

Paseo Master Association

Treasurer's Report

Based on Unaudited October 31, 2020 Financial Statements (HOA meeting of November 18, 2020)

The Paseo HOA had an operating surplus of \$586,392 at 12.31.19 and it has increased by \$794,638 to \$1,381,030 as of 10.31.20. This large increase is due to operations of \$213,010, charging the Hotwire rate while we were still under contract with Comcast of \$105,307 and Hotwire free service of \$476,321.

The replacement reserves were \$679,756 at 12.31.19 and decreased to \$615,875 as of 10.31.20. Assessments of \$418,608 along with interest of \$3,882 were added to the reserves. Total expenditures of (\$486,372) 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 \$160,500 were added to the fund. (\$160,297) of special projects were expensed leaving a balance of \$86,887 as of 10.31.20. The board has additional approved projects that have not been funded yet for an estimated (\$12,920).

For the month, the association had an income of \$18,621 against a budget of \$2,663 for a positive variance of \$15,958. Food and beverage exceeded budget by \$7,975. Salaries, excluding food and beverage, exceeded budget by \$10,060.

For the year, the association had an income of \$794,638 against a budget of \$611,174 for a positive variance of \$183,464. Food and beverage missed budget by (\$657), maintenance (including labor) exceeded budget by \$45,078 and administration (including labor) exceeded budget by \$37,880. 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 (\$317,274) against a budget of (\$316,617) for a negative variance of (\$657). Please note that sales are (\$262,859) 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
Balance Sheet
As of 10.31.20

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,956,826	86,887	2,043,713	630,125	2,673,838
Other receivables	11,956		11,956		11,956
Other current assets	95,930		95,930	2,934	98,865
Current assets	2,064,712	86,887	2,151,600	633,059	2,784,659
Deferred revenue	(575,042)		(575,042)		(575,042)
Current liabilities	(108,640)		(108,640)	(17,184)	(125,824)
Fund Balance	1,381,030	86,887	1,467,917	615,875	2,083,792
Fund balance					
Beginning Balance	586,392	86,684	673,076	679,756	1,352,832
Net Income (loss)	794,435		794,435		794,435
Collected		160,500	160,500	418,608	579,108
Cash impact of the working capital fund	203		203		203
Interest			-	3,882	3,882
Capital projects		(160,297)	(160,297)	(486,372)	(646,669)
Fund balance	1,381,030	86,887	1,467,917	615,875	2,083,792
Surplus	1,381,030	86,887	1,467,917	615,875	2,083,792
Anticipated transfer to reserves	(700,000)		(700,000)	700,000	-
Net surplus	681,030	86,887	767,917	1,315,875	2,083,792

Paseo Master HOA
Income Statement
As of 10.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,521	0	2,875,212	2,875,210	2
Reserve dues	104,652	104,652	-	418,608	418,608	-
Interest income	639	500	139	8,297	5,000	3,297
Events	-	100	(100)	-	11,200	(11,200)
Retail items	3,902	1,000	2,902	13,073	6,500	6,573
Amenities and other	607	9,723	(9,116)	8,661	20,730	(12,069)
Food and beverage	68,586	67,881	705	668,951	931,810	(262,859)
Capital assessments	374		374	160,297		160,297
Income	466,282	471,377	(5,095)	4,153,099	4,269,058	(115,959)
Legal	250	3,000	2,750	2,716	30,000	27,285
Other administrative	8,192	6,327	(1,865)	59,773	63,270	3,497
Bulk Cable	101,655	100,275	(1,380)	384,864	379,342	(5,522)
Utilities (other)	17,076	20,157	3,081	177,759	198,676	20,917
Contracts	4,270	6,572	2,302	53,381	64,322	10,941
Insurance	5,577	5,522	(55)	54,554	55,220	666
Lifestyle park	-	208	208	-	2,080	2,080
Cost of sales	25,220	26,873	1,653	266,438	368,902	102,464
Food and beverage supplies	14,087	14,596	509	132,236	186,537	54,301
Entertainment	3,075	3,650	575	35,565	48,550	12,985
Other amenities	8,529	9,191	662	79,113	99,408	20,295
Retail items	3,617	1,000	(2,617)	9,921	6,500	(3,421)
Pool (other)	4,172	7,404	3,232	49,687	74,040	24,353
Landscaping	10,405	10,951	546	123,009	109,510	(13,499)
Maintenance	12,227	8,885	(3,342)	96,233	89,400	(6,833)
Payroll						
Food and beverage	55,794	60,901	5,107	587,551	692,988	105,437
Member services	6,069	8,103	2,034	63,833	86,080	22,247
Pool monitor	7,368	10,686	3,318	84,146	106,663	22,517
Administration	36,180	36,369	189	346,954	354,053	7,099
Maintenance	18,873	23,392	4,519	171,824	223,735	51,911
Capital reserves	104,652	104,652	-	418,608	418,608	-
Capital projects	374	-	(374)	160,297	-	(160,297)
Expenses	447,661	468,714	21,053	3,358,461	3,657,884	299,423
Net Income (loss) - normal operations	18,621	2,663	15,958	794,638	611,174	183,464
Unusual items						
Depreciation	(15,328)	1,703	17,031	-	17,030	17,030
Change in accounting for Hotwire free service	-	(4,178)	(4,178)	-	476,321	476,321
Cash recognition of working capital assessments	203		(203)	203		(203)
Net Income (loss) per KW statements	33,746	5,138	28,608	794,435	117,823	676,612

