

Paseo Master Association  
Treasurer's Report

Based on Unaudited July 31, 2023 Financial Statements (HOA meeting of August 16, 2023)

The Paseo Master HOA had an operating surplus as of 7.31.23 of \$665,973 which is (\$114,946) below the maximum and \$29,654 over the minimum recommended by our professionals.

The replacement reserves were \$2,053,345 at 12.31.22 and increased to \$2,168,373 as of 7.31.23. Assessments of \$309,000 along with interest of \$48,507 were added to the reserves. Expenditures of (\$242,478) 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 \$158,000 were added to the fund. Special projects of (\$20,570) were expensed leaving a balance of \$661,941 as of 7.31.23. The board has approved additional projects in the amount of \$616,516, mainly due to the Tiki project. When factoring in the closings not reported, pending properties, brick fund and operating surplus there is \$142,223 available for other projects.

For the month, the association had an income of \$5,166 against a budget of \$8,153 for a negative variance of (\$2,987). The food and beverage subsidy were more than the budget by (\$9,460). Pool, landscaping, and maintenance were under budget by \$7,081. Interest income exceeded budget by \$5,375. Non food and beverage labor were under budget by \$7,811. The only other major negative issue was insurance, which was (\$12,835) over budget.

For the year, the association had a profit of \$147,369 against a budget of \$65,815 for a positive variance of \$81,554. The food and beverage subsidy were less than the budget by \$25,244. Pool, landscaping, and maintenance were under budget by \$16,828. Interest income exceeded budget by \$27,719. Non food and beverage labor were under budget by \$44,891. The only major negative issue was insurance, which was (\$37,742) over budget.

For the year, food and beverage had a direct loss of (\$209,959) against a budget of (\$235,203) for a positive variance of \$25,244. The impact of sales less the related cost of goods sold was \$16,426. Salaries were over budget by (\$11,299), cost of goods sold due to the rate variance by \$23,017 and supplies were over by (\$2,900).

Paseo Master HOA  
Balance Sheet  
As of 7.31.23

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,237,356	661,941	1,899,297	2,147,427.51	4,046,725
Accounts receivable	71,136		71,136		71,136
Other receivables	1,018		1,018		1,018
Due to/from	4,486		4,486	(4,486)	-
Other current assets	181,821		181,821	25,432	207,253
Current assets	1,495,817	661,941	2,157,758	2,168,373	4,326,132
Deferred revenue	(646,437)		(646,437)		(646,437)
Current liabilities	(183,407)		(183,407)		(183,407)
Fund Balance	665,973	661,941	1,327,914	2,168,373	3,496,287
Fund balance					
Beginning Balance	518,604	524,511	1,043,114	2,053,345	3,096,459
Net Income (loss)	147,369		147,369		147,369
Collected		158,000	158,000	309,000	467,000
Interest			-	48,507	48,507
Capital projects		(20,570)	(20,570)	(242,478)	(263,048)
Fund balance	665,973	661,941	1,327,914	2,168,373	3,496,287
Two months of assessments (2023)	715,104				
Remaining budget for 2023	65,815				
Excess (deficit) operating reserves	(114,946)				
2023 budget	5,705,037				
10%	570,504				
Remaining budget for 2023	65,815				
Excess (deficit) operating reserves	29,654				

Paseo Master HOA  
Income Statement  
As of 7.31.23

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master assessments	323,218	323,219	(1)	2,262,529	2,262,533	(4)
Reserve assessments	103,000	103,000	-	309,000	309,000	-
Interest income	5,746	371	5,375	30,316	2,597	27,719
Events	-	-	-	-	-	-
Retail items	1,175	1,000	175	11,416	15,000	(3,584)
Amenities and other	265	413	(148)	4,304	2,891	1,413
Food and beverage	72,055	90,000	(17,945)	952,392	925,000	27,392
Capital assessments	7,121		7,121	20,570	-	20,570
Income	512,580	518,003	(5,423)	3,590,526	3,517,021	73,505
Legal	-	400	400	2,453	2,800	348
Other administrative	3,672	5,935	2,264	33,745	38,250	4,505
Bulk Cable	109,988	109,960	(28)	769,905	769,720	(185)
Utilities	19,591	18,120	(1,471)	146,909	138,809	(8,100)
Contracts	6,157	5,928	(229)	42,088	41,494	(594)
Insurance	19,735	6,900	(12,835)	86,042	48,300	(37,742)
Lifestyle park	-	250	250	-	1,750	1,750
Cost of sales	21,287	34,500	13,213	340,649	352,700	12,051
Food and beverage supplies	17,261	16,028	(1,233)	152,035	149,136	(2,899)
Entertainment	5,631	4,000	(1,631)	47,215	43,900	(3,315)
Other amenities	9,366	10,334	968	76,582	84,838	8,256
Retail items	2,509	1,000	(1,509)	10,874	15,000	4,126
Pool	6,333	7,567	1,234	42,961	52,969	10,008
Landscaping	10,609	11,490	881	75,421	82,930	7,509
Maintenance	4,798	9,765	4,967	69,044	68,355	(689)
Payroll				-		
Food and beverage	84,461	80,966	(3,495)	669,666	658,367	(11,299)
Member services	9,229	8,876	(353)	65,711	71,234	5,523
Pool monitor	8,388	13,193	4,805	79,275	86,790	7,515
Administration	35,055	39,466	4,411	249,753	278,844	29,091
Maintenance	23,224	22,172	(1,052)	153,257	156,020	2,763
Capital reserves	103,000	103,000	-	309,000	309,000	-
Capital projects	7,121	-	(7,121)	20,570	-	(20,570)
Expenses	507,414	509,850	2,436	3,443,156	3,451,206	8,050
Net Income (loss) - normal operations	5,166	8,153	(2,987)	147,369	65,815	81,554
Unusual items						
Cash recognition of working capital assessments	5,379		5,379	137,430		137,430
Net Income (loss) per KW statements	10,546	8,153	2,393	284,800	65,815	218,985
Food and beverage			(9,460)			25,244
Interest income			5,375			27,719
Insurance			(12,835)			(37,742)
Non food and beverage labor			7,811			44,891
Pool, Landscaping and Maintenance			7,081			16,828
All other cost centers			(959)			4,615
			(2,987)			81,554

