

**Paseo Master Association
Treasurer's Report**

Based on Unaudited May 31, 2020 Financial Statements (HOA meeting of June 24, 2020)

The Paseo HOA had an operating surplus as of 5.31.20 of \$949,725.

The replacement reserves were \$679,756 at 12.31.19 and decreased to \$486,791 as of 5.31.20. Assessments of \$209,304 along with interest of \$2,137 were added to the reserves. Total expenditures of (\$404,406) 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 \$73,500 were added to the fund. (\$103,676) of special projects were expensed leaving a balance of \$56,508 as of 5.31.20. The board has additional approved projects that have not been funded yet for an estimated (\$20,359).

For the month, the association had an income of \$132,399 against a budget of \$97,288 for a positive variance of \$35,111. Food and beverage exceeded budget by \$2,725. Utilities were under budget by \$9,575, entertainment by \$5,850 and non-food and beverage labor by \$7,907. Most other departments were under budget due to the reduction in operations due to Covid-19.

For the year, the association had an income of \$352,910 against a budget of \$236,048 for a positive variance of \$116,862. Food and beverage missed budget by (\$3,321), maintenance (including labor) exceeded budget by \$32,254 and administration (including labor) exceeded budget by \$23,779. 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 (\$149,079) against a budget of (\$145,758) for a negative variance of (\$3,321).

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 05.31.20

	Operating	Working Capital	Capital Reserves	Total
Cash	1,238,676	56,508	589,143	1,884,327
Due to/from	-			-
Other receivables	11,777			11,777
Deposits				-
Other current assets	116,486		3,853	120,339
Current assets	1,366,939	56,508	592,996	2,016,443
Deferred revenue	(287,521)			(287,521)
Current liabilities	(129,693)		(106,205)	(235,898)
Working capital surplus	949,725	56,508	486,791	1,493,024
Fixed assets (net)	26,294			26,294
Fund balance	976,019	56,508	486,791	1,519,318
Fund balance				
Beginning Balance	623,109	86,684	679,756	1,389,550
Net Income (loss)	352,910			352,910
Collected		73,500	209,304	282,804
Interest			2,137	2,137
Capital projects		(103,676)	(404,406)	(508,082)
Fund balance	976,019	56,508	486,791	1,519,318
Current surplus	-	-	-	-
Surplus	976,019			
Less fixed assets	(26,294)			
Available surplus	949,725			

Paseo Master HOA
Income Statement
As of 05.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,521	0	1,437,606	1,437,605	1
Reserve dues	-	-	-	209,304	209,304	-
Interest income	639	500	139	4,671	2,500	2,171
Events	-	100	(100)	-	10,700	(10,700)
Retail items	473	250	223	6,196	5,000	1,196
Amenities and other	502	1,223	(721)	5,802	6,115	(313)
Food and beverage	37,645	80,381	(42,736)	412,371	631,405	(219,034)
Capital assessments	10,391		10,391	103,676		103,676
Income	337,171	369,975	(32,804)	2,179,626	2,302,629	(123,003)
Legal	400	3,000	2,600	2,620	15,000	12,380
Other administrative	5,380	6,327	947	25,067	31,635	6,568
Bulk Cable	-	-	-	249,308	247,035	(2,273)
Utilities (other)	10,582	20,157	9,575	86,885	99,049	12,164
Contracts	6,795	6,397	(398)	28,549	31,985	3,436
Insurance	5,578	5,522	(56)	26,663	27,610	947
Lifestyle park	-	208	208	-	1,040	1,040
Cost of sales	15,721	31,748	16,027	167,802	250,367	82,565
Food and beverage supplies	8,662	16,576	7,914	75,805	119,834	44,029
Entertainment	600	6,450	5,850	23,090	36,200	13,110
Other amenities	5,333	8,441	3,108	43,713	56,453	12,740
Retail items	192	250	58	1,480	5,000	3,520
Pool (other)	3,913	7,404	3,492	23,432	37,020	13,588
Landscaping	11,393	10,951	(442)	59,569	54,755	(4,814)
Maintenance	8,888	8,885	(3)	40,062	44,975	4,913
Payroll						
Food and beverage	42,770	64,289	21,519	317,843	406,962	89,119
Member services	6,519	7,961	1,442	38,455	47,516	9,061
Pool monitor	7,093	10,599	3,506	44,969	54,248	9,279
Administration	34,517	33,815	(702)	167,147	171,978	4,831
Maintenance	18,343	22,004	3,661	82,760	110,100	27,340
Capital reserves	-	-	-	209,304	209,304	-
Depreciation	1,703	1,703	(0)	8,516	8,515	(1)
Capital projects	10,391	-	(10,391)	103,676	-	(103,676)
Expenses	204,772	272,687	67,915	1,826,716	2,066,581	239,865
Net Income (loss) - normal operations	132,399	97,288	35,111	352,910	236,048	116,862
Unusual items						
Change in accounting for Hotwire free service	-	96,097	96,097	-	128,143	128,143
Net Income (loss) per KW statements	132,399	1,191	131,208	352,910	107,905	245,005