	Month-to-Date			Year-to-Date			10.31.19		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change	%
Food Sales	32,147	35,125	(2,978)	339,139	482,500	(143,361)	473,302	(134,163)	-28.3%
Bar Sales	36,440	32,756	3,684	329,812	449,310	(119,498)	435,988	(106,176)	-24.4%
Total Sales	68,586	67,881	705	668,951	931,810	(262,859)	909,290	(240,339)	-26.4%
Cost of goods sold									
Food	12,837	14,753	1,916	156,245	202,655	46,410	210,734	54,488	25.9%
Bar	12,383	12,120	(263)	110,193	166,247	56,054	159,662	49,470	31.0%
Total COGS	25,220	26,873	1,653	266,438	368,902	102,464	370,396	103,958	28.1%
Supplies	14,087	14,596	509	132,236	186,537	54,301	174,940	42,704	24.4%
Labor	55,794	60,901	5,107	587,551	692,988	105,437	688,540	100,989	14.7%
Total direct expenses	95,101	102,370	7,269	986,225	1,248,427	262,202	1,233,875	247,651	20.1%
Direct loss	(26,514)	(34,489)	7,975	(317,274)	(316,617)	(657)	(324,585)	7,311	-2.3%
Direct cost recovery	72.1%	66.3%	5.8%	67.8%	74.6%	-6.8%	73.7%		
Cost of goods sold									
Food	39.9%	42.0%	2.1%	46.1%	42.0%	-4.1%	44.5%		
Bar	34.0%	37.0%	3.0%	33.4%	37.0%	3.6%	36.6%		
Total	36.8%	39.6%	2.8%	39.8%	39.6%	-0.2%	40.7%		
Supplies	20.5%	21.5%	1.0%	19.8%	20.0%	0.3%	19.2%		
Labor	81.3%	89.7%	8.4%	87.8%	74.4%	-13.5%	75.7%		
Food	-	-	-	-	-	0.00			
Rate			665			(13,804)			
Volume			1,251			60,213			
Bar									
Rate			1,100			11,840			
Volume			(1,363)			44,215			
COGS Variance			1,653			102,464			

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	107	1,500	160,500
2020 Projects	Paid	O/S	
LED lighting project	(1,292)	(1,313)	(2,605)
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	(13,983)		(13,983)
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	(21,592)		(21,592)
Infrared tiki heaters	(4,655)		(4,655)
Smoking section screening	(309)		(309)
Landscape lighting - Lap Pool	(4,551)		(4,551)
Portable lighting	(4,977)		(4,977)
Bar stools for Bistro serving table		(4,607)	(4,607)
Available balance 10.31.20	(160,297)	(12,920)	73,967
Sales since prior month end	10	1,500	15,000
Pending properties as of 11.09.20	20	1,500	30,000
Pending estimated to close in 2021	(5)	1,500	(7,500)
Anticipated additional home sales 2020	-	1,500	-
Working capital available			111,467

