

Paseo Master Association  
Treasurer's Report

Based on Unaudited October 31, 2021 Financial Statements (HOA meeting of November 17, 2021)

The Paseo HOA had an operating surplus of \$662,388 which is \$58,435 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 \$1,743,401 as of 10.31.21. Assessments of \$360,000 along with a transfer from operations of \$300,000 and interest of \$143 were added to the reserves. Total expenditures of (\$222,905) 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 \$312,000 were added to the fund. Special projects of (\$100,930) were expensed leaving a balance of \$347,225 as of 10.31.21. Additional estimated expenditures of (\$15,016) have been approved by the board. Please note there have been an additional eight closings and there are currently 11 pending sales.

For the month, the association had a loss of (\$3,019) against a budget of \$3,104 for a negative variance of (\$6,123). Food and beverage subsidy was higher than budget by (\$6,010).

For the year, the association had an income of \$342,999 against a budget of \$38,853 for a positive variance of \$304,146. Food and beverage subsidy was under budget by \$127,257. Salaries, excluding food and beverage, were below budget by \$97,154. Almost every other cost center is under budget year-to-date.

For the year, food and beverage had a direct loss of (\$212,489) against a budget of (\$339,746) for a positive variance of \$127,257. Salaries were below budget by \$71,412, supplies by \$10,318 and cost of goods sold due to the rate variance by \$28,018.

Paseo Master HOA  
Balance Sheet  
As of 10.31.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,317,886	347,225	1,665,111	1,766,016	3,431,127
Accounts receivable	54,400		54,400		54,400
Other receivables	17,564		17,564		17,564
Deposits			-		-
Other current assets	83,146		83,146		83,146
Current assets	1,472,997	347,225	1,820,221	1,766,016	3,586,237
Deferred revenue	(589,400)		(589,400)		(589,400)
Current liabilities	(162,774)		(162,774)	(22,615)	(185,389)
Fund Balance	720,823	347,225	1,068,047	1,743,401	2,811,448
Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	554,068		554,068		554,068
Collected		312,000	312,000	360,000	672,000
Transfer	(300,000)		(300,000)	300,000	-
Cash impact of the working capital fund	(211,070)		(211,070)		(211,070)
Interest			-	143	143
Capital projects		(100,930)	(100,930)	(222,905)	(323,836)
Fund balance	720,823	347,225	1,068,047	1,743,401	2,811,448
Two months of assessments (2022)	662,388				
Excess (deficit) operating reserves	58,435				

Paseo Master HOA  
Income Statement  
As of 10.31.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	2,947,000	2,947,000	-
Reserve dues	90,000	90,000	-	360,000	360,000	-
Interest income	8	125	(117)	1,017	1,250	(233)
Events	-	-	-	-	-	-
Retail items	1,242	500	742	21,085	6,500	14,585
Amenities and other	3,927	8,730	(4,803)	11,185	18,000	(6,815)
Food and beverage	82,773	65,700	17,073	935,786	910,000	25,786
Capital assessments	975		975	100,930		100,930
Income	473,625	459,755	13,870	4,377,004	4,242,750	134,254
Legal	(373)	500	873	1,583	5,000	3,417
Other administrative	5,273	5,896	623	48,545	59,572	11,027
Bulk Cable	104,617	105,776	1,158	1,020,810	1,022,499	1,690
Utilities (other)	15,935	19,219	3,284	166,482	189,459	22,977
Contracts	4,817	6,385	1,568	58,513	63,850	5,337
Insurance	5,483	6,085	602	54,569	59,834	5,265
Lifestyle park	115	75	(40)	2,139	750	(1,389)
Cost of sales	30,800	25,965	(4,835)	340,273	360,013	19,740
Food and beverage supplies	23,932	13,476	(10,456)	163,250	173,568	10,318
Entertainment	6,095	3,650	(2,445)	51,394	48,550	(2,844)
Other amenities	12,855	9,168	(3,687)	88,661	87,937	(724)
Retail items	2,262	500	(1,762)	15,760	6,500	(9,260)
Pool (other)	5,076	6,020	944	54,543	60,200	5,657
Landscaping	9,188	11,268	2,080	99,657	112,680	13,023
Maintenance	7,604	8,326	722	65,788	83,810	18,022
Payroll					-	
Food and beverage	73,147	65,356	(7,791)	644,753	716,165	71,412
Member services	7,906	7,868	(38)	81,033	84,686	3,653
Pool monitor	8,809	15,619	6,810	74,687	149,500	74,813
Administration	41,581	35,355	(6,226)	352,281	359,077	6,796
Maintenance	20,545	20,144	(401)	188,356	200,247	11,891
Capital reserves	90,000	90,000	-	360,000	360,000	-
Capital projects	975	-	(975)	100,930	-	(100,930)
Expenses	476,643	456,651	(19,993)	4,034,005	4,203,897	169,892
Net Income (loss) - normal operations	(3,019)	3,104	(6,123)	342,999	38,853	304,146
Unusual items						
Cash recognition of working capital assessments	12,526		12,526	211,070		211,070
Net Income (loss) per KW statements	9,507	3,104	6,403	554,068	38,853	515,216
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			-	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)	975		(975)
Demo and landscaping at BB/PB court			-	4,865		(4,865)
Asphalt BB/PB court			-	31,410		(31,410)
Polywood furniture for Pickle Ball			-			-
New net posts at lifesyle park			-			-
Flag pole			-	199		(199)
Drainage projects at Lifestyle Park			-	2,398		(2,398)
Pub foot rail			-	588		(588)
Chef Tech - moving and reinstall of kitchen equipment			-	4,620		(4,620)
	975	-	(975)	100,930	-	(100,930)

