

Paseo Master Association
Treasurer's Report
Based on Unaudited June 30, 2020 Financial Statements (HOA meeting of July 22, 2020)

The Paseo HOA had an operating surplus as of 6.30.20 of \$1,067,438.

The replacement reserves were \$679,756 at 12.31.19 and decreased to \$473,081 as of 6.30.20. Assessments of \$209,304 along with interest of \$2,683 were added to the reserves. Total expenditures of (\$418,662) 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 \$82,500 were added to the fund. (\$117,435) of special projects were expensed leaving a balance of \$51,749 as of 6.30.20. The board has additional approved projects that have not been funded yet for an estimated (\$28,912).

For the month, the association had an income of \$116,010 against a budget of \$104,153 for a positive variance of \$11,857. Food and beverage missed budget by (\$9,009). Utilities were under budget by \$3,832 and non-food and beverage labor by \$12,331.

For the year, the association had an income of \$468,920 against a budget of \$340,201 for a positive variance of \$128,719. Food and beverage missed budget by (\$12,331), maintenance (including labor) exceeded budget by \$35,194 and administration (including labor) exceeded budget by \$31,121. 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 (\$187,459) against a budget of (\$175,128) for a negative variance of (\$12,331).

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 variances has been and will be considerably higher than what is reported in the treasurer's report.

Paseo Master HOA
Balance Sheet
As of 06.30.20

	Operating	Working Capital	Capital Reserves	Total
Cash	1,153,322	51,749	484,074	1,689,145
Due to/from	-			-
Other receivables	749			749
Deposits				-
Other current assets	112,345		1,755	114,100
Current assets	1,266,416	51,749	485,829	1,803,994
Deferred revenue	(47,264)			(47,264)
Current liabilities	(151,715)		(12,748)	(164,462)
Working capital surplus	1,067,438	51,749	473,081	1,592,268
Fixed assets (net)	24,591			24,591
Fund balance	1,092,029	51,749	473,081	1,616,859
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Fund balance				
Beginning Balance	623,109	86,684	679,756	1,389,550
Net Income (loss)	468,920			468,920
Collected		82,500	209,304	291,804
Interest			2,683	2,683
Capital projects		(117,435)	(418,662)	(536,098)
Fund balance	1,092,029	51,749	473,081	1,616,859
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	-	-	-	-
Current surplus				
Surplus	1,092,029			
Less fixed assets	(24,591)			
Available surplus	1,067,438			

Paseo Master HOA
Income Statement
As of 06.30.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,521	0	1,725,127	1,725,126	1
Reserve dues	-	-	-	209,304	209,304	-
Interest income	1,077	500	577	5,747	3,000	2,747
Events	-	100	(100)	-	10,800	(10,800)
Retail items	1,259	-	1,259	7,455	5,000	2,455
Amenities and other	313	1,223	(910)	6,115	7,338	(1,223)
Food and beverage	53,986	59,381	(5,395)	466,356	690,786	(224,430)
Capital assessments	13,759		13,759	117,435		117,435
Income	357,915	348,725	9,190	2,537,541	2,651,354	(113,813)
Legal	(500)	3,000	3,500	2,120	18,000	15,880
Other administrative	4,490	6,327	1,837	29,557	37,962	8,405
Bulk Cable	-	-	-	249,308	247,035	(2,273)
Utilities (other)	15,746	19,578	3,832	102,631	118,627	15,996
Contracts	5,400	6,397	997	33,949	38,382	4,433
Insurance	5,578	5,522	(56)	32,241	33,132	891
Lifestyle park	-	208	208	-	1,248	1,248
Cost of sales	21,750	23,428	1,678	189,552	273,795	84,243
Food and beverage supplies	11,423	13,215	1,792	87,227	133,049	45,822
Entertainment	2,600	2,150	(450)	25,690	38,350	12,660
Other amenities	9,538	8,441	(1,097)	53,251	64,894	11,643
Retail items	(593)	-	593	887	5,000	4,113
Pool (other)	5,330	7,404	2,074	28,762	44,424	15,662
Landscaping	10,815	10,951	137	70,384	65,706	(4,678)
Maintenance	12,749	8,885	(3,864)	52,811	53,860	1,049
Payroll				-	-	-
Food and beverage	59,193	52,108	(7,085)	377,036	459,070	82,034
Member services	5,967	7,260	1,293	44,422	54,776	10,354
Pool monitor	7,719	9,947	2,228	52,689	64,195	11,506
Administration	34,364	36,369	2,005	201,511	208,347	6,836
Maintenance	14,874	21,679	6,805	97,634	131,779	34,145
Capital reserves	-	-	-	209,304	209,304	-
Depreciation	1,703	1,703	(0)	10,219	10,218	(1)
Capital projects	13,759	-	(13,759)	117,435	-	(117,435)
Expenses	241,905	244,572	2,667	2,068,621	2,311,153	242,532
Net Income (loss) - normal operations	116,010	104,153	11,857	468,920	340,201	128,719
Unusual items						
Change in accounting for Hotwire free service	-	96,097	96,097	-	224,240	224,240
Net Income (loss) per KW statements	116,010	8,056	107,954	468,920	115,961	352,959

