

Paseo Master Association
Treasurer's Report
Based on Unaudited March 31, 2021 Financial Statements (HOA meeting of April 21, 2021)

The Paseo HOA had an operating surplus of \$836,393 which is \$186,558 in excess of the minimum recommended by our professionals (two months of 2021 assessments).

The replacement reserves were \$1,306,163 at 12.31.20 and decreased to \$1,291,725 as of 3.31.21. Assessments of \$90,000 along with interest of \$132 were added to the reserves. Total expenditures of (\$104,571) 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 \$82,500 were added to the fund. Special projects of (\$13,717) were expensed leaving a balance of \$204,938 as of 3.31.21. Please note there have been several closings remitted since 3.31.21 (20) and there are currently 40 pending sales.

For the month, the association had an income of \$50,196 against a budget of \$11,527 for a positive variance of \$38,669. Food and beverage exceeded budget by \$9,661. Salaries, excluding food and beverage, exceeded budget by \$14,573. Entertainment, which was over do to moving events budget in March to January was under budget by \$5,720. Year-to-date entertainment is only (\$614) over budget.

For the year, the association had an income of \$158,135 against a budget of \$24,102 for a positive variance of \$134,033. Food and beverage exceeded budget by \$61,891. Salaries, excluding food and beverage, exceeded budget by \$38,328. We have seen positive variances in electricity and water (\$5,402) and building repairs (\$7,467) due to the work of the maintenance committee. We are also under budget in pool repairs by \$6,000, but we are going to replace one motor and upgrade two others that will bring the expense closer to budget in April.

For the year, food and beverage had a direct loss of (\$17,401) against a budget of (\$79,292) for a positive variance of \$61,891. Salaries were under budget by \$44,611 and supplies by \$21,058. It's my understanding that we got our first "rebate" due to the group purchasing program in April and we are also under budget in credit card fees by \$3,187 due to a similar program.

Paseo Master HOA
Working Capital Fund

| | | | |
|---|----------|---------|----------------|
| Balance as of 12.31.20 | | | 136,155 |
| Closings (sales) 2021 | 55 | 1,500 | 82,500 |
| 2020/2021 Projects | Paid | O/S | |
| Lift for LED basketball project | (364) | | (364) |
| Landscaping upgrades at the VC | (6,446) | (2,224) | (8,669) |
| Wireless microphones - theater | (2,649) | | (2,649) |
| Extra weight for the strength machines | (2,260) | | (2,260) |
| Gym rowing machine | (1,998) | | (1,998) |
| Bar stools for Bistro serving table | | (5,000) | (5,000) |
| Available balance 3.31.21 | (13,717) | (7,224) | 197,714 |
| Closings since prior month end | 23 | 1,500 | 34,500 |
| Pending properties | 38 | 1,500 | 57,000 |
| Estimated additional 2021 sales | - | 1,500 | - |
| Working capital estimate for 2021 | | | <u>289,214</u> |
| Priority items | | | |
| Restructure serving station (Tiki) | | | 25,000 |
| Walk-in freezer - Tiki kitchen | | | 50,000 |
| Tiki kitchen AC | | | 10,000 |
| Asphalt, fencing and landscaping at BB/PB court | | | 15,000 |
| WordPress (mypaseo.life) | | | 10,000 |
| Additional parking by tennis courts 5 and 6 | | | 30,000 |
| Transfer to replacement reserves | | | 100,000 |
| | | | <u>240,000</u> |