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Paseo Master HOA  
Food and Beverage  
As of 10.31.21

	Month-to-Date			Year-to-Date			10.31.20		%	2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual	Budget	Budget
Food Sales	36,973	33,000	3,973	452,948	461,250	(8,302)	306,992	145,956	47.5%	572,330	561,133	582,215	398,932	579,250	633,575
Bar Sales	45,800	32,700	13,100	482,838	448,750	34,088	293,372	189,466	64.6%	481,545	513,011	530,384	408,023	545,650	599,975
Total Sales	82,773	65,700	17,073	935,786	910,000	25,786	600,365	335,422	55.9%	1,053,875	1,074,144	1,112,599	806,955	1,124,900	1,233,550
Cost of goods sold															
Food	16,794	14,520	(2,274)	192,853	202,950	10,097	143,409	(49,444)	-34.5%	229,819	223,887	260,861	178,494	254,870	266,102
Bar	14,007	11,445	(2,562)	147,419	157,063	9,644	97,809	(49,610)	-50.7%	154,887	191,627	192,433	136,603	190,978	191,992
Total COGS	30,800	25,965	(4,835)	340,273	360,013	19,740	241,218	(99,055)	-41.1%	384,707	415,514	453,293	315,097	445,848	458,094
Supplies	23,932	13,476	(10,456)	163,250	173,568	10,318	118,149	(45,102)	-38.2%	193,379	221,200	237,628	165,996	213,600	199,800
Labor	73,147	65,356	(7,791)	644,753	716,165	71,412	531,757	(112,996)	-21.2%	930,803	811,841	841,451	706,931	881,505	1,016,463
Total direct expenses	127,880	104,797	(23,083)	1,148,276	1,249,746	101,470	891,124	(158,097)	-17.7%	1,508,888	1,448,556	1,532,372	1,188,024	1,540,953	1,674,356
Direct loss	(45,107)	(39,097)	(6,010)	(212,489)	(339,746)	127,257	(290,759)	78,270	-26.9%	(455,013)	(374,411)	(419,773)	(381,070)	(416,053)	(440,806)
Direct cost recovery	64.7%	62.7%	2.0%	81.5%	72.8%	8.7%	67.4%			69.8%	74.2%	72.6%	67.9%	73.0%	73.7%
Cost of goods sold															
Food	45.4%	44.0%	-1.4%	42.6%	44.0%	1.4%	46.7%			40.2%	39.9%	44.8%	44.7%	44.0%	42.0%
Bar	30.6%	35.0%	4.4%	30.5%	35.0%	4.5%	33.3%			32.2%	37.4%	36.3%	33.5%	35.0%	32.0%
Total	37.2%	39.5%	2.3%	36.4%	39.6%	3.2%	40.2%			36.5%	38.7%	40.7%	39.0%	39.6%	37.1%
Supplies	28.9%	20.5%	-8.4%	17.4%	19.1%	1.6%	19.7%			18.3%	20.6%	21.4%	20.6%	19.0%	16.2%
Labor	88.4%	99.5%	11.1%	68.9%	78.7%	9.8%	88.6%			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	208	1,500	312,000
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	(2,343)		(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	(4,865)	(2,666)	(7,531)
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)
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)
Available balance 10.31.21	(100,930)	(17,314)	329,911
Closings since prior month end	8	1,500	12,000
Pending properties (as of 11.16.21)	11	1,500	16,500
Estimated additional 2021 sales	-	1,500	-
Working capital estimate for 2021			358,411
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
Canopy at BB/PB court			10,000
Additional lighting at BB/PB court			7,000
			297,000