Paseo Master HOA
Food and Beverage
As of 06.30.20

	Month-to-Date				Year-to-Date				06.30.19						
	Actual	Budget	Variance		Actual	Budget	Variance		Actual	Change					
											%	2017	2018	2019	2020
												Actual	Actual	Actual	Budget
Food Sales	23,767	29,125	(5,358)		249,498	364,000	(114,502)		362,002	(112,504)	-31.1%	572,330	561,133	582,215	604,750
Bar Sales	30,219	30,256	(37)		216,858	326,786	(109,928)		321,511	(104,653)	-32.6%	481,545	513,011	530,384	546,322
Total Sales	53,986	59,381	(5,395)		466,356	690,786	(224,430)		683,514	(217,157)	-31.8%	1,053,875	1,074,144	1,112,599	1,151,072
Cost of goods sold															
Food	12,194	12,233	39		116,660	152,883	36,223		166,620	49,960	30.0%	229,819	223,887	260,861	253,995
Bar	9,556	11,195	1,639		72,892	120,912	48,020		115,909	43,017	37.1%	154,887	191,627	192,433	202,139
Total COGS	21,750	23,428	1,678		189,552	273,795	84,243		282,529	92,978	32.9%	384,707	415,514	453,293	456,134
Supplies	11,423	13,215	1,792		87,227	133,049	45,822		124,933	37,706	30.2%	193,379	221,200	237,628	229,408
Labor	59,133	52,108	(7,085)		377,036	459,070	82,034		443,644	66,608	15.0%	930,803	811,841	841,451	856,848
Total direct expenses	92,355	88,751	(3,614)		653,815	865,914	212,099		851,106	197,291	23.2%	1,508,888	1,448,556	1,532,372	1,542,390
Direct loss	(38,379)	(29,370)	(9,009)		(187,459)	(175,128)	(12,331)		(167,593)	(19,866)	11.9%	(455,013)	(374,411)	(419,773)	(391,318)
Direct cost recovery	58.4%	66.9%	-8.5%		71.3%	79.8%	-8.4%		80.3%			69.8%	74.2%	72.6%	74.6%
Cost of goods sold															
Food	51.3%	42.0%	-9.3%		46.8%	42.0%	-4.8%		46.0%			40.2%	39.9%	44.8%	42.0%
Bar	31.5%	37.0%	5.4%		33.6%	37.0%	3.4%		36.1%			32.2%	37.4%	36.3%	37.0%
Total	40.3%	39.5%	-0.8%		40.6%	39.6%	-1.0%		41.3%			36.5%	38.7%	40.7%	39.6%
Supplies	21.2%	22.3%	1.1%		18.7%	19.3%	0.6%		18.3%			18.3%	20.6%	21.4%	19.9%
Labor	109.5%	87.8%	-21.9%		80.8%	66.5%	-14.4%		64.9%			88.3%	75.6%	75.6%	74.4%
Food									0.00						
Rate									(2,211)						
Volume									48,092						
Bar									7,346						
Rate									14						
Volume									40,674						
COGS Variance									1,678						84,243

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	55	1,500	82,500
2020 Projects	Paid	O/S	
LED lighting project	(554)		(554)
LED Tiki lighting	(6,330)		(6,330)
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	(12,190)	(12,191)	(24,380)
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	(6,998)	(2,000)	(8,998)
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)
Available balance 02.28.20 06.30.20	(117,435)	(28,912)	22,837
Sales since prior month end	7	1,500	10,500
Pending properties as of 7.16.20	19	1,500	28,500
Anticipated additional home sales 2020	12	1,500	18,000
Working capital available			79,837
Funding of capital projects:			
Infrared tiki heaters and installation			(5,500)
Bar stools for Bistro serving table			(4,607)
Tiki kitchen AC			(8,695)
Anticipated balance 12.31.20			61,035

