

Paseo Master Association
Treasurer's Report

Based on Unaudited **Draft** August 2022 Financial Statements (HOA meeting of September 20, 2022)

The Paseo Master HOA had an operating surplus of \$648,941 which is (\$18,324) below the minimum recommended by our professionals (two months of 2022 assessments) when adjusted for the remaining budget of 2022.

The replacement reserves were \$1,734,934 at 12.31.21 and increased to \$2,010,474 as of 8.31.22. Assessments of \$275,400 along with interest of \$140 were added to the reserves. No expenditures have been charged against the reserves during the calendar year.

The working capital fund was \$339,299 at 12.31.21. Year to date capital contributions of \$172,500 were added to the fund. Special projects of (\$18,901) were expensed leaving a balance of \$492,898 as of 8.31.22. Additional estimated expenditures of (\$144,521) have been approved by the board.

For the month, the association had a loss of (\$45,537) against a budgeted loss of (\$2,439) for a negative variance of (\$43,098). Food and beverage subsidy was more than budget by (\$21,523). Pool related expenses were over by (\$18,952). During the month we incurred expenses for leak detection, leak repairs and replaced several pieces of equipment. The remaining leak repairs that should happen in October will be in excess of \$20,000 (Lap and Lagoon Pools). Utilities were over budget by (\$3,127). Electricity due to the 20% rate increase and water related to draining and refilling the water features.

For the year, the association had a loss of (\$15,972) against a budget \$4,877 for a negative variance of (\$20,849). Food and beverage subsidy was less than budget by \$23,063 and salaries not related to food and beverage are \$36,341 under budget. This is offset by the pool related issues we had in July and August causing pool expenses to be over budget by (\$38,263). We have had a much higher electrical rate than budgeted and various water issues. Utilities were over budget by (\$18,316).

For the year, food and beverage had a direct loss of (\$279,303) against a budget of (\$302,366) for a positive variance of \$23,063. The impact of sales less the related cost of goods sold was \$67,377. Salaries were under budget by \$3,430, cost of goods sold due to the rate variance by (\$14,882) and supplies were over by (\$32,862).