Paseo Master HOA  
Cost by Service  
As of 10.31.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	104,617	105,776	1,158	1,020,810	1,022,499	1,690	102,081	102,250	169
Administration	46,482	41,751	(4,731)	402,409	423,649	21,240	40,241	42,365	2,124
Replacement Reserves	90,000	90,000	-	360,000	360,000	-	36,000	36,000	-
Maintenance	28,149	28,470	321	254,144	284,057	29,914	25,414	28,406	2,991
Food and Beverage	45,107	39,097	(6,010)	212,489	339,746	127,257	21,249	33,975	12,726
Utilities	15,935	19,219	3,284	166,482	189,459	22,977	16,648	18,946	2,298
Amenity Access	8,809	15,619	6,810	74,687	149,500	74,813	7,469	14,950	7,481
Landscaping	9,188	11,268	2,080	99,657	112,680	13,023	9,966	11,268	1,302
Member Services	7,906	7,868	(38)	81,033	84,686	3,653	8,103	8,469	365
Pool	5,076	6,020	944	54,543	60,200	5,657	5,454	6,020	566
Entertainment	6,095	3,650	(2,445)	51,394	48,550	(2,844)	5,139	4,855	(284)
Insurance	5,483	6,085	602	54,569	59,834	5,265	5,457	5,983	527
Management Contract	4,209	4,185	(24)	41,797	41,850	53	4,180	4,185	5
Tennis (net)	1,499	(2,915)	(4,414)	42,674	39,490	(3,184)	4,267	3,949	(318)
IT Services	405	2,000	1,595	14,700	20,000	5,300	1,470	2,000	530
Café	2,309	2,250	(59)	24,288	19,417	(4,871)	2,429	1,942	(487)
Events (net)	3,768	500	(3,268)	7,115	5,000	(2,115)	711	500	(211)
Retail (net)	1,020	-	(1,020)	(5,325)	-	5,325	(533)	-	533
Other	1,662	753	(909)	6,537	7,530	993	654	753	99
Total	387,719	381,596	(6,123)	2,964,001	3,268,147	304,146	296,400	326,815	30,415
Per Unit									
Bulk Cable	91.29	92.30	1.01	890.76	892.23	1.47	89.08	89.22	0.15
Administration	40.56	36.43	(4.13)	351.14	369.68	18.53	35.11	36.97	1.85
Replacement Reserves	78.53	78.53	-	314.14	314.14	-	31.41	31.41	-
Maintenance	24.56	24.84	0.28	221.77	247.87	26.10	22.18	24.79	2.61
Food and Beverage	39.36	34.12	(5.24)	185.42	296.46	111.04	18.54	29.65	11.10
Utilities	13.91	16.77	2.87	145.27	165.32	20.05	14.53	16.53	2.00
Amenity Access	7.69	13.63	5.94	65.17	130.45	65.28	6.52	13.05	6.53
Landscaping	8.02	9.83	1.81	86.96	98.32	11.36	8.70	9.83	1.14
Member Services	6.90	6.87	(0.03)	70.71	73.90	3.19	7.07	7.39	0.32
Pool	4.43	5.25	0.82	47.59	52.53	4.94	4.76	5.25	0.49
Entertainment	5.32	3.18	(2.13)	44.85	42.36	(2.48)	4.48	4.24	(0.25)
Insurance	4.78	5.31	0.53	47.62	52.21	4.59	4.76	5.22	0.46
Management Contract	3.67	3.65	(0.02)	36.47	36.52	0.05	3.65	3.65	0.00
Tennis (net)	1.31	(2.54)	(3.85)	37.24	34.46	(2.78)	3.72	3.45	(0.28)
IT Services	0.35	1.75	1.39	12.83	17.45	4.63	1.28	1.75	0.46
Café	2.01	1.96	(0.05)	21.19	16.94	(4.25)	2.12	1.69	(0.43)
Events (net)	3.29	0.44	(2.85)	6.21	4.36	(1.85)	0.62	0.44	(0.18)
Retail (net)	0.89	-	(0.89)	(4.65)	-	4.65	(0.46)	-	0.46
Other	1.45	0.66	(0.79)	5.70	6.57	0.87	0.57	0.66	0.09
Total	338.32	332.98	(5.34)	2,586.39	2,851.79	265.40	258.64	285.18	26.54