

Paseo Master Association
Treasurer's Report

Based on Unaudited September 30, 2021 Financial Statements (HOA meeting of October 20, 2021)

The Paseo HOA had an operating surplus of \$1,023,841 which is \$374,441 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 \$1,376,014 as of 9.30.21. Assessments of \$270,000 along with interest of \$142 were added to the reserves. Total expenditures of (\$200,290) were charged against the reserves during the calendar year. Additional replacements have been approved by the board with an estimated cost of (\$25,993).

The working capital fund was \$136,155 at 12.31.20. Year to date capital contributions of \$298,500 were added to the fund. Special projects of (\$99,956) were expensed leaving a balance of \$334,699 as of 9.30.21. Additional estimated expenditures of (\$11,290) have been approved by the board. Please note there have been 12 closings since 9.30.21 and there are currently 12 pending sales.

For the month, the association had an income of \$25,000 against a budgeted loss of (\$2,926) for a positive variance of \$27,926. Food and beverage subsidy was below budget by \$13,400. Salaries, excluding food and beverage, were below budget by \$7,719. Utilities were under budget by \$5,661 mainly due to leak repairs to the kiddie splash pad.

For the year, the association had an income of \$346,017 against a budget of \$35,748 for a positive variance of \$310,269. Food and beverage subsidy was under budget by \$133,266. Salaries, excluding food and beverage, were below budget by \$97,009. Almost every other cost center is under budget year-to-date.

For the year, food and beverage had a direct loss of (\$167,383) against a budget of (\$300,649) for a positive variance of \$133,266. Salaries were below budget by \$79,203, supplies by \$20,774 and cost of goods sold due to the rate variance by \$26,521.

Paseo Master HOA
Balance Sheet
As of 9.30.21

	Operating	Working Capital	Total	Capital Reserves	Total
Cash	1,058,445	334,699	1,393,144	1,387,347	2,780,491
Accounts receivable			-		-
Other receivables	2,870		2,870		2,870
Deposits			-		-
Other current assets	84,708		84,708		84,708
Current assets	1,146,023	334,699	1,480,722	1,387,347	2,868,069
Deferred revenue			-		-
Current liabilities	(122,181)		(122,181)	(11,333)	(133,514)
Fund Balance	1,023,841	334,699	1,358,540	1,376,014	2,734,555
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Fund balance					
Beginning Balance	677,824	136,155	813,979	1,306,163	2,120,142
Net Income (loss)	544,562		544,562		544,562
Collected		298,500	298,500	270,000	568,500
Cash impact of the working capital fund	(198,544)		(198,544)		(198,544)
Interest			-	142	142
Capital projects		(99,956)	(99,956)	(200,290)	(300,246)
Fund balance	1,023,841	334,699	1,358,540	1,376,014	2,734,555
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Two months of assessments	649,400				
Excess (deficit) operating reserves	374,441				

Paseo Master HOA
Income Statement
As of 9.30.21

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	294,700	294,700	-	2,652,300	2,652,300	-
Reserve dues	-	-	-	270,000	270,000	-
Interest income	168	125	43	1,009	1,125	(116)
Events	-	-	-	-	-	-
Retail items	1,607	250	1,357	19,843	6,000	13,843
Amenities and other	1,016	1,030	(14)	7,259	9,270	(2,011)
Food and beverage	41,639	53,200	(11,561)	853,013	844,300	8,713
Capital assessments	20,177		20,177	99,956		99,956
Income	359,307	349,305	10,002	3,903,379	3,782,995	120,384
Legal	-	500	500	1,956	4,500	2,545
Other administrative	4,449	5,896	1,447	43,272	53,676	10,404
Bulk Cable	102,955	103,064	109	916,193	916,724	531
Utilities (other)	13,012	18,673	5,661	150,547	170,240	19,693
Contracts	7,772	6,385	(1,387)	53,696	57,465	3,769
Insurance	5,432	6,085	653	49,085	53,749	4,664
Lifestyle park	1,617	75	(1,542)	2,024	675	(1,349)
Cost of sales	16,762	20,690	3,928	309,472	334,048	24,576
Food and beverage supplies	8,622	11,584	2,962	139,318	160,092	20,774
Entertainment	4,400	2,200	(2,200)	45,299	44,900	(399)
Other amenities	7,951	8,418	467	75,806	78,769	2,963
Retail items	(826)	250	1,076	13,498	6,000	(7,498)
Pool (other)	5,840	6,020	180	48,334	54,180	5,846
Landscaping	9,418	11,268	1,850	90,469	101,412	10,943
Maintenance	9,717	8,326	(1,391)	59,317	75,484	16,167
Payroll					-	
Food and beverage	44,410	62,482	18,072	571,606	650,809	79,203
Member services	9,146	7,490	(1,656)	73,127	76,818	3,691
Pool monitor	8,435	15,005	6,570	65,878	133,881	68,003
Administration	34,012	37,038	3,026	310,700	323,722	13,022
Maintenance	21,004	20,782	(222)	167,811	180,103	12,292
Capital reserves			-	270,000	270,000	-
Capital projects	20,177	-	(20,177)	99,956	-	(99,956)
Expenses	334,307	352,231	17,924	3,557,362	3,747,247	189,885
Net Income (loss) - normal operations	25,000	(2,926)	27,926	346,017	35,748	310,269
Unusual items						
Cash recognition of working capital assessments	(2,177)		(2,177)	198,544		198,544
Net Income (loss) per KW statements	22,822	(2,926)	25,748	544,562	35,748	508,813
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	11,339		(11,339)	19,650		(19,650)
Splash pad repairs	1,233		(1,233)	10,699		(10,699)
Pickleball						
Cap, relocate, and re-instate the irrigation lines			-			-
Demo and landscaping at BB/PB court			-	4,865		(4,865)
Asphalt BB/PB court			-	31,410		(31,410)
Flag pole			-	199		(199)
Drainage projects at Lifestyle Park	2,398		(2,398)	2,398		(2,398)
Pub foot rail	588		(588)	588		(588)
Chef Tech - moving and reinstall of kitchen equipment	4,620		(4,620)	4,620		(4,620)
	20,177	-	(20,177)	99,956	-	(99,956)

