Paseo Master Association Treasurer's Report Based on Unaudited September 30, 2023 Financial Statements (HOA meeting of October 18, 2023)

The Paseo Master HOA had an operating surplus as of 9.30.23 of \$657,608 which is (\$106,619) below the maximum and \$37,981 over the minimum recommended by our professionals.

The replacement reserves were \$2,053,345 at 12.31.22 and decreased to \$1,918,467 as of 9.30.23. Assessments of \$309,000 along with interest of \$64,039 were added to the reserves. Expenditures of (\$507,917) 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 \$213,000 were added to the fund. Special projects of (\$31,866) were expensed leaving a balance of \$705,645 as of 9.30.23. The board has approved additional projects in the amount of \$572,322, mainly due to the Tiki project. When factoring in the closings not reported, pending properties, brick fund and operating surplus there is \$203,492 available for other projects.

For the month, the association had a profit of \$1,599 against a budget loss of (\$8,184) for a positive variance of \$9,783. The food and beverage subsidy were less than the budget by \$2,803. Pool, landscaping, and maintenance were under budget by \$5,854. Interest income exceeded budget by \$4,680. The only other major negative issue was insurance, which was (\$7,606) over budget.

For the year, the association had a profit of \$139,005 against a budget of \$49,123 for a positive variance of \$89,882. The food and beverage subsidy were less than the budget by \$15,784. Pool, landscaping, and maintenance were under budget by \$29,422. Interest income exceeded budget by \$38,755. Non food and beverage labor were under budget by \$47,714. The only major negative issue was insurance, which was (\$52,953) over budget.

For the year, food and beverage had a direct loss of (\$332,196) against a budget of (\$347,980) for a positive variance of \$15,784. The impact of sales less the related cost of goods sold was \$28,397. Salaries were over budget by (\$5,497), cost of goods sold due to the rate variance by \$17,514 and supplies were over by (\$24,629).

Paseo Master HOA Balance Sheet As of 9.30.23

		Working		Capital	
	Operating	Capital	Total	Reserves	Total
Cash	654,200	705,645	1,359,845	1,895,782	3,255,627
Accounts receivable	00 1/200	,,.	_,000,010	_,,.	-
Other receivables	13,035		13,035		13,035
Due to/from	-		-		-
Other current assets	263,301		263,301	29,936	293,237
Current assets	930,536	705,645	1,636,181	1,925,718	3,561,899
Deferred revenue			-		-
Current liabilities	(272,929)		(272,929)	(7,251)	(280,180)
Fund Balance	657,608	705,645	1,363,252	1,918,467	3,281,719
Fund balance					
Beginning Balance	518,603	524,511	1,043,113	2,053,345	3,096,458
Net Income (loss)	139,005		139,005		139,005
Collected		213,000	213,000	309,000	522,000
Interest			-	64,039	64,039
Capital projects		(31,866)	(31,866)	(507,917)	(539,783)
Fund balance	657,608	705,645	1,363,252	1,918,467	3,281,719
Two months of assessments (2023)	715,104				
Remaining budget for 2023	49,123				
Excess (deficit) operating reserves	(106,619)				
2023 budget	5,705,037				
10%	570,504				
Remaining budget for 2023	49,123				
Excess (deficit) operating reserves	37,981				

