

Paseo Master Association
Treasurer's Report

Based on Unaudited June 30, 2021 Financial Statements (HOA meeting of July 21, 2021)

The Paseo HOA had an operating surplus of \$956,064 which is \$303,664 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 \$1,322,649 as of 6.30.21. Assessments of \$180,000 along with interest of \$136 were added to the reserves. Total expenditures of (\$163,651) 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 \$219,000 were added to the fund. Special projects of (\$25,499) were expensed leaving a balance of \$329,656 as of 6.30.21. Please note there have been eight closings remitted since 6.30.21 and there are currently 19 pending sales.

For the month, the association had an income of \$19,567 against a budget of \$6,891 for a positive variance of \$12,676. Food and beverage exceeded budget by \$1,686. Salaries, excluding food and beverage, exceeded budget by \$8,559.

For the year, the association had an income of \$278,240 against a budget of \$37,906 for a positive variance of \$240,334. Food and beverage exceeded budget by \$114,548. Salaries, excluding food and beverage, exceeded budget by \$69,794.

For the year, food and beverage had a direct loss of (\$67,221) against a budget of (\$181,769) for a positive variance of \$114,548. Salaries were under budget by \$57,632, supplies by \$16,191 and cost of goods sold due to the rate variance of \$29,073.

Paseo Master HOA
Balance Sheet
As of 06.30.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	968,461	331,055	1,299,515	1,322,649	2,622,164
Accounts receivable	400		400		400
Other receivables	9,845		9,845		9,845
Deposits			-		-
Other current assets	99,784		99,784		99,784
Current assets	1,078,490	331,055	1,409,544	1,322,649	2,732,193
Deferred revenue			-		-
Current liabilities	(122,425)	(1,399)	(123,824)		(123,824)
Fund Balance	956,064	329,656	1,285,720	1,322,649	2,608,369
Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	471,741		471,741		471,741
Collected		219,000	219,000	180,000	399,000
Cash impact of the working capital fund	(193,501)		(193,501)		(193,501)
Interest			-	136	136
Capital projects		(25,499)	(25,499)	(163,651)	(189,150)
Fund balance	956,064	329,656	1,285,720	1,322,649	2,608,369
Two months of assessments					
	649,400				
Excess (deficit) operating reserves	306,664				

Paseo Master HOA
Income Statement
As of 06.30.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	1,768,200	1,768,200	-
Reserve dues	-	-	-	180,000	180,000	-
Interest income	7	125	(118)	821	750	71
Events	-	-	-	-	-	-
Retail items	1,161	250	911	16,604	5,250	11,354
Amenities and other	384	1,030	(646)	5,619	6,180	(561)
Food and beverage	64,240	57,200	7,040	693,855	677,700	16,155
Capital assessments	9,622		9,622	25,499		25,499
Income	370,113	353,305	16,808	2,690,598	2,638,080	52,518
Legal	-	500	500	1,956	3,000	1,045
Other administrative	4,476	5,896	1,420	32,493	35,438	2,945
Bulk Cable	101,655	101,708	53	609,928	610,245	317
Utilities (other)	18,594	18,673	79	105,255	113,129	7,874
Contracts	4,375	6,385	2,010	30,965	38,310	7,345
Insurance	5,432	6,085	653	32,821	35,494	2,673
Lifestyle park	274	75	(199)	274	450	176
Cost of sales	21,587	22,450	863	244,237	268,808	24,571
Food and beverage supplies	15,055	12,156	(2,899)	108,146	124,337	16,191
Entertainment	700	2,150	1,450	34,064	38,350	4,286
Other amenities	6,648	8,418	1,770	52,109	53,515	1,406
Retail items	1,062	250	(812)	12,898	5,250	(7,648)
Pool (other)	12,272	6,020	(6,252)	34,736	36,120	1,384
Landscaping	14,308	11,268	(3,040)	61,142	67,608	6,466
Maintenance	3,673	8,326	4,653	33,646	50,506	16,860
Payroll						
Food and beverage	60,717	57,400	(3,317)	408,692	466,324	57,632
Member services	7,736	7,132	(604)	51,402	54,095	2,693
Pool monitor	7,720	14,433	6,713	38,195	88,509	50,314
Administration	35,101	37,038	1,937	207,322	212,371	5,049
Maintenance	19,538	20,052	514	106,576	118,315	11,739
Capital reserves	-	-	-	180,000	180,000	-
Capital projects	9,622	-	(9,622)	25,499	-	(25,499)
Expenses	350,546	346,415	(4,132)	2,412,357	2,600,174	187,817
Net Income (loss) - normal operations	19,567	6,891	12,676	278,240	37,906	240,334
Unusual items						
Cash recognition of working capital assessments	30,878		30,878	193,501		193,501
Net Income (loss) per KW statements	50,444	6,891	43,554	471,741	37,906	433,835
Working Capital projects						
Lift for LED basketball project			-	364		(364)
Landscaping upgrades at the VC	7,307		(7,307)	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	2,315		(2,315)	2,315		(2,315)
	9,622	-	(9,622)	25,499	-	(25,499)

