

Paseo Master Association  
Treasurer's Report

Based on Unaudited July 31, 2021 Financial Statements (HOA meeting of August 18, 2021)

The Paseo HOA had an operating surplus of \$967,558 which is \$318,158 in excess of the minimum recommended by our professionals (two months of 2021 assessments). The treasurer plans on making a motion before year end to transfer \$300,000 to the replacement reserves from this surplus.

The replacement reserves were \$1,306,163 at 12.31.20 and increased to \$1,409,651 as of 7.31.21. Assessments of \$270,000 along with interest of \$138 were added to the reserves. Total expenditures of (\$166,650) were charged against the reserves during the calendar year. Additional replacements have been approved by the board with an estimated cost of (\$36,580).

The working capital fund was \$136,155 at 12.31.20. Year to date capital contributions of \$250,500 were added to the fund. Special projects of (\$33,838) were expensed leaving a balance of \$352,817 as of 7.31.21. Additional estimated expenditures of (\$42,070) have been approved by the board. Please note there have been 13 closings remitted since 7.31.21 and there are currently 18 pending sales.

For the month, the association had an income of \$12,341 against a budget of (\$4,043) for a positive variance of \$16,383. Food and beverage subsidy missed budget by (\$63). Salaries, excluding food and beverage, were below budget by \$12,043.

For the year, the association had an income of \$289,734 against a budget of \$33,864 for a positive variance of \$255,871. Food and beverage subsidy was under budget by \$113,638. Salaries, excluding food and beverage, were below budget by \$81,837.

For the year, food and beverage had a direct loss of (\$109,968) against a budget of (\$223,606) for a positive variance of \$113,638. Salaries were below budget by \$47,646, supplies by \$16,007 and cost of goods sold due to the rate variance by \$25,282.

Paseo Master HOA  
Balance Sheet  
As of 07.31.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,601,954	352,817	1,954,770	1,409,651	3,364,421
Accounts receivable			-		-
Other receivables	26,956		26,956		26,956
Deposits			-		-
Other current assets	90,252		90,252		90,252
Current assets	1,719,161	352,817	2,071,978	1,409,651	3,481,629
Deferred revenue	(589,400)		(589,400)		(589,400)
Current liabilities	(162,203)		(162,203)		(162,203)
Fund Balance	967,558	352,817	1,320,375	1,409,651	2,730,026
Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	506,396		506,396		506,396
Collected		250,500	250,500	270,000	520,500
Cash impact of the working capital fund	(216,662)		(216,662)		(216,662)
Interest			-	138	138
Capital projects		(33,838)	(33,838)	(166,650)	(200,488)
Fund balance	967,558	352,817	1,320,375	1,409,651	2,730,026
Two months of assessments			649,400		
Excess (deficit) operating reserves			318,158		

Paseo Master HOA  
Income Statement  
As of 07.31.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	2,062,900	2,062,900	-
Reserve dues	90,000	90,000	-	270,000	270,000	-
Interest income	10	125	(115)	830	875	(45)
Events	-	-	-	-	-	-
Retail items	1,093	250	843	17,697	5,500	12,197
Amenities and other	30	1,030	(1,000)	5,649	7,210	(1,561)
Food and beverage	79,275	57,200	22,075	773,130	734,900	38,230
Capital assessments	8,339		8,339	33,838		33,838
Income	473,446	443,305	30,141	3,164,044	3,081,385	82,659
Legal	-	500	500	1,956	3,500	1,545
Other administrative	6,501	6,446	(55)	38,994	41,884	2,890
Bulk Cable	101,655	101,708	53	711,583	711,953	369
Utilities (other)	15,030	19,219	4,189	120,285	132,348	12,063
Contracts	10,585	6,385	(4,200)	41,549	44,695	3,146
Insurance	5,432	6,085	653	38,253	41,579	3,326
Lifestyle park	97	75	(22)	371	525	154
Cost of sales	34,419	22,450	(11,969)	279,503	291,258	11,755
Food and beverage supplies	12,340	12,156	(184)	120,486	136,493	16,007
Entertainment	3,150	1,900	(1,250)	37,214	40,250	3,036
Other amenities	9,047	8,418	(629)	61,156	61,933	777
Retail items	936	250	(686)	13,833	5,500	(8,333)
Pool (other)	2,005	6,020	4,015	36,741	42,140	5,399
Landscaping	10,721	11,268	547	71,863	78,876	7,013
Maintenance	6,764	8,326	1,562	40,410	58,832	18,422
Payroll						
Food and beverage	74,416	64,431	(9,985)	483,109	530,755	47,646
Member services	5,340	7,970	2,630	56,742	62,065	5,323
Pool monitor	7,385	15,512	8,127	45,580	104,021	58,441
Administration	36,414	37,275	861	243,736	249,646	5,910
Maintenance	20,530	20,954	424	127,106	139,269	12,163
Capital reserves	90,000	90,000	-	270,000	270,000	-
Capital projects	8,339	-	(8,339)	33,838	-	(33,838)
Expenses	461,105	447,348	(13,758)	2,874,310	3,047,522	173,212
Net Income (loss) - normal operations	12,341	(4,043)	16,383	289,734	33,864	255,871
Unusual items						
Cash recognition of working capital assessments	23,161		23,161	216,662		216,662
Net Income (loss) per KW statements	35,502	(4,043)	39,544	506,396	33,864	472,533
Working Capital projects						
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		(1,350)
Portable propane generator	28		(28)	2,343		(2,343)
Drainage issues at tennis	8,311		(8,311)	8,311		(8,311)
Pickleball			-			-
Cap, relocate, and re-instate the irrigation lines			-			-
Demo and landscaping at BB/PB court			-			-
Asphalt BB/PB court			-			-
	8,339	-	(8,339)	33,838	-	(33,838)