Paseo Master HOA
Income Statement
As of 05.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Working Capital projects						
LED lighting project			-	554		(554)
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		(12,190)
Landscaping bocce/shed			-	4,770		(4,770)
Firepit (net cost)	5,034		(5,034)	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 fencing repairs			-	2,850		(2,850)
Furniture removal (dumpsters)	1,185		(1,185)	3,285		(3,285)
Café and ice cream cabinets	4,173		(4,173)	4,173		(4,173)
Lagoon pool additional lighting			-			-
Pool table			-			-
	10,391	-	(10,391)	103,676	-	(103,676)

**Paseo Master HOA
Food and Beverage
As of 05.31.20**

	Month-to-Date			Year-to-Date			05.31.19						
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change	%	2017	2018	2019	2020
										Actual	Actual	Actual	Budget
Food Sales	19,998	40,125	(20,227)	225,732	334,875	(109,143)	301,837	(76,105)	-25.2%	572,330	561,133	582,215	604,750
Bar Sales	17,747	40,256	(22,509)	186,639	296,530	(109,891)	266,849	(80,210)	-30.1%	481,545	513,011	530,384	546,322
Total Sales	37,645	80,381	(42,736)	412,371	631,405	(219,034)	568,686	(156,315)	-27.5%	1,053,875	1,074,144	1,112,599	1,151,072
Cost of goods sold													
Food	10,641	16,853	6,212	104,466	140,650	36,184	118,142	13,676	11.6%	229,819	223,887	260,861	253,995
Bar	5,080	14,895	9,815	63,336	109,717	46,381	104,110	40,774	39.2%	154,887	191,627	192,433	202,139
Total COGS	15,721	31,748	16,027	167,802	250,367	82,565	222,252	54,450	24.5%	384,707	415,514	453,293	456,134
Supplies	8,662	16,576	7,914	75,805	119,834	44,029	87,873	12,068	13.7%	193,379	221,200	237,628	229,408
Labor	42,770	64,289	21,519	317,843	406,962	89,119	381,901	64,057	16.8%	930,803	811,841	841,451	856,848
Total direct expenses	67,153	112,613	45,460	561,450	777,163	215,713	692,025	130,575	18.9%	1,508,888	1,448,556	1,532,372	1,542,390
Direct loss	(29,507)	(32,232)	2,725	(149,079)	(145,758)	(3,321)	(123,340)	(25,740)	20.9%	(455,013)	(374,411)	(419,773)	(391,318)
Direct cost recovery	56.1%	71.4%	-15.3%	73.4%	81.2%	-7.8%	82.2%			69.8%	74.2%	72.6%	74.6%
Cost of goods sold													
Food	53.5%	42.0%	-11.5%	46.3%	42.0%	-4.3%	39.1%			40.2%	39.9%	44.8%	42.0%
Bar	28.6%	37.0%	8.4%	33.9%	37.0%	3.1%	39.0%			32.2%	37.4%	36.3%	37.0%
Total	41.8%	39.5%	-2.3%	40.7%	39.7%	-1.0%	39.1%			36.5%	38.7%	40.7%	39.6%
Supplies	23.0%	20.6%	-2.4%	18.4%	19.0%	0.6%	15.5%			18.3%	20.6%	21.4%	19.9%
Labor	113.6%	80.0%	-33.6%	77.1%	64.5%	-12.6%	67.2%			88.3%	75.6%	75.6%	74.4%
Food	-	-	-	-	-	0.00							
Rate		(2,284)				(9,657)							
Volume		8,496				45,841							
Bar		1,487				5,721							
Volume		8,328				40,660							
COGS Variance		16,027				82,565							

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	49	1,500	73,500
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	(4,173)	(4,825)	(8,998)
Lagoon pool additional lighting	-	(1,214)	(1,214)
2nd pool table		(2,130)	(2,130)
Available balance 02.29.20	(103,676)	(20,359)	36,149
Anticipated additional home sales 2020	30	1,500	45,000
Working capital available			81,149
Funding of capital projects:			
Infrared tiki heaters and installation			(5,500)
Bar stools for Bistro serving table			(4,607)
Tiki kitchen AC			(8,695)
Level pavers and fix pool deck draining issues			(10,000)
Anticipated balance 12.31.20			52,347
Operating contingency			(50,000)
Excess funds			2,347