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Paseo Master HOA
Food and Beverage
As of 06.30.21

	Month-to-Date			Year-to-Date			06.30.20		%	2017	2018	2019	2020
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual
Food Sales	31,758	27,000	4,758	338,442	351,250	(12,808)	249,498	88,944	35.6%	572,330	561,133	582,215	398,932
Bar Sales	32,481	30,200	2,281	355,412	326,450	28,962	216,858	138,554	63.9%	481,545	513,011	530,384	408,023
Total Sales	64,240	57,200	7,040	693,855	677,700	16,155	466,356	227,498	48.8%	1,053,875	1,074,144	1,112,599	806,955
Cost of goods sold													
Food	13,084	11,880	(1,204)	137,887	154,550	16,663	116,660	(21,227)	-18.2%	229,819	223,887	260,861	178,494
Bar	8,503	10,570	2,067	106,350	114,258	7,908	72,892	(33,458)	-45.9%	154,887	191,627	192,433	136,603
Total COGS	21,587	22,450	863	244,237	268,808	24,571	189,552	(54,685)	-28.8%	384,707	415,514	453,293	315,097
Supplies	15,055	12,156	(2,899)	108,146	124,337	16,191	87,227	(20,919)	-24.0%	193,379	221,200	237,628	165,996
Labor	60,717	57,400	(3,317)	408,692	466,324	57,632	377,036	(31,656)	-8.4%	930,803	811,841	841,451	706,931
Total direct expenses	97,359	92,006	(5,353)	761,076	859,469	98,393	653,815	(107,261)	-16.4%	1,508,888	1,448,556	1,532,372	1,188,024
Direct loss	(33,120)	(34,806)	1,686	(67,221)	(181,769)	114,548	(187,459)	120,238	-64.1%	(455,013)	(374,411)	(419,773)	(381,070)
Direct cost recovery	66.0%	62.2%	3.8%	91.2%	78.9%	12.3%	71.3%			69.8%	74.2%	72.6%	67.9%
Cost of goods sold													
Food	41.2%	44.0%	2.8%	40.7%	44.0%	3.3%	46.8%			40.2%	39.9%	44.8%	44.7%
Bar	26.2%	35.0%	8.8%	29.9%	35.0%	5.1%	33.6%			32.2%	37.4%	36.3%	33.5%
Total	33.6%	39.2%	5.6%	35.2%	39.7%	4.5%	40.6%			36.5%	38.7%	40.7%	39.0%
Supplies	23.4%	21.3%	-2.2%	15.6%	18.3%	2.8%	18.7%			18.3%	20.6%	21.4%	20.6%
Labor	94.5%	100.3%	5.8%	58.9%	68.8%	9.9%	80.8%			88.3%	75.6%	75.6%	87.6%
	-	-	(0.00)	-	-	-							
Food													
Rate			889			11,028							
Volume			(2,094)			5,635							
Bar													
Rate			2,866			18,045							
Volume			(798)			(10,137)							
COGS Variance			863			24,571							

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.20			136,155
Closings (sales) 2021	146	1,500	219,000
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)
Portable propane generator	(2,315)	(28)	(2,343)
Bar stools for Bistro serving table		(5,000)	(5,000)
Drainage issues at tennis		(9,411)	(9,411)
Available balance 6.30.21	(25,499)	(22,089)	307,567
Closings since prior month end	8	1,500	12,000
Pending properties (as of 7.16.21)	19	1,500	28,500
Estimated additional 2021 sales	-	1,500	-
Working capital estimate for 2021			<u>348,067</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
Pickleball			
Cap, relocate, and re-instate the irrigation lines			974
Demo and landscaping at BB/PB court			5,156
Asphalt BB/PB court			37,220
Paver walkway at BB/PB court			(1,750)
Surface at BB/PB court (replacement reserves)			(8,000)
Canopy at BB/PB court			12,000
WordPress (mypaseo.life)			10,000
			<u>255,600</u>

