

Paseo Master Association  
Treasurer's Report

Based on Unaudited December 31, 2021 Financial Statements (HOA meeting of January 18, 2022)

The Paseo HOA had an operating surplus of \$664,913 which is \$2,525 in excess of the minimum recommended by our professionals (two months of 2022 assessments).

The replacement reserves were \$1,306,163 at 12.31.20 and increased to \$1,734,934 as of 12.31.21. Assessments of \$360,000 along with a transfer from operations of \$300,000 and interest of \$2,716 were added to the reserves. Total expenditures of (\$233,945) were charged against the reserves during the calendar year.

The working capital fund was \$136,155 at 12.31.20. Year to date capital contributions of \$351,000 were added to the fund. Special projects of (\$147,856) were expensed leaving a balance of \$339,299 as of 12.31.21. Additional estimated expenditures of (\$11,600) have been approved by the board.

For the month, the association had a loss of (\$29,562) against a budget loss of (\$19,647) for a negative variance of (\$9,915). Food and beverage subsidy was lower than budget by \$3,479. Power washing in the amount of (\$10,500) caused maintenance to be over budget.

For the year, the association had an income of \$287,089 against a budget of \$0. for a positive variance of \$287,089. Food and beverage subsidy was under budget by \$126,519. Salaries, excluding food and beverage, were below budget by \$100,307. Almost every other cost center is under budget year-to-date.

For the year, food and beverage had a direct loss of (\$286,490) against a budget of (\$416,055) for a positive variance of \$126,519. The impact of positive sales less the related cost of goods sold was \$36,521. Salaries were below budget by \$55,019, cost of goods sold due to the rate variance by \$31,724 and supplies were under by \$3,255.

Paseo Master HOA  
Balance Sheet  
As of 12.31.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	840,004	333,299	1,173,303	1,742,383	2,915,686
Accounts receivable			-		-
Other receivables	14,501	6,000	20,501		20,501
Deposits			-		-
Other current assets	76,944		76,944		76,944
Current assets	931,449	339,299	1,270,748	1,742,383	3,013,130
Deferred revenue			-		-
Current liabilities	(266,536)		(266,536)	(7,448)	(273,984)
Fund Balance	664,913	339,299	1,004,211	1,734,934	2,739,146
Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	287,089		287,089		287,089
Collected		351,000	351,000	360,000	711,000
Transfer	(300,000)		(300,000)	300,000	-
Interest			-	2,716	2,716
Capital projects		(147,856)	(147,856)	(233,945)	(381,801)
Fund balance	664,913	339,299	1,004,211	1,734,934	2,739,146
Two months of assessments (2022)					
	662,388				
Excess (deficit) operating reserves	2,525				

Paseo Master HOA  
Income Statement  
As of 12.31.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	3,536,400	3,536,400	-
Reserve dues	-	-	-	360,000	360,000	-
Interest income	911	127	784	1,936	1,501	435
Events	-	-	-	-	-	-
Retail items	2,466	1,000	1,466	22,399	8,000	14,399
Amenities and other	922	1,030	(108)	16,556	20,760	(4,204)
Food and beverage	144,201	128,200	16,001	1,181,970	1,124,900	57,070
Capital assessments	22,791		22,791	147,856		147,856
Income	465,992	425,057	40,934	5,267,118	5,051,561	215,557
Legal	549	500	(49)	2,597	6,000	3,403
Other administrative	4,163	5,904	1,741	65,212	79,372	14,160
Bulk Cable	105,730	105,776	46	1,232,270	1,234,051	1,781
Utilities (other)	20,195	19,212	(983)	203,523	227,344	23,821
Contracts	4,817	6,381	1,564	71,165	76,616	5,451
Insurance	5,431	6,081	650	65,438	72,000	6,562
Lifestyle park	40	75	35	2,358	900	(1,458)
Cost of sales	51,614	51,440	(174)	434,673	445,848	11,175
Food and beverage supplies	24,955	23,243	(1,712)	210,344	213,600	3,256
Entertainment	8,625	13,750	5,125	65,469	65,000	(469)
Other amenities	11,188	11,256	69	111,499	108,361	(3,138)
Retail items	3,145	1,000	(2,145)	17,520	8,000	(9,520)
Pool (other)	9,743	6,016	(3,727)	73,565	72,236	(1,329)
Landscaping	15,496	11,266	(4,230)	129,115	135,214	6,099
Maintenance	21,363	8,464	(12,899)	96,429	100,700	4,271
Payroll				-		
Food and beverage	97,610	86,974	(10,636)	826,488	881,507	55,019
Member services	11,301	10,803	(498)	102,202	106,077	3,875
Pool monitor	13,096	15,768	2,672	99,412	180,861	81,449
Administration	40,281	38,722	(1,559)	430,203	434,600	4,397
Maintenance	23,422	22,074	(1,348)	232,688	243,274	10,586
Capital reserves	-	-	-	360,000	360,000	-
Capital projects	22,791	-	(22,791)	147,856	-	(147,856)
Expenses	495,554	444,705	(50,850)	4,980,029	5,051,561	71,532
Net Income (loss) - normal operations	(29,562)	(19,647)	(9,915)	287,089	0	287,089
Unusual items						
Cash recognition of working capital assessments	(6,291)		(6,291)	203,144		203,144
Net Income (loss) per KW statements	(35,854)	(19,647)	(16,207)	490,233	0	490,233