Paseo Master HOA Income Statement As of 9.30.23

As of 9.30.23	Cu	Current Month			Year to Date				
	Actual	Budget	Variance	Actual	Budget	Variance			
Master assessments	323,218	323,219	(1)	2,908,966	2,908,971	(5)			
Reserve assessments	-	-	-	309,000	309,000	-			
Interest income	5,051	371	4,680	42,094	3,339	38,755			
Events	-	-	-	-	-	-			
Retail items	684	1,000	(317)	12,342	17,000	(4,658)			
Amenities and other	280	413	(133)	4,849	3,717	1,132			
Food and beverage	64,050	47,500	16,550	1,061,372	1,015,000	46,372			
Capital assessments	8,556	,	8,556	31,866		31,866			
Income	401,840	372,503	29,337	4,370,489	4,257,027	113,462			
Legal	1,215	400	(815)	3,848	3,600	(248)			
Other administrative	5,924	5,387	(537)	44,540	49,091	4,551			
Bulk Cable	109,988	109,960	(28)	989,881	989,640	(241)			
Utilities	16,331	17,637	1,306	184,502	174,566	(9,936)			
Contracts	5,218	6,084	866	52,329	53,659	1,330			
Insurance	14,506	6,900	(7,606)	115,053	62,100	(52,953)			
Lifestyle park	-	250	250	,	2,250	2,250			
Cost of sales	28,942	17,600	(11,342)	387,062	386,600	(462)			
Food and beverage supplies	18,543	10,704	(7,839)	194,547	169,918	(24,629)			
Entertainment	3,800	5,250	1,450	51,615	51,750	135			
Other amenities	10,235	10,834	599	94,970	106,006	11,036			
Retail items	237	1,000	763	11,188	17,000	5,812			
Pool	4,945	7,567	2,622	53,423	68,103	14,680			
Landscaping	9,004	11,490	2,486	94,845	105,910	11,065			
Maintenance	9,019	9,765	746	84,208	87,885	3,677			
Payroll				-					
Food and beverage	70,448	75,882	5,434	811,959	806,462	(5,497)			
Member services	8,564	8,876	312	83,050	88,535	5,485			
Pool monitor	9,675	12,724	3,049	97,897	111,897	14,000			
Administration	42,660	39,720	(2,940)	336,603	361,788	25,185			
Maintenance	22,430	22,657	227	199,099	202,144	3,045			
Replacement reserves	-	-	-	309,000	309,000	-			
Capital projects	8,556	-	(8,556)	31,866	-	(31,866)			
Expenses	400,241	380,687	(19,554)	4,231,484	4,207,904	(23,580)			
Net Income (loss) - normal operations	1,599	<mark>(8,184)</mark>	9,783	139,005	49,123	89,882			
Unusual items									
Cash recognition of working capital assessments	26,444		26,444	181,134		181,134			
Net Income (loss) per KW statements	28,043	(8,184)	36,227	320,139	49,123	271,016			
Food and beverage			2,803			15,784			
Interest income			4,680			38,755			
Utilities			1,306			(9,936)			
Insurance			(7,606)			(52,953)			
Non food and beverage labor			648			47,714			
Pool, Landscaping and Maintenance			5,854			29,422			
All other cost centers			2,098			21,095			
			9,783			89,882			