Paseo Master HOA
Cost by Service
As of 06.30.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	101,655	101,708	53	609,928	610,245	317	101,655	101,708	53
Administration	39,578	43,434	3,856	241,771	250,809	9,038	40,295	41,802	1,506
Replacement Reserves	-	-	-	180,000	180,000	-	30,000	30,000	-
Maintenance	23,211	28,378	5,167	140,222	168,821	28,599	23,370	28,137	4,766
Food and Beverage	33,120	34,806	1,686	67,221	181,769	114,548	11,203	30,295	19,091
Utilities	18,594	18,673	79	105,255	113,129	7,874	17,542	18,855	1,312
Amenity Access	7,720	14,433	6,713	38,195	88,509	50,314	6,366	14,752	8,386
Landscaping	14,308	11,268	(3,040)	61,142	67,608	6,466	10,190	11,268	1,078
Member Services	7,736	7,132	(604)	51,402	54,095	2,693	8,567	9,016	449
Pool	12,272	6,020	(6,252)	34,736	36,120	1,384	5,789	6,020	231
Entertainment	700	2,150	1,450	34,064	38,350	4,286	5,677	6,392	714
Insurance	5,432	6,085	653	32,821	35,494	2,673	5,470	5,916	445
Management Contract	4,172	4,185	13	25,034	25,110	76	4,172	4,185	13
Tennis (net)	4,861	4,785	(76)	25,427	28,050	2,623	4,238	4,675	437
IT Services	-	2,000	2,000	4,725	12,000	7,275	788	2,000	1,213
Café	820	1,500	680	16,970	12,667	(4,303)	2,828	2,111	(717)
Events (net)	268	500	233	3,018	3,000	(18)	503	500	(3)
Retail (net)	(98)	-	98	(3,706)	-	3,706	(618)	-	618
Other	786	753	(33)	1,733	4,518	2,785	289	753	464
Total	275,133	287,810	12,676	1,669,960	1,910,294	240,334	278,327	318,382	40,056
Per Unit									
Bulk Cable	88.70	88.75	0.05	532.22	532.50	0.28	88.70	88.75	0.05
Administration	34.54	37.90	3.37	210.97	218.86	7.89	35.16	36.48	1.31
Replacement Reserves	-	-	-	157.07	157.07	-	26.18	26.18	-
Maintenance	20.25	24.76	4.51	122.36	147.31	24.96	20.39	24.55	4.16
Food and Beverage	28.90	30.37	1.47	58.66	158.61	99.95	9.78	26.44	16.66
Utilities	16.22	16.29	0.07	91.85	98.72	6.87	15.31	16.45	1.15
Amenity Access	6.74	12.59	5.86	33.33	77.23	43.90	5.55	12.87	7.32
Landscaping	12.49	9.83	(2.65)	53.35	58.99	5.64	8.89	9.83	0.94
Member Services	6.75	6.22	(0.53)	44.85	47.20	2.35	7.48	7.87	0.39
Pool	10.71	5.25	(5.46)	30.31	31.52	1.21	5.05	5.25	0.20
Entertainment	0.61	1.88	1.27	29.72	33.46	3.74	4.95	5.58	0.62
Insurance	4.74	5.31	0.57	28.64	30.97	2.33	4.77	5.16	0.39
Management Contract	3.64	3.65	0.01	21.84	21.91	0.07	3.64	3.65	0.01
Tennis (net)	4.24	4.18	(0.07)	22.19	24.48	2.29	3.70	4.08	0.38
IT Services	-	1.75	1.75	4.12	10.47	6.35	0.69	1.75	1.06
Café	0.72	1.31	0.59	14.81	11.05	(3.75)	2.47	1.84	(0.63)
Events (net)	0.23	0.44	0.20	2.63	2.62	(0.02)	0.44	0.44	(0.00)
Retail (net)	(0.09)	-	0.09	(3.23)	-	3.23	(0.54)	-	0.54
Other	0.69	0.66	(0.03)	1.51	3.94	2.43	0.25	0.66	0.41
Total	240.08	251.14	11.06	1,457.21	1,666.92	209.72	242.87	277.82	34.95