Paseo Master HOA  
Food and Beverage  
As of 12.31.21

	Month-to-Date			Year-to-Date			12.31.20		%	2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual	Budget	Budget
Food Sales	78,845	73,000	5,845	585,635	579,250	6,385	398,932	186,703	46.8%	572,330	561,133	582,215	398,932	579,250	633,575
Bar Sales	65,356	55,200	10,156	596,336	545,650	50,686	408,023	188,313	46.2%	481,545	513,011	530,384	408,023	545,650	599,975
Total Sales	144,201	128,200	16,001	1,181,970	1,124,900	57,070	806,955	375,016	46.5%	1,053,875	1,074,144	1,112,599	806,955	1,124,900	1,233,550
Cost of goods sold															
Food	28,223	32,120	3,897	249,452	254,870	5,418	178,494	(70,958)	-39.8%	229,819	223,887	260,861	178,494	254,870	266,102
Bar	23,391	19,320	(4,072)	185,221	190,978	5,757	136,603	(48,618)	-35.6%	154,887	191,627	192,433	136,603	190,978	191,992
Total COGS	51,614	51,440	(174)	434,673	445,848	11,175	315,097	(119,576)	-37.9%	384,707	415,514	453,293	315,097	445,848	458,094
Supplies	24,955	23,243	(1,712)	210,344	213,600	3,256	165,996	(44,348)	-26.7%	193,379	221,200	237,628	165,996	213,600	199,800
Labor	97,610	86,974	(10,636)	826,488	881,507	55,019	706,931	(119,557)	-16.9%	930,803	811,841	841,451	706,931	881,505	1,016,463
Total direct expenses	174,179	161,657	(12,523)	1,471,506	1,540,955	69,449	1,188,024	(163,906)	-13.8%	1,508,888	1,448,556	1,532,372	1,188,024	1,540,953	1,674,356
Direct loss	(29,978)	(33,457)	3,479	(289,536)	(416,055)	126,519	(381,070)	91,534	-24.0%	(455,013)	(374,411)	(419,773)	(381,070)	(416,053)	(440,806)
Direct cost recovery	82.8%	79.3%	3.5%	80.3%	73.0%	7.3%	67.9%			69.8%	74.2%	72.6%	67.9%	73.0%	73.7%
Cost of goods sold															
Food	35.8%	44.0%	8.2%	42.6%	44.0%	1.4%	44.7%			40.2%	39.9%	44.8%	44.7%	44.0%	42.0%
Bar	35.8%	35.0%	-0.8%	31.1%	35.0%	3.9%	33.5%			32.2%	37.4%	36.3%	33.5%	35.0%	32.0%
Total	35.8%	40.1%	4.3%	36.8%	39.6%	2.9%	39.0%			36.5%	38.7%	40.7%	39.0%	39.6%	37.1%
Supplies	17.3%	18.1%	0.8%	17.8%	19.0%	1.2%	20.6%			18.3%	20.6%	21.4%	20.6%	19.0%	16.2%
Labor	67.7%	67.8%	0.2%	69.9%	78.4%	8.4%	87.6%			88.3%	75.6%	75.6%	87.6%	78.4%	82.4%

Paseo Master HOA  
Working Capital Fund

Balance as of 12.31.20			136,155
Closings (sales) 2021	234	1,500	351,000
2020/2021 Projects	Paid	O/S	
Lift for LED basketball project	(364)		(364)
Landscaping upgrades at the VC	(14,563)		(14,563)
Wireless microphones - theater	(2,649)		(2,649)
Extra weight for the strength machines	(2,260)		(2,260)
Gym rowing machine	(1,998)		(1,998)
Tiki project (design)	(1,350)	(7,650)	(9,000)
Tiki project (equipment design)	(1,060)	(3,950)	(5,010)
Portable propane generator	(2,343)		(2,343)
Drainage issues at tennis	(19,650)		(19,650)
Splash pad repairs	(10,699)		(10,699)
Pickleball			
Cap, relocate, and re-instate the irrigation lines	(975)		(975)
Demo and landscaping at BB/PB court	(12,575)		(12,575)
Asphalt BB/PB court	(31,410)		(31,410)
Polywood furniture for Pickle Ball	(2,297)		(2,297)
New net posts at lifestyle park	(1,350)		(1,350)
Canopy at BB/PB court	(11,717)		(11,717)
Flag pole	(199)		(199)
Lifestyle park drainage projects	(2,398)		(2,398)
Pub foot rail	(588)		(588)
Chef Tech - moving and reinstalling kitchen equipment	(4,620)		(4,620)
Office conversion in the Spa	(4,455)		(4,455)
Landscaping upgrades (up lighting)	(10,596)		(10,596)
Paver repair on CDD/Master sidewalk	(2,260)		(2,260)
Duct work to fix the ongoing pub condensation issues	(5,480)		(5,480)