Paseo Master HOA

Food and Beverage

As of 9.30.23

As of 9.30.23			<u> </u>											<u> </u>	
	M	onth-to-Da	te	,	Year-to-Date		09.30			2017	2018	2019	2020	2021	2022
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change	%	Actual	Actual	Actual	Actual	Actual	Actual
Food Sales	27,548	20,000	7,548	541,135	515,000	26,135	489,275	51,860	10.6%	572,330	561,133	582,215	398,932	585,635	661,588
Bar Sales	36,502	27,500	9,002	520,237	500,000	20,237	459,377	60,861	13.2%	481,545	513,011	530,384	408,023	596,336	614,326
-		17 500	10							1 050 075					
Total Sales	64,050	47,500	16,550	1,061,372	1,015,000	46,372	948,651	112,721	11.9%	1,053,875	1,074,144	1,112,599	806,955	1,181,970	1,275,914
Cost of goods sold															
Food	18,660	8,800	(9,860)	242,501	226,600	(15,901)	220,089	(22,413)	-10.2%	229,819	223,887	260,861	178,494	249,452	310,663
Bar	10,282	8,800	(1,482)	144,560	160,000	15,440	146,173	1,612	1.1%	154,887	191,627	192,433	136,603	185,221	194,966
Dai	10,202	8,800	(1,402)	144,500	100,000	13,440	140,175	1,012	1.1/0	134,887	191,027	192,435	130,003	165,221	194,900
- Total COGS	28,942	17,600	(11,342)	387,062	386,600	(462)	366,261	(20,800)	-5.7%	384,707	415,514	453,293	315,097	434,673	505,628
Supplies	18,543	10,704	(7,839)	194,547	169,918	(24,629)	172,650	(21,897)	-12.7%	193,379	221,200	237,628	165,996	210,344	242,172
Labor	70,448	75,882	5,434	811,959	806,462	(5,497)	740,421	(71,537)	-9.7%	930,803	811,841	841,451	706,931	826,488	992,502
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Total direct expenses	117,933	104,186	(13,747)	1,393,568	1,362,980	(30,588)	1,279,333	(93,435)	-7.3%	1,508,888	1,448,556	1,532,372	1,188,024	1,471,506	1,740,303
- Direct loss	(53,883)	(56,686)	2,803	(332,196)	(347,980)	15,784	(330,681)	(1,514)	0.5%	(455,013)	(374,411)	(419,773)	(381,070)	(289,536)	(464,389)
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Direct cost recovery	54.3%	45.6%	8.7%	76.2%	74.5%	1.7%	74.2%			69.8%	74.2%	72.6%	67.9%	80.3%	73.3%
Cost of goods sold															
Food	67.7%	44.0%	-23.7%	44.8%	44.0%	-0.8%	45.0%			40.2%	39.9%	44.8%	44.7%	42.6%	47.0%
Bar	28.2%	32.0%		27.8%	32.0%	4.2%	31.8%			32.2%	37.4%	36.3%	33.5%	31.1%	31.7%
Dai	20.270	52.070	5.070	27.070	52.070	4.270	51.070			52.270	37.470	50.570	55.570	51.170	51.770
Total	45.2%	37.1%	-8.1%	36.5%	38.1%	1.6%	38.6%			36.5%	38.7%	40.7%	39.0%	36.8%	39.6%
Supplies	29.0%	22.5%	-6.4%	18.3%	16.7%	-1.6%	18.2%			18.3%	20.6%	21.4%	20.6%	17.8%	19.0%
Labor	110.0%	159.8%		76.5%	79.5%	3.0%	78.0%			88.3%	75.6%	75.6%	87.6%	69.9%	77.8%
Labor	110.070	155.670	45.070	70.370	75.570	5.070	70.070			00.570	75.070	75.070	07.070	05.570	77.070
	-	-	-	-	-	(0.00)									
Food															
Rate			(6,539)			(4,402)									
Volume			(3,321)			(11,499)									
Bar			()			,									
Rate			1,399			21,916									
Volume			(2,881)			(6,476)									
						. ,									
COGS Variance			(11,342)			(462)									

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	84	2,500	210,000
2022/2023 Projects	Paid	O/S	
General Contractor	(4,918)	(500 <i>,</i> 475)	(505,393)
Labor for HVAC	-	26,939	26,939
Casework (center cabinet)	-	8,602	8,602
Tiki Landscaping	(1,900)	(2,000)	(3,900)
New Tiki equipment	-	(199,696)	(199,696)
Replacements	-	85,437	85,437
Remove beer system		21,770	21,770
Civil Engineer	-	(12,900)	(12,900)
Window tinting in the Pub	(2,005)		(2,005)
Mypaseo.life	(5,325)		(5,325)
VC Drain	(4,197)		(4,197)
Furniture	(840)		(840)
Flag Pole	(1,922)		(1,922)
Pickleball Civil Engineer	(2,203)		(2,203)
Portable Stage	(8,556)		(8,556)
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Available balance 9.30.23	(31,866)	(572,322)	133,322
Closings since prior month end	6	2,500	15,000
Pending properties (as of 10.11.23)	3	2,500	7,500
Brick Fund			7,189
Operating Surplus			37,981
Working capital estimate		-	200,992
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Other items			
Three new pickleball courts			105,000
Civil Engineer			20,000
Land purchase			30,000
Landscaping (Phase 1)			9,028
Landscaping (Phase 2)			13,035
Hardscaping			10,000
Canopy			15,000
Furniture			3,000
			-,
		-	205,063

