

Paseo Master Association
Treasurer's Report

Based on Unaudited November 30, 2021 Financial Statements (HOA meeting of December 16, 2021)

The Paseo HOA had an operating surplus of \$694,475 which is \$32,087 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 \$1,740,219 as of 11.30.21. Assessments of \$360,000 along with a transfer from operations of \$300,000 and interest of \$552 were added to the reserves. Total expenditures of (\$226,497) were charged against the reserves during the calendar year. Additional replacements have been approved by the board with an estimated cost of (\$6,998).

The working capital fund was \$136,155 at 12.31.20. Year to date capital contributions of \$334,500 were added to the fund. Special projects of (\$125,065) were expensed leaving a balance of \$345,590 as of 11.30.21. Additional estimated expenditures of (\$24,524) have been approved by the board. Please note there have been an additional two closings and there are currently 22 pending sales.

For the month, the association had a loss of (\$26,347) against a budget loss of (\$19,204) for a negative variance of (\$7,144). Food and beverage subsidy was higher than budget by (\$4,216).

For the year, the association had an income of \$316,651 against a budget of \$19,649. for a positive variance of \$297,003. Food and beverage subsidy was under budget by \$123,040. Salaries, excluding food and beverage, were below budget by \$101,039. Almost every other cost center is under budget year-to-date.

For the year, food and beverage had a direct loss of (\$259,558) against a budget of (\$382,598) for a positive variance of \$123,040. The impact of positive sales less the related cost of goods sold was \$26,646. Salaries were below budget by \$65,655, cost of goods sold due to the rate variance by \$25,772 and supplies were under by \$4,968.

Paseo Master HOA
Balance Sheet
As of 11.30.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,114,917	345,590	1,460,507	1,740,219	3,200,726
Accounts receivable			-		-
Other receivables	1,897		1,897		1,897
Deposits			-		-
Other current assets	82,845		82,845		82,845
Current assets	1,199,659	345,590	1,545,249	1,740,219	3,285,468
Deferred revenue	(294,700)		(294,700)		(294,700)
Current liabilities	(210,484)		(210,484)		(210,484)
Fund Balance	694,475	345,590	1,040,065	1,740,219	2,780,284
Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	526,086		526,086		526,086
Collected		334,500	334,500	360,000	694,500
Transfer	(300,000)		(300,000)	300,000	-
Cash impact of the working capital fund	(209,435)		(209,435)		(209,435)
Interest			-	552	552
Capital projects		(125,065)	(125,065)	(226,497)	(351,562)
Fund balance	694,475	345,590	1,040,065	1,740,219	2,780,284
Two months of assessments (2022)	662,388				
Excess (deficit) operating reserves	32,087				

Paseo Master HOA
Income Statement
As of 11.30.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	3,241,700	3,241,700	-
Reserve dues	-	-	-	360,000	360,000	-
Interest income	8	125	(117)	1,025	1,375	(350)
Events	-	-	-	-	-	-
Retail items	(1,153)	500	(1,653)	19,933	7,000	12,933
Amenities and other	4,448	1,730	2,718	15,634	19,730	(4,096)
Food and beverage	101,983	86,700	15,283	1,037,769	996,700	41,069
Capital assessments	24,135		24,135	125,065		125,065
Income	424,122	383,755	40,367	4,801,126	4,626,505	174,621
Legal	465	500	35	2,048	5,500	3,452
Other administrative	12,504	13,896	1,392	61,050	73,468	12,418
Bulk Cable	105,730	105,776	46	1,126,540	1,128,275	1,735
Utilities (other)	16,846	18,673	1,827	183,328	208,132	24,804
Contracts	7,835	6,385	(1,450)	66,348	70,235	3,887
Insurance	5,439	6,085	646	60,008	65,919	5,911
Lifestyle park	178	75	(103)	2,318	825	(1,493)
Cost of sales	42,787	34,395	(8,392)	383,059	394,408	11,349
Food and beverage supplies	22,139	16,789	(5,350)	185,389	190,357	4,968
Entertainment	5,450	2,700	(2,750)	56,844	51,250	(5,594)
Other amenities	11,651	9,168	(2,483)	100,312	97,105	(3,207)
Retail items	(1,385)	500	1,885	14,375	7,000	(7,375)
Pool (other)	9,279	6,020	(3,259)	63,822	66,220	2,398
Landscaping	13,962	11,268	(2,694)	113,619	123,948	10,329
Maintenance	9,278	8,426	(852)	75,066	92,236	17,170
Payroll				-		
Food and beverage	84,126	78,368	(5,758)	728,878	794,533	65,655
Member services	9,868	10,588	720	90,901	95,274	4,373
Pool monitor	11,629	15,593	3,964	86,316	165,093	78,777
Administration	37,642	36,801	(841)	389,923	395,878	5,955
Maintenance	20,911	20,953	42	209,266	221,200	11,934
Capital reserves	-	-	-	360,000	360,000	-
Capital projects	24,135	-	(24,135)	125,065	-	(125,065)
Expenses	450,469	402,959	(47,510)	4,484,474	4,606,856	122,382
Net Income (loss) - normal operations	(26,347)	(19,204)	(7,144)	316,651	19,649	297,003
Unusual items						
Cash recognition of working capital assessments	(1,635)		(1,635)	209,435		209,435
Net Income (loss) per KW statements	(27,982)	(19,204)	(8,778)	526,086	19,649	506,438

