235 as of 8.31.20. Assessments of \$313,956 along with interest of \$3,285 were added to the reserves. Total expenditures of (\$421,762) were charged against the reserves during the calendar year.

The working capital fund was \$86,684 at 12.31.19. Year to date capital contributions of \$124,500 were added to the fund. (\$135,662) of special projects were expensed leaving a balance of \$75,522 as of 8.31.20. The board has additional approved projects that have not been funded yet for an estimated (\$17,071).

For the month, the association had an income of \$113,546 against a budget of \$100,360 for a positive variance of \$13,186. Food and beverage exceeded budget by \$1,195. Non-food and beverage labor exceeded budget by \$8,122.

For the year, the association had an income of \$696,227 against a budget of \$530,311 for a positive variance of \$165,916. Food and beverage missed budget by (\$11,248), maintenance (including labor) exceeded budget by \$44,613 and administration (including labor) exceeded budget by \$39,237. Most other departments were under budget due to the reduction in operations due to Covid-19.

For the year, food and beverage had a direct loss of (\$257,032) against a budget of (\$245,784) for a negative variance of (\$11,248). Please note that sales are (\$252,577) under budget year to date.

Please note that KW and our auditors have determined that Paseo will not record any expense for the five free months of Hotwire service that started on April 21, 2020. We have elected to show the budget variances as if we didn't budget the imputed expense for bulk cable. The actual budget variance has been and will be considerably higher than what is reported in the treasurer's report.

Paseo Master HOA
Income Statement
As of 08.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,521	0	2,300,170	2,300,168	2
Reserve dues			-	313,956	313,956	-
Interest income	618	500	118	7,005	4,000	3,005
Events	-	100	(100)	-	11,000	(11,000)
Retail items	291	250	41	8,689	5,250	3,439
Amenities and other	407	1,223	(816)	7,836	9,784	(1,948)
Food and beverage	43,137	58,381	(15,244)	555,971	808,548	(252,577)
Capital assessments	18,227		18,227	135,662		135,662
Income	350,201	347,975	2,226	3,329,288	3,452,706	(123,418)
Legal	266	3,000	2,735	2,386	24,000	21,615
Other administrative	6,780	6,327	(453)	41,360	50,616	9,256
Bulk Cable	-	-	-	249,308	247,035	(2,273)
Utilities (other)	18,881	20,157	1,276	139,288	158,941	19,653
Contracts	6,795	6,399	(396)	44,840	51,178	6,338
Insurance	5,578	5,522	(56)	43,398	44,176	778
Lifestyle park	-	208	208	-	1,664	1,664
Cost of sales	18,030	23,058	5,028	226,657	320,281	93,624
Food and beverage supplies	9,258	13,064	3,806	108,663	159,328	50,665
Entertainment	2,500	2,450	(50)	30,390	42,700	12,310
Other amenities	3,488	8,441	4,953	63,924	81,776	17,852
Retail items	5,208	250	(4,958)	6,588	5,250	(1,338)
Pool (other)	3,913	7,404	3,492	36,587	59,232	22,645
Landscaping	12,513	10,951	(1,562)	102,581	87,608	(14,973)
Maintenance	9,446	8,885	(561)	70,314	71,630	1,316
Payroll				-	-	-
Food and beverage	47,885	55,490	7,605	477,684	574,723	97,039
Member services	4,497	7,572	3,075	51,682	70,352	18,670
Pool monitor	7,290	10,279	2,989	66,899	85,391	18,492
Administration	35,529	34,716	(813)	272,948	281,315	8,367
Maintenance	18,868	21,739	2,871	134,322	177,619	43,297
Capital reserves			-	313,956	313,956	-
Depreciation	1,703	1,703	(0)	13,625	13,624	(1)
Capital projects	18,227	-	(18,227)	135,662	-	(135,662)
Expenses	236,656	247,615	10,959	2,633,061	2,922,395	289,334
Net Income (loss) - normal operations	113,546	100,360	13,186	696,227	530,311	165,916
Unusual items						
Change in accounting for Hotwire free service	-	96,097	96,097	-	416,434	416,434
Net Income (loss) per KW statements	113,546	4,263	109,283	696,227	113,877	582,350

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	83	1,500	124,500
2020 Projects	Paid	O/S	
LED lighting project	(554)	(1,600)	(2,154)
LED Tiki lighting	(6,385)		(6,385)
Acoustic panels for the pub	(3,183)		(3,183)
Door between the kitchen and bistro	(1,182)		(1,182)
Aerobic pac dumbbells	(1,214)		(1,214)
Spa Barber chairs (3)	(746)		(746)
Eversafe storage building	(13,833)		(13,833)
Bocce shade structures	(24,379)		(24,379)
Landscaping bocce/shed	(4,770)		(4,770)
Firepit (net)	(3,217)		(3,217)
Retaining wall stone	(4,250)		(4,250)
Power wash circle drive	(7,150)		(7,150)
Emergency lighting	(11,311)		(11,311)
Sound system antenna kit	(571)		(571)
Fix low spot in pavers (circle)	(6,000)		(6,000)
Convert kiddie splash pad to geothermal	(6,906)		(6,906)
Pickleball lines	(1,413)		(1,413)
Tennis fencing repairs	(8,550)		(8,550)
Pickleball ball fencing repairs	(2,850)		(2,850)
Furniture removal (dumpsters)	(3,285)		(3,285)
Café and ice cream cabinets	(8,362)		(8,362)
Lagoon pool additional lighting	(1,213)		(1,213)
2nd pool table	(2,000)		(2,000)
Level pavers and fix pool deck draining issues	-	(7,000)	(7,000)
Variable Frequency Drives	(7,721)	(7,721)	(15,442)
Infrared tiki heaters	(4,309)	(750)	(5,059)
Smoking section screening	(309)		(309)
Available balance 08.31.20	(135,662)	(17,071)	58,451
Sales since prior month end	5	1,500	7,500
Pending properties as of 9.17.20	20	1,500	30,000
Anticipated additional home sales 2020	6	1,500	9,000
Working capital available			<u>104,951</u>