Available balance 12.31.21	(147,856)	(11,600)	327,699
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Closings since prior month end	9	1,500	13,500
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Pending properties (as of 1.15.22)	21	1,500	31,500
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Working capital estimate for 2021			<u>372,699</u>
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Priority items

Tiki expansion	150,000
Walk-in freezer - Tiki kitchen	50,000
Restructure serving station (Tiki)	25,000
Tiki kitchen AC	25,000
Glycol beer lines	20,000
New Tiki equipment (non replacements)	10,000
Additional lighting at BB/PB court	7,000

287,000

Paseo Master HOA  
Cost by Service  
As of 12.31.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	105,730	105,776	46	1,232,270	1,234,051	1,781	102,689	102,838	148
Administration	44,993	45,126	133	498,013	519,972	21,959	41,501	43,331	1,830
Replacement Reserves	-	-	-	360,000	360,000	-	30,000	30,000	-
Maintenance	44,785	30,538	(14,247)	329,117	343,974	14,857	27,426	28,665	1,238
Food and Beverage	29,978	33,457	3,479	289,536	416,055	126,519	24,128	34,671	10,543
Utilities	20,195	19,212	(983)	203,523	227,344	23,821	16,960	18,945	1,985
Amenity Access	13,096	15,768	2,672	99,412	180,861	81,449	8,284	15,072	6,787
Landscaping	15,496	11,266	(4,230)	129,115	135,214	6,099	10,760	11,268	508
Member Services	11,301	10,803	(498)	102,202	106,077	3,875	8,517	8,840	323
Pool	9,743	6,016	(3,727)	73,565	72,236	(1,329)	6,130	6,020	(111)
Entertainment	8,625	13,750	5,125	65,469	65,000	(469)	5,456	5,417	(39)
Insurance	5,431	6,081	650	65,438	72,000	6,562	5,453	6,000	547
Management Contract	4,209	4,181	(29)	50,216	50,216	-	4,185	4,185	-
Tennis (net)	5,745	4,786	(959)	50,727	48,361	(2,366)	4,227	4,030	(197)
IT Services	405	2,000	1,595	18,528	24,000	5,472	1,544	2,000	456
Café	3,713	4,333	620	31,134	26,000	(5,134)	2,594	2,167	(428)
Events (net)	86	500	414	8,767	6,000	(2,767)	731	500	(231)
Retail (net)	679	-	(679)	(4,879)	-	4,879	(407)	-	407
Other	53	755	702	7,158	9,039	1,881	597	753	157
Total	324,262	314,347	(9,915)	3,609,311	3,896,400	287,089	300,776	324,700	23,924
Per Unit									
Bulk Cable	92.26	92.30	0.04	1,075.28	1,076.83	1.55	89.61	89.74	0.13
Administration	39.26	39.38	0.12	434.57	453.73	19.16	36.21	37.81	1.60
Replacement Reserves	-	-	-	314.14	314.14	-	26.18	26.18	-
Maintenance	39.08	26.65	(12.43)	287.19	300.15	12.96	23.93	25.01	1.08
Food and Beverage	26.16	29.19	3.04	252.65	363.05	110.40	21.05	30.25	9.20
Utilities	17.62	16.76	(0.86)	177.59	198.38	20.79	14.80	16.53	1.73
Amenity Access	11.43	13.76	2.33	86.75	157.82	71.07	7.23	13.15	5.92
Landscaping	13.52	9.83	(3.69)	112.67	117.99	5.32	9.39	9.83	0.44
Member Services	9.86	9.43	(0.43)	89.18	92.56	3.38	7.43	7.71	0.28
Pool	8.50	5.25	(3.25)	64.19	63.03	(1.16)	5.35	5.25	(0.10)
Entertainment	7.53	12.00	4.47	57.13	56.72	(0.41)	4.76	4.73	(0.03)
Insurance	4.74	5.31	0.57	57.10	62.83	5.73	4.76	5.24	0.48
Management Contract	3.67	3.65	(0.02)	43.82	43.82	-	3.65	3.65	-
Tennis (net)	5.01	4.18	(0.84)	44.26	42.20	(2.06)	3.69	3.52	(0.17)
IT Services	0.35	1.75	1.39	16.17	20.94	4.77	1.35	1.75	0.40
Café	3.24	3.78	0.54	27.17	22.69	(4.48)	2.26	1.89	(0.37)
Events (net)	0.08	0.44	0.36	7.65	5.24	(2.41)	0.64	0.44	(0.20)
Retail (net)	0.59	-	(0.59)	(4.26)	-	4.26	(0.35)	-	0.35
Other	0.05	0.66	0.61	6.25	7.89	1.64	0.52	0.66	0.14
Total	282.95	274.30	(8.65)	3,149.49	3,400.00	250.51	262.46	283.33	20.88