

Paseo Master Association
Treasurer's Report

Based on Unaudited August 31, 2023 Financial Statements (HOA meeting of September 20, 2023)

The Paseo Master HOA had an operating surplus as of 8.31.23 of \$656,009 which is (\$116,624) below the maximum and \$27,976 over the minimum recommended by our professionals.

The replacement reserves were \$2,053,345 at 12.31.22 and decreased to \$2,033,240 as of 8.31.23. Assessments of \$309,000 along with interest of \$56,653 were added to the reserves. Expenditures of (\$385,757) have been charged against the reserves during the calendar year.

The working capital fund was \$524,511 on 12.31.22. Year to date capital contributions of \$178,000 were added to the fund. Special projects of (\$23,310) were expensed leaving a balance of \$679,201 as of 8.31.23. The board has approved additional projects in the amount of \$594,092, mainly due to the Tiki project. When factoring in the closings not reported, pending properties, brick fund and operating surplus there is \$172,774 available for other projects.

For the month, the association had a loss of (\$9,963) against a budget loss of (\$8,286) for a negative variance of (\$1,677). The food and beverage subsidy were more than the budget by (\$12,263). Pool, landscaping, and maintenance were under budget by \$6,741. Interest income exceeded budget by \$6,356. The only other major negative issue was insurance, which was (\$7,606) over budget.

For the year, the association had a profit of \$137,406 against a budget of \$57,529 for a positive variance of \$79,877. The food and beverage subsidy were less than the budget by \$12,981. Pool, landscaping, and maintenance were under budget by \$23,569. Interest income exceeded budget by \$34,075. Non food and beverage labor were under budget by \$47,067. The only major negative issue was insurance, which was (\$45,348) over budget.

For the year, food and beverage had a direct loss of (\$278,313) against a budget of (\$291,294) for a positive variance of \$12,981. The impact of sales less the related cost of goods sold was \$18,048. Salaries were over budget by (\$10,931), cost of goods sold due to the rate variance by \$22,653 and supplies were over by (\$16,790).

Paseo Master HOA
Balance Sheet
As of 8.31.23

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	959,541	679,201	1,638,741	2,006,444	3,645,185
Accounts receivable			-		-
Other receivables	8,147		8,147		8,147
Due to/from	3,493		3,493	(3,493)	-
Other current assets	167,645		167,645	30,289	197,934
Current assets	1,138,826	679,201	1,818,026	2,033,240	3,851,266
Deferred revenue	(323,218)		(323,218)		(323,218)
Current liabilities	(159,598)		(159,598)		(159,598)
Fund Balance	656,009	679,201	1,335,209	2,033,240	3,368,449
Fund balance					
Beginning Balance	518,603	524,511	1,043,113	2,053,345	3,096,458
Net Income (loss)	137,406		137,406		137,406
Collected		178,000	178,000	309,000	487,000
Interest			-	56,653	56,653
Capital projects		(23,310)	(23,310)	(385,757)	(409,067)
Fund balance	656,009	679,201	1,335,209	2,033,240	3,368,449
Two months of assessments (2023)	715,104				
Remaining budget for 2023	57,529				
Excess (deficit) operating reserves	(116,624)				
2023 budget	5,705,037				
10%	570,504				
Remaining budget for 2023	57,529				
Excess (deficit) operating reserves	27,976				