	Month-to-Date			Year-to-Date			07.31.22				2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change			Actual	Actual	Actual	Actual	Actual	Actual
Food Sales	36,010	47,500	(11,490)	490,835	472,500	18,335	424,978	65,857	15.5%	572,330	561,133	582,215	398,932	585,635	661,588	
Bar Sales	36,045	42,500	(6,455)	461,557	452,500	9,057	418,803	42,753	10.2%	481,545	513,011	530,384	408,023	596,336	614,326	
Total Sales	72,055	90,000	(17,945)	952,392	925,000	27,392	843,781	108,610	12.9%	1,053,875	1,074,144	1,112,599	806,955	1,181,970	1,275,914	
Cost of goods sold																
Food	12,466	20,900	8,434	211,659	207,900	(3,759)	191,452	(20,208)	-10.6%	229,819	223,887	260,861	178,494	249,452	310,663	
Bar	8,821	13,600	4,779	128,990	144,800	15,810	130,899	1,909	1.5%	154,887	191,627	192,433	136,603	185,221	194,966	
Total COGS	21,287	34,500	13,213	340,649	352,700	12,051	322,350	(18,298)	-5.7%	384,707	415,514	453,293	315,097	434,673	505,628	
Supplies	17,261	16,028	(1,233)	152,035	149,136	(2,899)	142,879	(9,157)	-6.4%	193,379	221,200	237,628	165,996	210,344	242,172	
Labor	84,461	80,966	(3,495)	669,666	658,367	(11,299)	592,807	(76,860)	-13.0%	930,803	811,841	841,451	706,931	826,488	992,502	
Total direct expenses	123,009	131,494	8,485	1,162,350	1,160,203	(2,147)	1,058,036	(86,016)	-8.1%	1,508,888	1,448,556	1,532,372	1,188,024	1,471,506	1,740,303	
Direct loss	(50,954)	(41,494)	(9,460)	(209,959)	(235,203)	25,244	(214,254)	4,295	-2.0%	(455,013)	(374,411)	(419,773)	(381,070)	(289,536)	(464,389)	
Direct cost recovery	58.6%	68.4%	-9.9%	81.9%	79.7%	2.2%	79.7%			69.8%	74.2%	72.6%	67.9%	80.3%	73.3%	
Cost of goods sold																
Food	34.6%	44.0%	9.4%	43.1%	44.0%	0.9%	45.0%			40.2%	39.9%	44.8%	44.7%	42.6%	47.0%	
Bar	24.5%	32.0%	7.5%	27.9%	32.0%	4.1%	31.3%			32.2%	37.4%	36.3%	33.5%	31.1%	31.7%	
Total	29.5%	38.3%	8.8%	35.8%	38.1%	2.4%	38.2%			36.5%	38.7%	40.7%	39.0%	36.8%	39.6%	
Supplies	24.0%	17.8%	-6.1%	16.0%	16.1%	0.2%	16.9%			18.3%	20.6%	21.4%	20.6%	17.8%	19.0%	
Labor	117.2%	90.0%	-27.3%	70.3%	71.2%	0.9%	70.3%			88.3%	75.6%	75.6%	87.6%	69.9%	77.8%	
	-	-	-	-	-	0.00										
Food																
Rate			3,378			4,308										
Volume			5,056			(8,067)										
Bar																
Rate			2,714			18,709										
Volume			2,066			(2,898)										
COGS Variance			13,213			12,051										

