## 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

		Working		Capital	
	Operating	Capital	Total	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				

	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	
			6,060			18,775	

Paseo Master HOA Food and Beverage As of 8.31.23

AS 01 6.31.23	l N	lonth-to-Da	te	Year-to-Date			08.31.22		Г	2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change	%	Actual	Actual	Actual	Actual	Actual	Actual
								0-							
Food Sales	22,752	22,500	252	513,587	495,000	18,587	465,863	47,724	10.2%	572,330	561,133	582,215	398,932	585,635	661,588
Bar Sales	22,178	20,000	2,178	483,735	472,500	11,235	433,234	50,501	11.7%	481,545	513,011	530,384	408,023	596,336	614,326
Total Sales	44,930	42,500	2,430	997,322	967,500	29,822	899,097	98,225	10.9%	1,053,875	1,074,144	1,112,599	806,955	1,181,970	1,275,914
									_						
Cost of goods sold															
Food	12,182	9,900	(2,282)	223,842	217,800	(6,042)	210,155	(13,687)	-6.5%	229,819	223,887	260,861	178,494	249,452	310,663
Bar	5,289	6,400	1,111	134,279	151,200	16,921	139,024	4,746	3.4%	154,887	191,627	192,433	136,603	185,221	194,966
									_						
Total COGS	17,471	16,300	(1,171)	358,120	369,000	10,880	349,179	(8,941)	-2.6%	384,707	415,514	453,293	315,097	434,673	505,628
Supplies	23,969	10,078	(13,891)	176,004	159,214	(16,790)	159,638	(16,366)		193,379	221,200	237,628	165,996	210,344	242,172
Labor	71,844	72,213	369	741,511	730,580	(10,931)	669,583	(71,928)	-10.7%	930,803	811,841	841,451	706,931	826,488	992,502
T. 1. 1. P	442.205	00.504	(4.4.60.4)	4 275 625	4 250 704	(4.0.044)	4 470 400	(00.204)	7.50/-	4 500 000	4 440 556	4 522 272	4 400 024	4 474 500	4.740.202
Total direct expenses	113,285	98,591	(14,694)	1,275,635	1,258,794	(16,841)	1,178,400	(88,294)	-7.5% _	1,508,888	1,448,556	1,532,372	1,188,024	1,471,506	1,740,303
Direct loss	(68,354)	(56,091)	(12,263)	(278,313)	(291,294)	12,981	(279,303)	990	-0.4%	(455,013)	(374,411)	(419,773)	(381,070)	(289,536)	(464,389)
Direct 1033	(00,334)	(30,031)	(12,203)	(270,313)	(231,234)	12,501	(273,303)		0.470	(433,013)	(374,411)	(413,773)	(301,070)	(203,330)	(404,303)
Direct cost recovery	39.7%	43.1%	-3.4%	78.2%	76.9%	1.3%	76.3%			69.8%	74.2%	72.6%	67.9%	80.3%	73.3%
Direct cost recovery	33.770	43.170	3.470	70.270	70.570	1.570	70.570			03.070	74.270	72.070	07.570	00.570	73.570
Cost of goods sold															
Food	53.5%	44.0%	-9.5%	43.6%	44.0%	0.4%	45.1%			40.2%	39.9%	44.8%	44.7%	42.6%	47.0%
Bar	23.8%	32.0%	8.2%	27.8%	32.0%	4.2%	32.1%			32.2%	37.4%	36.3%	33.5%	31.1%	31.7%
Total	38.9%	38.4%	-0.5%	35.9%	38.1%	2.2%	38.8%			36.5%	38.7%	40.7%	39.0%	36.8%	39.6%
Supplies	53.3%	23.7%	-29.6%	17.6%	16.5%	-1.2%	17.8%			18.3%	20.6%	21.4%	20.6%	17.8%	19.0%
Labor	159.9%	169.9%	10.0%	74.4%	75.5%	1.2%	74.5%			88.3%	75.6%	75.6%	87.6%	69.9%	77.8%
	-	-	-	-	-	0.00									
Food															
Rate			(2,172)			2,137									
Volume			(111)			(8,178)									
Bar															
Rate			1,808			20,517									
Volume			(697)			(3,595)									
		-	// /=:		,										
COGS Variance		=	(1,171)		:	10,880									

## 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		=	172,774
Other items			40= 000
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
		-	211,035

			1			T				
	Cur	rent Month		Year to Date			Average per Mo		onth	
	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	
		43,003	-		309,000	-			7,217	
Replacement Reserves		-		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	10.32	0.94	
· <del>-</del>	7.66			65.00		4.51		8.69	0.56	
Member Services		7.35	(0.31)		69.51		8.12			
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	
	(1.55)	0.00	3.03	(20.13)	37	31.33	(3.27)	0.00	5.55	
Total	290.73	289.27	(1.46)	2,406.06	2,475.76	69.70	300.76	309.47	8.71	
Total	230.73	203.27	(1.40)	۷,400.00	۷,413.10	09.70	300.70	303.47	0.71	