Paseo Master HOA
Food and Beverage
As of 11.30.21

	Month-to-Date			Year-to-Date			11.30.20		%	2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual	Budget	Budget
Food Sales	53,842	45,000	8,842	506,790	506,250	540	366,506	140,283	38.3%	572,330	561,133	582,215	398,932	579,250	633,575
Bar Sales	48,141	41,700	6,441	530,980	490,450	40,530	363,441	167,539	46.1%	481,545	513,011	530,384	408,023	545,650	599,975
Total Sales	101,983	86,700	15,283	1,037,769	996,700	41,069	729,947	307,823	42.2%	1,053,875	1,074,144	1,112,599	806,955	1,124,900	1,233,550
Cost of goods sold															
Food	28,376	19,800	(8,576)	221,229	222,750	1,521	169,361	(51,869)	-30.6%	229,819	223,887	260,861	178,494	254,870	266,102
Bar	14,410	14,595	185	161,830	171,658	9,828	121,041	(40,789)	-33.7%	154,887	191,627	192,433	136,603	190,978	191,992
Total COGS	42,787	34,395	(8,392)	383,059	394,408	11,349	290,402	(92,658)	-31.9%	384,707	415,514	453,293	315,097	445,848	458,094
Supplies	22,139	16,789	(5,350)	185,389	190,357	4,968	148,825	(36,565)	-24.6%	193,379	221,200	237,628	165,996	213,600	199,800
Labor	84,126	78,368	(5,758)	728,878	794,533	65,655	634,204	(94,674)	-14.9%	930,803	811,841	841,451	706,931	881,505	1,016,463
Total direct expenses	149,051	129,552	(19,499)	1,297,327	1,379,298	81,971	1,073,430	(131,239)	-12.2%	1,508,888	1,448,556	1,532,372	1,188,024	1,540,953	1,674,356
Direct loss	(47,068)	(42,852)	(4,216)	(259,558)	(382,598)	123,040	(343,483)	83,926	-24.4%	(455,013)	(374,411)	(419,773)	(381,070)	(416,053)	(440,806)
Direct cost recovery	68.4%	66.9%	1.5%	80.0%	72.3%	7.7%	68.0%			69.8%	74.2%	72.6%	67.9%	73.0%	73.7%
Cost of goods sold															
Food	52.7%	44.0%	-8.7%	43.7%	44.0%	0.3%	46.2%			40.2%	39.9%	44.8%	44.7%	44.0%	42.0%
Bar	29.9%	35.0%	5.1%	30.5%	35.0%	4.5%	33.3%			32.2%	37.4%	36.3%	33.5%	35.0%	32.0%
Total	42.0%	39.7%	-2.3%	36.9%	39.6%	2.7%	39.8%			36.5%	38.7%	40.7%	39.0%	39.6%	37.1%
Supplies	21.7%	19.4%	-2.3%	17.9%	19.1%	1.2%	20.4%			18.3%	20.6%	21.4%	20.6%	19.0%	16.2%
Labor	82.5%	90.4%	7.9%	70.2%	79.7%	9.5%	86.9%			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	223	1,500	334,500
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)
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		(3,350)	(3,350)
Landscaping upgrades (changing up lighting)		(9,574)	(9,574)
Available balance 11.30.21	(125,065)	(24,524)	321,065
Closings since prior month end	2	1,500	3,000
Pending properties (as of 12.10.21)	22	1,500	33,000