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	62	2,500	155,000
2022/2023 Projects	Paid	O/S	
General Contractor		(505,393)	(505,393)
Labor for HVAC		24,490	24,490
Tiki Landscaping		(8,500)	(8,500)
New Tiki equipment		(199,696)	(199,696)
Replacements		85,437	85,437
Civil Engineer	-	(12,900)	(12,900)
Tiki project permit	(4,918)		(4,918)
Window tinting in the Pub	(2,005)		(2,005)
Mypaseo.life	(5,325)		(5,325)
VC Drain	(4,197)		(4,197)
Flag Pole	(1,922)		(1,922)
Pickleball Civil Engineer	(2,203)		(2,203)
Available balance 7.31.23	(20,570)	(616,561)	45,380
Closings since prior month end	10	2,500	25,000
Pending properties (as of 8.14.23)	14	2,500	35,000
Brick Fund			7,189
Operating Surplus			29,654
Working capital estimate			142,223
Other items			
Three new pickleball courts			105,000
Civil Engineer			20,000
Land purchase			30,000
Landscaping			30,000
Hardscaping			15,000
Canopy			15,000
Furniture			3,000
			218,000

Paseo Master HOA  
Cost by Service  
As of 7.31.23

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	109,988	109,960	(28)	769,905	769,720	(185)	109,986	109,960	(26)
Administration	38,727	45,801	7,074	285,951	319,894	33,943	40,850	45,699	4,849
Replacement Reserves	103,000	103,000	-	309,000	309,000	-	44,143	44,143	-
Maintenance	28,022	31,937	3,915	222,302	224,375	2,074	31,757	32,054	296
Food and Beverage	50,954	41,494	(9,460)	209,959	235,203	25,244	29,994	33,600	3,606
Utilities	19,591	18,120	(1,471)	146,909	138,809	(8,100)	20,987	19,830	(1,157)
Amenity Access	8,388	13,193	4,805	79,275	86,790	7,515	11,325	12,399	1,074
Landscaping	10,609	11,490	881	75,421	82,930	7,509	10,774	11,847	1,073
Member Services	9,229	8,876	(353)	65,711	71,234	5,523	9,387	10,176	789
Pool	6,333	7,567	1,234	42,961	52,969	10,008	6,137	7,567	1,430
Entertainment	5,631	4,000	(1,631)	47,215	43,900	(3,315)	6,745	6,271	(474)
Insurance	19,735	6,900	(12,835)	86,042	48,300	(37,742)	12,292	6,900	(5,392)
Management Contract	4,394	4,395	1	30,761	30,763	2	4,394	4,395	0
Tennis (net)	6,291	6,550	259	37,950	45,850	7,900	5,421	6,550	1,129
IT Services	1,539	1,333	(206)	9,774	9,331	(443)	1,396	1,333	(63)
Café	2,868	2,000	(868)	27,027	26,500	(527)	3,861	3,786	(75)
Events (net)	289	667	378	2,804	4,669	1,865	401	667	266
Retail (net)	1,334	-	(1,334)	(542)	-	542	(77)	-	77
Other	(5,870)	783	6,653	(24,266)	5,481	29,747	(3,467)	783	4,250
Total	421,052	418,066	(2,986)	2,424,160	2,505,718	81,558	346,309	357,960	11,651
Per Unit									
Bulk Cable	95.98	95.95	(0.02)	671.82	671.66	(0.16)	95.97	95.95	(0.02)
Administration	33.79	39.97	6.17	249.52	279.14	29.62	35.65	39.88	4.23
Replacement Reserves	89.88	89.88	-	269.63	269.63	-	38.52	38.52	-
Maintenance	24.45	27.87	3.42	193.98	195.79	1.81	27.71	27.97	0.26
Food and Beverage	44.46	36.21	(8.25)	183.21	205.24	22.03	26.17	29.32	3.15
Utilities	17.10	15.81	(1.28)	128.19	121.12	(7.07)	18.31	17.30	(1.01)
Amenity Access	7.32	11.51	4.19	69.18	75.73	6.56	9.88	10.82	0.94
Landscaping	9.26	10.03	0.77	65.81	72.36	6.55	9.40	10.34	0.94
Member Services	8.05	7.75	(0.31)	57.34	62.16	4.82	8.19	8.88	0.69
Pool	5.53	6.60	1.08	37.49	46.22	8.73	5.36	6.60	1.25
Entertainment	4.91	3.49	(1.42)	41.20	38.31	(2.89)	5.89	5.47	(0.41)
Insurance	17.22	6.02	(11.20)	75.08	42.15	(32.93)	10.73	6.02	(4.70)
Management Contract	3.83	3.84	0.00	26.84	26.84	0.00	3.83	3.83	0.00
Tennis (net)	5.49	5.72	0.23	33.12	40.01	6.89	4.73	5.72	0.98
IT Services	1.34	1.16	(0.18)	8.53	8.14	(0.39)	1.22	1.16	(0.06)
Café	2.50	1.75	(0.76)	23.58	23.12	(0.46)	3.37	3.30	(0.07)
Events (net)	0.25	0.58	0.33	2.45	4.07	1.63	0.35	0.58	0.23
Retail (net)	1.16	-	(1.16)	(0.47)	-	0.47	(0.07)	-	0.07
Other	(5.12)	0.68	5.81	(21.17)	4.78	25.96	(3.02)	0.68	3.71
Total	367.41	364.80	(2.61)	2,115.32	2,186.49	71.17	302.19	312.36	10.17