Paseo Master HOA
Cost by Service
As of 06.30.20

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	-	-	-	249,308	247,035	(2,273)	41,551	41,173	(379)
Administration	38,354	45,696	7,342	233,188	264,309	31,121	38,865	44,052	5,187
Replacement Reserves	-	-	-	209,304	209,304	-	34,884	34,884	-
Maintenance	27,624	30,564	2,940	150,445	185,639	35,194	25,074	30,940	5,866
Food and Beverage	38,379	29,370	(9,009)	187,459	175,128	(12,331)	31,243	29,188	(2,055)
Utilities	15,746	19,578	3,832	102,631	118,627	15,996	17,105	19,771	2,666
Amenity Access	7,719	9,947	2,228	52,689	64,195	11,506	8,781	10,699	1,918
Landscaping	10,815	10,951	137	70,384	65,706	(4,678)	11,731	10,951	(780)
Member Services	5,967	7,260	1,293	44,422	54,776	10,354	7,404	9,129	1,726
Pool	5,330	7,404	2,074	28,762	44,424	15,662	4,794	7,404	2,610
Entertainment	2,600	2,150	(450)	25,690	38,350	12,660	4,282	6,392	2,110
Insurance	5,578	5,522	(56)	32,241	33,132	891	5,374	5,522	148
Management Contract	3,497	3,497	(0)	20,984	20,982	(2)	3,497	3,497	(0)
Tennis (net)	4,243	4,608	365	26,339	26,896	557	4,390	4,483	93
IT Services	1,692	2,700	1,008	11,817	16,200	4,383	1,969	2,700	731
Café	2,307	1,500	(807)	13,311	12,500	(811)	2,218	2,083	(135)
Events (net)	2,113	400	(1,713)	8,538	3,700	(4,838)	1,423	617	(806)
Retail (net)	(1,852)	-	1,852	(6,568)	-	6,568	(1,095)	-	1,095
Other	(304)	518	822	(5,651)	3,108	8,759	(942)	518	1,460
Total	169,809	181,665	11,856	1,455,293	1,584,011	128,718	242,549	264,002	21,453
Per Unit									
Bulk Cable	-	-	-	217.55	215.56	(1.98)	36.26	35.93	(0.33)
Administration	33.47	39.87	6.41	203.48	230.64	27.16	33.91	38.44	4.53
Replacement Reserves	-	-	-	182.64	182.64	-	30.44	30.44	-
Maintenance	24.10	26.67	2.57	131.28	161.99	30.71	21.88	27.00	5.12
Food and Beverage	33.49	25.63	(7.86)	163.58	152.82	(10.76)	27.26	25.47	(1.79)
Utilities	13.74	17.08	3.34	89.56	103.51	13.96	14.93	17.25	2.33
Amenity Access	6.74	8.68	1.94	45.98	56.02	10.04	7.66	9.34	1.67
Landscaping	9.44	9.56	0.12	61.42	57.34	(4.08)	10.24	9.56	(0.68)
Member Services	5.21	6.34	1.13	38.76	47.80	9.03	6.46	7.97	1.51
Pool	4.65	6.46	1.81	25.10	38.76	13.67	4.18	6.46	2.28
Entertainment	2.27	1.88	(0.39)	22.42	33.46	11.05	3.74	5.58	1.84
Insurance	4.87	4.82	(0.05)	28.13	28.91	0.78	4.69	4.82	0.13
Management Contract	3.05	3.05	(0.00)	18.31	18.31	(0.00)	3.05	3.05	(0.00)
Tennis (net)	3.70	4.02	0.32	22.98	23.47	0.49	3.83	3.91	0.08
IT Services	1.48	2.36	0.88	10.31	14.14	3.83	1.72	2.36	0.64
Café	2.01	1.31	(0.70)	11.62	10.91	(0.71)	1.94	1.82	(0.12)
Events (net)	1.84	0.35	(1.49)	7.45	3.23	(4.22)	1.24	0.54	(0.70)
Retail (net)	(1.62)	-	1.62	(5.73)	-	5.73	(0.96)	-	0.96
Other	(0.26)	0.45	0.72	(4.93)	2.71	7.64	(0.82)	0.45	1.27
Total	148.17	158.52	10.35	1,269.89	1,382.21	112.32	211.65	230.37	18.72