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Paseo Master HOA  
Food and Beverage  
As of 07.31.21

	Month-to-Date			Year-to-Date			07.31.20		%	2017	2018	2019	2020
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual
Food Sales	41,426	27,000	14,426	379,869	378,250	1,619	269,321	110,547	41.0%	572,330	561,133	582,215	398,932
Bar Sales	37,849	30,200	7,649	393,261	356,650	36,611	243,513	149,748	61.5%	481,545	513,011	530,384	408,023
Total Sales	79,275	57,200	22,075	773,130	734,900	38,230	512,834	260,296	50.8%	1,053,875	1,074,144	1,112,599	806,955
Cost of goods sold													
Food	20,549	11,880	(8,669)	159,282	166,430	7,148	126,833	(32,449)	-25.6%	229,819	223,887	260,861	178,494
Bar	13,870	10,570	(3,300)	120,220	124,828	4,608	81,793	(38,427)	-47.0%	154,887	191,627	192,433	136,603
Total COGS	34,419	22,450	(11,969)	279,503	291,258	11,755	208,626	(70,876)	-34.0%	384,707	415,514	453,293	315,097
Supplies	12,340	12,156	(184)	120,486	136,493	16,007	99,405	(21,081)	-21.2%	193,379	221,200	237,628	165,996
Labor	74,416	64,431	(9,985)	483,109	530,755	47,646	429,799	(53,310)	-12.4%	930,803	811,841	841,451	706,931
Total direct expenses	121,175	99,037	(22,138)	883,098	958,506	75,408	737,830	(74,391)	-10.1%	1,508,888	1,448,556	1,532,372	1,188,024
Direct loss	(41,900)	(41,837)	(63)	(109,968)	(223,606)	113,638	(224,996)	115,028	-51.1%	(455,013)	(374,411)	(419,773)	(381,070)
Direct cost recovery	65.4%	57.8%	7.7%	87.5%	76.7%	10.9%	69.5%			69.8%	74.2%	72.6%	67.9%
Cost of goods sold													
Food	49.6%	44.0%	-5.6%	41.9%	44.0%	2.1%	47.1%			40.2%	39.9%	44.8%	44.7%
Bar	36.6%	35.0%	-1.6%	30.6%	35.0%	4.4%	33.6%			32.2%	37.4%	36.3%	33.5%
Total	43.4%	39.2%	-4.2%	36.2%	39.6%	3.5%	40.7%			36.5%	38.7%	40.7%	39.0%
Supplies	15.6%	21.3%	5.7%	15.6%	18.6%	3.0%	19.4%			18.3%	20.6%	21.4%	20.6%
Labor	93.9%	112.6%	18.8%	62.5%	72.2%	9.7%	83.8%			88.3%	75.6%	75.6%	87.6%
	-	-	(0.00)	-	-	-							
Food													
Rate			(2,321)			7,860							
Volume			(6,348)			(712)							
Bar													
Rate			(623)			17,422							
Volume			(2,677)			(12,814)							
COGS Variance			(11,969)			11,755							

Paseo Master HOA  
Working Capital Fund

Balance as of 12.31.20			136,155
Closings (sales) 2021	167	1,500	250,500
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)
Portable propane generator	(2,343)		(2,343)
Drainage issues at tennis	(8,311)		(8,311)
Pickleball			
Cap, relocate, and re-instate the irrigation lines		(974)	(974)
Demo and landscaping at BB/PB court		(7,531)	(7,531)
Asphalt BB/PB court		(31,410)	(31,410)
Available balance 7.31.21	(33,838)	(47,565)	305,251
Closings since prior month end	13	1,500	19,500
Pending properties (as of 8.10.21)	18	1,500	27,000
Estimated additional 2021 sales	-	1,500	-
Working capital estimate for 2021			<u>351,751</u>
Priority items			
Tiki expansion			100,000
Walk-in freezer - Tiki kitchen			50,000
Restructure serving station (Tiki)			25,000
Tiki kitchen AC			25,000
Canopy at BB/PB court			10,000
WordPress (mypaseo.life)			10,000
			<u>220,000</u>