Working capital estimate for 2021

357,065

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 11.30.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	105,730	105,776	46	1,126,540	1,128,275	1,735	102,413	102,570	158
Administration	50,611	51,197	586	453,020	474,846	21,826	41,184	43,168	1,984
Replacement Reserves	-	-	-	360,000	360,000	-	32,727	32,727	-
Maintenance	30,189	29,379	(810)	284,332	313,436	29,104	25,848	28,494	2,646
Food and Beverage	47,068	42,852	(4,216)	259,558	382,598	123,040	23,596	34,782	11,185
Utilities	16,846	18,673	1,827	183,328	208,132	24,804	16,666	18,921	2,255
Amenity Access	11,629	15,593	3,964	86,316	165,093	78,777	7,847	15,008	7,162
Landscaping	13,962	11,268	(2,694)	113,619	123,948	10,329	10,329	11,268	939
Member Services	9,868	10,588	720	90,901	95,274	4,373	8,264	8,661	398
Pool	9,279	6,020	(3,259)	63,822	66,220	2,398	5,802	6,020	218
Entertainment	5,450	2,700	(2,750)	56,844	51,250	(5,594)	5,168	4,659	(509)
Insurance	5,439	6,085	646	60,008	65,919	5,911	5,455	5,993	537
Management Contract	4,209	4,185	(24)	46,006	46,035	29	4,182	4,185	3
Tennis (net)	2,308	4,085	1,777	44,982	43,575	(1,407)	4,089	3,961	(128)
IT Services	3,423	2,000	(1,423)	18,123	22,000	3,877	1,648	2,000	352
Café	3,134	2,250	(884)	27,421	21,667	(5,754)	2,493	1,970	(523)
Events (net)	1,566	500	(1,066)	8,680	5,500	(3,180)	789	500	(289)
Retail (net)	(232)	-	232	(5,558)	-	5,558	(505)	-	505
Other	568	753	185	7,106	8,283	1,177	646	753	107
Total	321,047	313,904	(7,144)	3,285,049	3,582,051	297,003	298,641	325,641	27,000
Per Unit									
Bulk Cable	92.26	92.30	0.04	983.02	984.53	1.51	89.37	89.50	0.14
Administration	44.16	44.67	0.51	395.31	414.35	19.05	35.94	37.67	1.73
Replacement Reserves	-	-	-	314.14	314.14	-	28.56	28.56	-
Maintenance	26.34	25.64	(0.71)	248.11	273.50	25.40	22.56	24.86	2.31
Food and Beverage	41.07	37.39	(3.68)	226.49	333.86	107.37	20.59	30.35	9.76
Utilities	14.70	16.29	1.59	159.97	181.62	21.64	14.54	16.51	1.97
Amenity Access	10.15	13.61	3.46	75.32	144.06	68.74	6.85	13.10	6.25
Landscaping	12.18	9.83	(2.35)	99.14	108.16	9.01	9.01	9.83	0.82
Member Services	8.61	9.24	0.63	79.32	83.14	3.82	7.21	7.56	0.35
Pool	8.10	5.25	(2.84)	55.69	57.78	2.09	5.06	5.25	0.19
Entertainment	4.76	2.36	(2.40)	49.60	44.72	(4.88)	4.51	4.07	(0.44)
Insurance	4.75	5.31	0.56	52.36	57.52	5.16	4.76	5.23	0.47
Management Contract	3.67	3.65	(0.02)	40.15	40.17	0.02	3.65	3.65	0.00
Tennis (net)	2.01	3.56	1.55	39.25	38.02	(1.23)	3.57	3.46	(0.11)
IT Services	2.99	1.75	(1.24)	15.81	19.20	3.38	1.44	1.75	0.31
Café	2.73	1.96	(0.77)	23.93	18.91	(5.02)	2.18	1.72	(0.46)
Events (net)	1.37	0.44	(0.93)	7.57	4.80	(2.78)	0.69	0.44	(0.25)
Retail (net)	(0.20)	-	0.20	(4.85)	-	4.85	(0.44)	-	0.44
Other	0.50	0.66	0.16	6.20	7.23	1.03	0.56	0.66	0.09
Total	280.15	273.91	(6.23)	2,866.53	3,125.70	259.16	260.59	284.15	23.56