Paseo Master HOA
Cost by Service
As of 05.31.20

	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)	49,862	49,407	(455)
Administration	40,297	43,142	2,845	194,834	218,613	23,779	38,967	43,723	4,756
Replacement Reserves	-	-	-	209,304	209,304	-	41,861	41,861	-
Maintenance	27,231	30,889	3,658	122,822	155,075	32,254	24,564	31,015	6,451
Food and Beverage	29,507	32,232	2,725	149,079	145,758	(3,321)	29,816	29,152	(664)
Utilities	10,582	20,157	9,575	86,885	99,049	12,164	17,377	19,810	2,433
Amenity Access	7,093	10,599	3,506	44,969	54,248	9,279	8,994	10,850	1,856
Landscaping	11,393	10,951	(442)	59,569	54,755	(4,814)	11,914	10,951	(963)
Member Services	6,519	7,961	1,442	38,455	47,516	9,061	7,691	9,503	1,812
Pool	3,913	7,404	3,492	23,432	37,020	13,588	4,686	7,404	2,718
Entertainment	600	6,450	5,850	23,090	36,200	13,110	4,618	7,240	2,622
Insurance	5,578	5,522	(56)	26,663	27,610	947	5,333	5,522	189
Management Contract	3,497	3,497	(0)	17,487	17,485	(2)	3,497	3,497	(0)
Tennis (net)	4,486	4,608	122	22,096	22,288	192	4,419	4,458	38
IT Services	3,105	2,700	(405)	10,125	13,500	3,375	2,025	2,700	675
Café	582	1,500	918	11,004	11,000	(4)	2,201	2,200	(1)
Events (net)	187	400	213	6,425	3,300	(3,125)	1,285	660	(625)
Retail (net)	(281)	-	281	(4,716)	-	4,716	(943)	-	943
Other	(870)	518	1,388	(5,347)	2,590	7,937	(1,069)	518	1,587
Total	153,419	188,530	35,111	1,285,484	1,402,346	116,862	257,097	280,469	23,372
Per Unit									
Bulk Cable	-	-	-	217.55	215.56	(1.98)	43.51	43.11	(0.40)
Administration	35.16	37.65	2.48	170.01	190.76	20.75	34.00	38.15	4.15
Replacement Reserves	-	-	-	182.64	182.64	-	36.53	36.53	-
Maintenance	23.76	26.95	3.19	107.17	135.32	28.14	21.43	27.06	5.63
Food and Beverage	25.75	28.13	2.38	130.09	127.19	(2.90)	26.02	25.44	(0.58)
Utilities	9.23	17.59	8.36	75.82	86.43	10.61	15.16	17.29	2.12
Amenity Access	6.19	9.25	3.06	39.24	47.34	8.10	7.85	9.47	1.62
Landscaping	9.94	9.56	(0.39)	51.98	47.78	(4.20)	10.40	9.56	(0.84)
Member Services	5.69	6.95	1.26	33.56	41.46	7.91	6.71	8.29	1.58
Pool	3.41	6.46	3.05	20.45	32.30	11.86	4.09	6.46	2.37
Entertainment	0.52	5.63	5.10	20.15	31.59	11.44	4.03	6.32	2.29
Insurance	4.87	4.82	(0.05)	23.27	24.09	0.83	4.65	4.82	0.17
Management Contract	3.05	3.05	(0.00)	15.26	15.26	(0.00)	3.05	3.05	(0.00)
Tennis (net)	3.91	4.02	0.11	19.28	19.45	0.17	3.86	3.89	0.03
IT Services	2.71	2.36	(0.35)	8.84	11.78	2.95	1.77	2.36	0.59
Café	0.51	1.31	0.80	9.60	9.60	(0.00)	1.92	1.92	(0.00)
Events (net)	0.16	0.35	0.19	5.61	2.88	(2.73)	1.12	0.58	(0.55)
Retail (net)	(0.24)	-	0.24	(4.12)	-	4.12	(0.82)	-	0.82
Other	(0.76)	0.45	1.21	(4.67)	2.26	6.93	(0.93)	0.45	1.39
Total	133.87	164.51	30.64	1,121.71	1,223.69	101.97	224.34	244.74	20.39