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Paseo Master HOA
Food and Beverage
As of 9.30.21

	Month-to-Date			Year-to-Date			9.30.20		%	2017	2018	2019	2020
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Actual
Food Sales	16,973	23,000	(6,027)	415,975	428,250	(12,275)	306,992	108,983	35.5%	572,330	561,133	582,215	398,932
Bar Sales	24,665	30,200	(5,535)	437,038	416,050	20,988	293,372	143,666	49.0%	481,545	513,011	530,384	408,023
Total Sales	41,639	53,200	(11,561)	853,013	844,300	8,713	600,365	252,648	42.1%	1,053,875	1,074,144	1,112,599	806,955
Cost of goods sold													
Food	9,677	10,120	443	176,059	188,430	12,371	143,409	(32,651)	-22.8%	229,819	223,887	260,861	178,494
Bar	7,086	10,570	3,484	133,413	145,618	12,205	97,809	(35,603)	-36.4%	154,887	191,627	192,433	136,603
Total COGS	16,762	20,690	3,928	309,472	334,048	24,576	241,218	(68,254)	-28.3%	384,707	415,514	453,293	315,097
Supplies	8,622	11,584	2,962	139,318	160,092	20,774	118,149	(21,169)	-17.9%	193,379	221,200	237,628	165,996
Labor	44,410	62,482	18,072	571,606	650,809	79,203	531,757	(39,849)	-7.5%	930,803	811,841	841,451	706,931
Total direct expenses	69,795	94,756	24,961	1,020,396	1,144,949	124,553	891,124	(61,018)	-6.8%	1,508,888	1,448,556	1,532,372	1,188,024
Direct loss	(28,156)	(41,556)	13,400	(167,383)	(300,649)	133,266	(290,759)	123,377	-42.4%	(455,013)	(374,411)	(419,773)	(381,070)
Direct cost recovery	59.7%	56.1%	3.5%	83.6%	73.7%	9.9%	67.4%			69.8%	74.2%	72.6%	67.9%
Cost of goods sold													
Food	57.0%	44.0%	-13.0%	42.3%	44.0%	1.7%	46.7%			40.2%	39.9%	44.8%	44.7%
Bar	28.7%	35.0%	6.3%	30.5%	35.0%	4.5%	33.3%			32.2%	37.4%	36.3%	33.5%
Total	40.3%	38.9%	-1.4%	36.3%	39.6%	3.3%	40.2%			36.5%	38.7%	40.7%	39.0%
Supplies	20.7%	21.8%	1.1%	16.3%	19.0%	2.6%	19.7%			18.3%	20.6%	21.4%	20.6%
Labor	106.7%	117.4%	10.8%	67.0%	77.1%	10.1%	88.6%			88.3%	75.6%	75.6%	87.6%
	-	-	-	-	-	-	-						
Food													
Rate			(2,208)			6,970							
Volume			2,652			5,401							
Bar													
Rate			1,547			19,551							
Volume			1,937			(7,346)							
COGS Variance			3,928			24,576							