Paseo Master HOA
Cost by Service
As of 10.31.20

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	101,655	100,275	(1,380)	384,864	379,342	(5,522)	38,486	37,934	(552)
Administration	44,622	45,696	1,074	409,443	447,323	37,880	40,944	44,732	3,788
Replacement Reserves	104,652	104,652	-	418,608	418,608	-	41,861	41,861	-
Maintenance	31,099	32,277	1,178	268,057	313,135	45,078	26,806	31,314	4,508
Food and Beverage	26,514	34,489	7,975	317,274	316,617	(657)	31,727	31,662	(66)
Utilities	17,076	20,157	3,081	177,759	198,676	20,917	17,776	19,868	2,092
Amenity Access	7,368	10,686	3,318	84,146	106,663	22,517	8,415	10,666	2,252
Landscaping	10,405	10,951	546	123,009	109,510	(13,499)	12,301	10,951	(1,350)
Member Services	6,069	8,103	2,034	63,833	86,080	22,247	6,383	8,608	2,225
Pool	4,172	7,404	3,232	49,687	74,040	24,353	4,969	7,404	2,435
Entertainment	3,075	3,650	575	35,565	48,550	12,985	3,557	4,855	1,299
Insurance	5,577	5,522	(55)	54,554	55,220	666	5,455	5,522	67
Management Contract	3,672	3,672	(0)	35,324	35,322	(2)	3,532	3,532	(0)
Tennis (net)	4,530	(3,892)	(8,422)	45,968	36,828	(9,140)	4,597	3,683	(914)
IT Services	405	2,700	2,295	16,137	27,000	10,863	1,614	2,700	1,086
Café	2,201	2,250	49	18,306	19,250	944	1,831	1,925	94
Events (net)	771	400	(371)	6,114	5,300	(814)	611	530	(81)
Retail (net)	(285)	-	285	(3,152)	-	3,152	(315)	-	315
Other	(28)	518	546	(6,315)	5,180	11,495	(631)	518	1,149
Total	373,553	389,510	15,957	2,499,182	2,682,644	183,462	249,918	268,264	18,346
Per Unit									
Bulk Cable	88.70	87.50	(1.20)	335.83	331.01	(4.82)	33.58	33.10	(0.48)
Administration	38.94	39.87	0.94	357.28	390.33	33.05	35.73	39.03	3.31
Replacement Reserves	91.32	91.32	-	365.28	365.28	-	36.53	36.53	-
Maintenance	27.14	28.16	1.03	233.91	273.24	39.33	23.39	27.32	3.93
Food and Beverage	23.14	30.10	6.96	276.85	276.28	(0.57)	27.69	27.63	(0.06)
Utilities	14.90	17.59	2.69	155.11	173.36	18.25	15.51	17.34	1.83
Amenity Access	6.43	9.32	2.90	73.43	93.07	19.65	7.34	9.31	1.96
Landscaping	9.08	9.56	0.48	107.34	95.56	(11.78)	10.73	9.56	(1.18)
Member Services	5.30	7.07	1.78	55.70	75.11	19.41	5.57	7.51	1.94
Pool	3.64	6.46	2.82	43.36	64.61	21.25	4.34	6.46	2.13
Entertainment	2.68	3.18	0.50	31.03	42.36	11.33	3.10	4.24	1.13
Insurance	4.87	4.82	(0.05)	47.60	48.18	0.58	4.76	4.82	0.06
Management Contract	3.20	3.20	(0.00)	30.82	30.82	(0.00)	3.08	3.08	(0.00)
Tennis (net)	3.95	(3.40)	(7.35)	40.11	32.14	(7.98)	4.01	3.21	(0.80)
IT Services	0.35	2.36	2.00	14.08	23.56	9.48	1.41	2.36	0.95
Café	1.92	1.96	0.04	15.97	16.80	0.82	1.60	1.68	0.08
Events (net)	0.67	0.35	(0.32)	5.34	4.62	(0.71)	0.53	0.46	(0.07)
Retail (net)	(0.25)	-	0.25	(2.75)	-	2.75	(0.28)	-	0.28
Other	(0.02)	0.45	0.48	(5.51)	4.52	10.03	(0.55)	0.45	1.00
Total	325.96	339.89	13.92	2,180.79	2,340.88	160.09	218.08	234.09	16.01