Paseo Master HOA
Income Statement
As of 8.31.23

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master assessments	323,218	323,219	(1)	2,585,748	2,585,752	(4)
Reserve assessments	-	-	-	309,000	309,000	-
Interest income	6,727	371	6,356	37,043	2,968	34,075
Events	-	-	-	-	-	-
Retail items	243	1,000	(757)	11,659	16,000	(4,341)
Amenities and other	265	413	(148)	4,569	3,304	1,265
Food and beverage	44,930	42,500	2,430	997,322	967,500	29,822
Capital assessments	2,740		2,740	23,310	-	23,310
Income	378,124	367,503	10,621	3,968,650	3,884,524	84,126
Legal	180	400	220	2,633	3,200	568
Other administrative	4,872	5,385	513	38,617	43,635	5,018
Bulk Cable	109,988	109,960	(28)	879,893	879,680	(213)
Utilities	21,261	18,120	(3,141)	168,170	156,929	(11,241)
Contracts	5,023	5,928	905	47,111	47,422	311
Insurance	14,506	6,900	(7,606)	100,548	55,200	(45,348)
Lifestyle park	-	250	250	-	2,000	2,000
Cost of sales	17,471	16,300	(1,171)	358,120	369,000	10,880
Food and beverage supplies	23,969	10,078	(13,891)	176,004	159,214	(16,790)
Entertainment	600	2,600	2,000	47,815	46,500	(1,315)
Other amenities	8,152	10,334	2,182	84,734	95,172	10,438
Retail items	77	1,000	923	10,951	16,000	5,049
Pool	5,517	7,567	2,050	48,478	60,536	12,058
Landscaping	10,419	11,490	1,071	85,841	94,420	8,579
Maintenance	6,144	9,765	3,621	75,189	78,120	2,931
Payroll						
Food and beverage	71,844	72,213	369	741,511	730,580	(10,931)
Member services	8,775	8,425	(350)	74,486	79,659	5,173
Pool monitor	8,947	12,383	3,436	88,222	99,173	10,951
Administration	44,190	43,224	(966)	293,944	322,068	28,124
Maintenance	23,412	23,467	55	176,669	179,487	2,818
Replacement reserves	-	-	-	309,000	309,000	-
Capital projects	2,740	-	(2,740)	23,310	-	(23,310)
Expenses	388,088	375,789	(12,299)	3,831,244	3,826,995	(4,249)
Net Income (loss) - normal operations	(9,963)	(8,286)	(1,677)	137,406	57,529	79,877
Unusual items						
Cash recognition of working capital assessments	17,260		17,260	154,690		154,690
Net Income (loss) per KW statements	7,296	(8,286)	15,582	292,096	57,529	234,567
Food and beverage			(12,263)			12,981
Interest income			6,356			34,075
Utilities			(3,141)			(11,241)
Insurance			(7,606)			(45,348)
Non food and beverage labor			2,176			47,067
Pool, Landscaping and Maintenance			6,741			23,569
All other cost centers			6,060			18,775
			(1,677)			79,877

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.22			524,511
Closings (sales) 2022	2	1,500	3,000
Closings (sales) 2023	70	2,500	175,000
2022/2023 Projects	Paid	O/S	
General Contractor	(4,918)	(500,475)	(505,393)
Labor for HVAC	-	26,939	26,939
Casework (center cabinet)	-	8,602	8,602
Tiki Landscaping	(1,900)	(2,000)	(3,900)
New Tiki equipment	-	(199,696)	(199,696)
Replacements	-	85,437	85,437
Civil Engineer	-	(12,900)	(12,900)
Tiki project permit	-		-
Window tinting in the Pub	(2,005)		(2,005)
Mypaseo.life	(5,325)		(5,325)
VC Drain	(4,197)		(4,197)
Furniture	(840)		(840)
Flag Pole	(1,922)		(1,922)
Pickleball Civil Engineer	(2,203)		(2,203)
Available balance 8.31.23	(23,310)	(594,092)	85,109
Closings since prior month end	13	2,500	32,500
Pending properties (as of 9.11.23)	8	2,500	20,000
Brick Fund			7,189
Operating Surplus			27,976
Working capital estimate			<u>172,774</u>
Other items			
Three new pickleball courts			105,000
Civil Engineer			20,000
Land purchase			30,000
Landscaping (Phase 1)			15,000
Landscaping (Phase 2)			13,035
Hardscaping			10,000
Canopy			15,000
Furniture			3,000
			<u>211,035</u>