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.20			136,155
Closings (sales) 2021	199	1,500	298,500
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	(19,650)		(19,650)
Splash pad repairs	(10,699)		(10,699)
Pickleball			
Cap, relocate, and re-instate the irrigation lines	-	(974)	(974)
Demo and landscaping at BB/PB court	(4,865)	(2,666)	(7,531)
Asphalt BB/PB court	(31,410)		(31,410)
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)
Available balance 9.30.21	(99,956)	(11,290)	323,409
Closings since prior month end	12	1,500	18,000
Pending properties (as of 10.10.21)	12	1,500	18,000
Estimated additional 2021 sales	-	1,500	-
Working capital estimate for 2021			359,409
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
WordPress (mypaseo.life)			10,000
			300,000

Paseo Master HOA
Cost by Service
As of 9.30.21

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	102,955	103,064	109	916,193	916,724	531	101,799	101,858	59
Administration	38,461	43,434	4,973	355,927	381,898	25,971	39,547	42,433	2,886
Replacement Reserves	-	-	-	270,000	270,000	-	30,000	30,000	-
Maintenance	30,721	29,108	(1,613)	227,127	255,587	28,460	25,236	28,399	3,162
Food and Beverage	28,156	41,556	13,400	167,383	300,649	133,266	18,598	33,405	14,807
Utilities	13,012	18,673	5,661	150,547	170,240	19,693	16,727	18,916	2,188
Amenity Access	8,435	15,005	6,570	65,878	133,881	68,003	7,320	14,876	7,556
Landscaping	9,418	11,268	1,850	90,469	101,412	10,943	10,052	11,268	1,216
Member Services	9,146	7,490	(1,656)	73,127	76,818	3,691	8,125	8,535	410
Pool	5,840	6,020	180	48,334	54,180	5,846	5,370	6,020	650
Entertainment	4,400	2,200	(2,200)	45,299	44,900	(399)	5,033	4,989	(44)
Insurance	5,432	6,085	653	49,085	53,749	4,664	5,454	5,972	518
Management Contract	4,209	4,185	(24)	37,588	37,665	77	4,176	4,185	9
Tennis (net)	5,109	4,785	(324)	41,175	42,405	1,230	4,575	4,712	137
IT Services	3,360	2,000	(1,360)	14,295	18,000	3,705	1,588	2,000	412
Café	1,762	1,500	(262)	21,979	17,167	(4,812)	2,442	1,907	(535)
Events (net)	474	500	26	3,347	4,500	1,153	372	500	128
Retail (net)	(2,432)	-	2,432	(6,345)	-	6,345	(705)	-	705
Other	1,243	753	(490)	4,875	6,777	1,902	542	753	211
Total	269,700	297,626	27,926	2,576,283	2,886,552	310,269	286,254	320,728	34,474
Per Unit									
Bulk Cable	89.84	89.93	0.10	799.47	799.93	0.46	88.83	88.88	0.05
Administration	33.56	37.90	4.34	310.58	333.24	22.66	34.51	37.03	2.52
Replacement Reserves	-	-	-	235.60	235.60	-	26.18	26.18	-
Maintenance	26.81	25.40	(1.41)	198.19	223.03	24.83	22.02	24.78	2.76
Food and Beverage	24.57	36.26	11.69	146.06	262.35	116.29	16.23	29.15	12.92
Utilities	11.35	16.29	4.94	131.37	148.55	17.18	14.60	16.51	1.91
Amenity Access	7.36	13.09	5.73	57.48	116.82	59.34	6.39	12.98	6.59
Landscaping	8.22	9.83	1.61	78.94	88.49	9.55	8.77	9.83	1.06
Member Services	7.98	6.54	(1.44)	63.81	67.03	3.22	7.09	7.45	0.36
Pool	5.10	5.25	0.16	42.18	47.28	5.10	4.69	5.25	0.57
Entertainment	3.84	1.92	(1.92)	39.53	39.18	(0.35)	4.39	4.35	(0.04)
Insurance	4.74	5.31	0.57	42.83	46.90	4.07	4.76	5.21	0.45
Management Contract	3.67	3.65	(0.02)	32.80	32.87	0.07	3.64	3.65	0.01
Tennis (net)	4.46	4.18	(0.28)	35.93	37.00	1.07	3.99	4.11	0.12
IT Services	2.93	1.75	(1.19)	12.47	15.71	3.23	1.39	1.75	0.36
Café	1.54	1.31	(0.23)	19.18	14.98	(4.20)	2.13	1.66	(0.47)
Events (net)	0.41	0.44	0.02	2.92	3.93	1.01	0.32	0.44	0.11
Retail (net)	(2.12)	-	2.12	(5.54)	-	5.54	(0.62)	-	0.62
Other	1.08	0.66	(0.43)	4.25	5.91	1.66	0.47	0.66	0.18
Total	235.34	259.71	24.37	2,248.07	2,518.81	270.74	249.79	279.87	30.08