Paseo Master HOA

Cost by Service

As of 9.30.23

As of 9.30.23	Cui	rent Month	ו I	Year to Date			Average per Month			
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Bulk Cable	109,988	109,960	(28)	989,881	989,640	(241)	109,987	109,960	(27)	
Administration	49,798	45,507	(4,291)	384,991	414,479	29,488	42,777	46,053	3,276	
Replacement Reserves	-	-	-	309,000	309,000	-	34,333	34,333	-	
Maintenance	31,449	32,422	973	283,307	290,029	6,722	31,479	32,225	747	
Food and Beverage	53,883	56,686	2,803	332,196	347,980	15,784	36,911	38,664	1,754	
Utilities	16,331	17,637	1,306	184,502	174,566	(9,936)	20,500	19,396	(1,104)	
Amenity Access	9,675	12,724	3,049	97,897	111,897	14,000	10,877	12,433	1,556	
Landscaping	9,004	11,490	2,486	94,845	105,910	11,065	10,538	11,768	1,229	
Member Services	8,564	8,876	312	83,050	88,535	5,485	9,228	9,837	609	
Pool	4,945	7,567	2,622	53,423	68,103	14,680	5,936	7,567	1,631	
Entertainment	3,800	5,250	1,450	51,615	51,750	135	5,735	5,750	15	
Insurance	14,506	6,900	(7,606)	115,053	62,100	(52,953)	12,784	6,900	(5,884)	
Management Contract	4,590	4,551	(39)	39,745	39,862	117	4,416	4,429	13	
Tennis (net)	6,953	6,550	(403)	50,349	58,950	8,601	5,594	6,550	956	
IT Services	405	1,333	928	10,584	11,997	1,413	1,176	1,333	157	
Café	2,120	2,500	380	30,759	31,000	241	3,418	3,444	27	
Events (net)	100	667	567	2,904	6,003	3,099	323	667	344	
Retail (net)	(446)	-	446	(1,154)	-	1,154	(128)	-	128	
Other	(4,045)	783	4,828	(33,985)	7,047	41,032	(3,776)	783	4,559	
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Total	321,620	331,403	9,783	3,078,961	3,168,848	89,887	342,107	352,094	9,987	
Per Unit										
Bulk Cable	95.98	95.95	(0.02)	863.77	863.56	(0.21)	95.97	95.95	(0.02)	
Administration	43.45	39.71	(3.74)	335.94	361.67	25.73	37.33	40.19	2.86	
Replacement Reserves	-	-	-	269.63	269.63	-	29.96	29.96	-	
Maintenance	27.44	28.29	0.85	247.21	253.08	5.87	27.47	28.12	0.65	
Food and Beverage	47.02	49.46	2.45	289.87	303.65	13.77	32.21	33.74	1.53	
Utilities	14.25	15.39	1.14	161.00	152.33	(8.67)	17.89	16.93	(0.96)	
Amenity Access	8.44	11.10	2.66	85.43	97.64	12.22	9.49	10.85	1.36	
Landscaping	7.86	10.03	2.17	82.76	92.42	9.66	9.20	10.27	1.07	
Member Services	7.47	7.75	0.27	72.47	77.26	4.79	8.05	8.58	0.53	
Pool	4.31	6.60	2.29	46.62	59.43	12.81	5.18	6.60	1.42	
Entertainment	3.32	4.58	1.27	45.04	45.16	0.12	5.00	5.02	0.01	
Insurance	12.66	6.02	(6.64)	100.40	54.19	(46.21)	11.16	6.02	(5.13)	
Management Contract	4.00	3.97	(0.03)	34.68	34.78	0.10	3.85	3.86	0.01	
Tennis (net)	6.07	5.72	(0.35)	43.93	51.44	7.51	4.88	5.72	0.83	
IT Services	0.35	1.16	0.81	9.24	10.47	1.23	1.03	1.16	0.14	
Café	1.85	2.18	0.33	26.84	27.05	0.21	2.98	3.01	0.02	
Events (net)	0.09	0.58	0.49	2.53	5.24	2.70	0.28	0.58	0.30	
Retail (net)	(0.39)	-	0.39	(1.01)	-	1.01	(0.11)	-	0.11	
Other	(3.53)	0.68	4.21	(29.66)	6.15	35.80	(3.30)	0.68	3.98	
Total	280.65	289.18	8.54	2,686.70	2,765.14	78.44	298.52	307.24	8.72	
IUlai	200.05	203.10	0.54	2,000.70	2,705.14	/0.44	230.32	307.24	0.72	