Paseo Master HOA  
Cost by Service  
As of 07.31.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	101,655	101,708	53	711,583	711,953	369	101,655	101,708	53
Administration	42,915	44,221	1,306	284,685	295,030	10,345	40,669	42,147	1,478
Replacement Reserves	90,000	90,000	-	270,000	270,000	-	38,571	38,571	-
Maintenance	27,294	29,280	1,986	167,516	198,101	30,585	23,931	28,300	4,369
Food and Beverage	41,900	41,837	(63)	109,968	223,606	113,638	15,710	31,944	16,234
Utilities	15,030	19,219	4,189	120,285	132,348	12,063	17,184	18,907	1,723
Amenity Access	7,385	15,512	8,127	45,580	104,021	58,441	6,511	14,860	8,349
Landscaping	10,721	11,268	547	71,863	78,876	7,013	10,266	11,268	1,002
Member Services	5,340	7,970	2,630	56,742	62,065	5,323	8,106	8,866	760
Pool	2,005	6,020	4,015	36,741	42,140	5,399	5,249	6,020	771
Entertainment	3,150	1,900	(1,250)	37,214	40,250	3,036	5,316	5,750	434
Insurance	5,432	6,085	653	38,253	41,579	3,326	5,465	5,940	475
Management Contract	4,172	4,185	13	29,206	29,295	89	4,172	4,185	13
Tennis (net)	5,246	4,785	(461)	30,673	32,835	2,162	4,382	4,691	309
IT Services	6,210	2,000	(4,210)	10,935	14,000	3,065	1,562	2,000	438
Café	2,255	1,500	(755)	19,225	14,167	(5,058)	2,746	2,024	(723)
Events (net)	-	500	500	3,018	3,500	482	431	500	69
Retail (net)	(157)	-	157	(3,863)	-	3,863	(552)	-	552
Other	1,806	753	(1,053)	3,540	5,271	1,731	506	753	247
Total	372,359	388,743	16,383	2,043,166	2,299,037	255,871	291,881	328,434	36,553
Per Unit									
Bulk Cable	88.70	88.75	0.05	620.93	621.25	0.32	88.70	88.75	0.05
Administration	37.45	38.59	1.14	248.42	257.44	9.03	35.49	36.78	1.29
Replacement Reserves	78.53	78.53	-	235.60	235.60	-	33.66	33.66	-
Maintenance	23.82	25.55	1.73	146.17	172.86	26.69	20.88	24.69	3.81
Food and Beverage	36.56	36.51	(0.06)	95.96	195.12	99.16	13.71	27.87	14.17
Utilities	13.12	16.77	3.66	104.96	115.49	10.53	14.99	16.50	1.50
Amenity Access	6.44	13.54	7.09	39.77	90.77	51.00	5.68	12.97	7.29
Landscaping	9.36	9.83	0.48	62.71	68.83	6.12	8.96	9.83	0.87
Member Services	4.66	6.95	2.30	49.51	54.16	4.65	7.07	7.74	0.66
Pool	1.75	5.25	3.50	32.06	36.77	4.71	4.58	5.25	0.67
Entertainment	2.75	1.66	(1.09)	32.47	35.12	2.65	4.64	5.02	0.38
Insurance	4.74	5.31	0.57	33.38	36.28	2.90	4.77	5.18	0.41
Management Contract	3.64	3.65	0.01	25.49	25.56	0.08	3.64	3.65	0.01
Tennis (net)	4.58	4.18	(0.40)	26.77	28.65	1.89	3.82	4.09	0.27
IT Services	5.42	1.75	(3.67)	9.54	12.22	2.67	1.36	1.75	0.38
Café	1.97	1.31	(0.66)	16.78	12.36	(4.41)	2.40	1.77	(0.63)
Events (net)	-	0.44	0.44	2.63	3.05	0.42	0.38	0.44	0.06
Retail (net)	(0.14)	-	0.14	(3.37)	-	3.37	(0.48)	-	0.48
Other	1.58	0.66	(0.92)	3.09	4.60	1.51	0.44	0.66	0.22
Total	324.92	339.22	14.30	1,782.87	2,006.14	223.27	254.70	286.59	31.90