Paseo Master HOA
Cost by Service
As of 8.31.23

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	109,988	109,960	(28)	879,893	879,680	(213)	109,987	109,960	(27)
Administration	49,242	49,009	(233)	335,193	368,903	33,710	41,899	46,113	4,214
Replacement Reserves	-	-	-	309,000	309,000	-	38,625	38,625	-
Maintenance	29,556	33,232	3,676	251,858	257,607	5,749	31,482	32,201	719
Food and Beverage	68,354	56,091	(12,263)	278,313	291,294	12,981	34,789	36,412	1,623
Utilities	21,261	18,120	(3,141)	168,170	156,929	(11,241)	21,021	19,616	(1,405)
Amenity Access	8,947	12,383	3,436	88,222	99,173	10,951	11,028	12,397	1,369
Landscaping	10,419	11,490	1,071	85,841	94,420	8,579	10,730	11,803	1,072
Member Services	8,775	8,425	(350)	74,486	79,659	5,173	9,311	9,957	647
Pool	5,517	7,567	2,050	48,478	60,536	12,058	6,060	7,567	1,507
Entertainment	600	2,600	2,000	47,815	46,500	(1,315)	5,977	5,813	(164)
Insurance	14,506	6,900	(7,606)	100,548	55,200	(45,348)	12,568	6,900	(5,668)
Management Contract	4,394	4,395	1	35,156	35,158	2	4,394	4,395	0
Tennis (net)	5,446	6,550	1,104	43,396	52,400	9,004	5,424	6,550	1,126
IT Services	405	1,333	928	10,179	10,664	485	1,272	1,333	61
Café	1,611	2,000	389	28,639	28,500	(139)	3,580	3,563	(17)
Events (net)	-	667	667	2,804	5,336	2,532	351	667	316
Retail (net)	(166)	-	166	(708)	-	708	(89)	-	89
Other	(5,673)	783	6,456	(29,940)	6,264	36,204	(3,742)	783	4,525
Total	333,182	331,505	(1,677)	2,757,341	2,837,223	79,882	344,668	354,653	9,985
Per Unit									
Bulk Cable	95.98	95.95	(0.02)	767.80	767.61	(0.19)	95.97	95.95	(0.02)
Administration	42.97	42.77	(0.20)	292.49	321.90	29.42	36.56	40.24	3.68
Replacement Reserves	-	-	-	269.63	269.63	-	33.70	33.70	-
Maintenance	25.79	29.00	3.21	219.77	224.79	5.02	27.47	28.10	0.63
Food and Beverage	59.65	48.95	(10.70)	242.86	254.18	11.33	30.36	31.77	1.42
Utilities	18.55	15.81	(2.74)	146.75	136.94	(9.81)	18.34	17.12	(1.23)
Amenity Access	7.81	10.81	3.00	76.98	86.54	9.56	9.62	10.82	1.19
Landscaping	9.09	10.03	0.93	74.90	82.39	7.49	9.36	10.30	0.94
Member Services	7.66	7.35	(0.31)	65.00	69.51	4.51	8.12	8.69	0.56
Pool	4.81	6.60	1.79	42.30	52.82	10.52	5.29	6.60	1.32
Entertainment	0.52	2.27	1.75	41.72	40.58	(1.15)	5.22	5.07	(0.14)
Insurance	12.66	6.02	(6.64)	87.74	48.17	(39.57)	10.97	6.02	(4.95)
Management Contract	3.83	3.84	0.00	30.68	30.68	0.00	3.83	3.83	0.00
Tennis (net)	4.75	5.72	0.96	37.87	45.72	7.86	4.73	5.72	0.98
IT Services	0.35	1.16	0.81	8.88	9.31	0.42	1.11	1.16	0.05
Café	1.41	1.75	0.34	24.99	24.87	(0.12)	3.12	3.11	(0.02)
Events (net)	-	0.58	0.58	2.45	4.66	2.21	0.31	0.58	0.28
Retail (net)	(0.15)	-	0.15	(0.62)	-	0.62	(0.08)	-	0.08
Other	(4.95)	0.68	5.63	(26.13)	5.47	31.59	(3.27)	0.68	3.95
Total	290.73	289.27	(1.46)	2,406.06	2,475.76	69.70	300.76	309.47	8.71