Paseo Master HOA
Income Statement
As of 03.31.21

| | Current Month | | | Year to Date | | |
|---|---------------|---------|----------|--------------|-----------|----------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| Master dues | 294,700 | 294,700 | - | 884,100 | 884,100 | - |
| Reserve dues | - | - | - | 90,000 | 90,000 | - |
| Interest income | 73 | 125 | (52) | 800 | 375 | 425 |
| Events | - | - | - | - | - | - |
| Retail items | 3,291 | 500 | 2,791 | 11,748 | 4,500 | 7,248 |
| Amenities and other | 1,468 | 1,030 | 438 | 3,923 | 3,090 | 833 |
| Food and beverage | 158,925 | 175,200 | (16,275) | 403,784 | 436,600 | (32,816) |
| Capital assessments | 13,353 | | 13,353 | 13,717 | | 13,717 |
| Income | 471,810 | 471,555 | 255 | 1,408,072 | 1,418,665 | (10,593) |
| Legal | 1,020 | 500 | (520) | 1,371 | 1,500 | 130 |
| Other administrative | 5,664 | 5,958 | 294 | 16,608 | 17,750 | 1,142 |
| Bulk Cable | 101,655 | 101,708 | 53 | 304,964 | 305,123 | 158 |
| Utilities (other) | 16,811 | 19,219 | 2,408 | 50,720 | 56,564 | 5,844 |
| Contracts | 4,780 | 6,385 | 1,605 | 17,030 | 19,155 | 2,125 |
| Insurance | 5,504 | 6,085 | 581 | 16,659 | 17,239 | 580 |
| Lifestyle park | - | 75 | 75 | - | 225 | 225 |
| Cost of sales | 59,041 | 69,893 | 10,852 | 144,766 | 173,803 | 29,038 |
| Food and beverage supplies | 26,440 | 30,287 | 3,847 | 56,135 | 77,193 | 21,058 |
| Entertainment | 5,730 | 11,450 | 5,720 | 24,339 | 23,725 | (614) |
| Other amenities | 9,918 | 9,253 | (665) | 28,090 | 27,759 | (331) |
| Retail items | 4,063 | 500 | (3,563) | 10,095 | 4,500 | (5,595) |
| Pool (other) | 3,913 | 6,020 | 2,108 | 11,738 | 18,060 | 6,323 |
| Landscaping | 10,082 | 11,268 | 1,186 | 28,458 | 33,804 | 5,346 |
| Maintenance | 6,499 | 8,476 | 1,977 | 15,551 | 25,528 | 9,977 |
| Payroll | | | | - | | |
| Food and beverage | 78,149 | 89,386 | 11,237 | 220,285 | 264,896 | 44,611 |
| Member services | 8,452 | 10,289 | 1,837 | 27,368 | 30,231 | 2,863 |
| Pool monitor | 5,596 | 14,994 | 9,398 | 16,924 | 44,445 | 27,521 |
| Administration | 36,237 | 37,592 | 1,355 | 105,098 | 104,373 | (725) |
| Maintenance | 18,708 | 20,691 | 1,983 | 50,023 | 58,691 | 8,668 |
| Capital reserves | - | - | - | 90,000 | 90,000 | - |
| Capital projects | 13,353 | - | (13,353) | 13,717 | - | (13,717) |
| Expenses | 421,614 | 460,029 | 38,414 | 1,249,937 | 1,394,564 | 144,626 |
| Net Income (loss) - normal operations | 50,196 | 11,527 | 38,669 | 158,135 | 24,102 | 134,033 |
| Unusual items | | | | | | |
| Cash recognition of working capital assessments | 19,647 | | 19,647 | 68,783 | | 68,783 |
| Net Income (loss) per KW statements | 69,843 | 11,527 | 58,316 | 226,918 | 24,102 | 202,817 |
| Working Capital projects | | | | | | |
| Lift for LED basketball project | | | - | 364 | | (364) |
| Landscaping upgrades at the VC | 6,446 | | (6,446) | 6,446 | | (6,446) |
| Wireless microphones - theater | 2,649 | | (2,649) | 2,649 | | (2,649) |
| Extra weight for the strength machines | 2,260 | | (2,260) | 2,260 | | (2,260) |
| Gym rowing machine | 1,998 | | (1,998) | 1,998 | | (1,998) |
| | 13,353 | - | (13,353) | 13,717 | - | (13,717) |

Parsec Master 110A
Food and Beverage
As of 03.11.21

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Paseo Master HOA
Working Capital Fund

| | | | |
|---|----------|---------|----------------|
| Balance as of 12.31.20 | | | 136,155 |
| Closings (sales) 2021 | 55 | 1,500 | 82,500 |
| 2020/2021 Projects | Paid | O/S | |
| Lift for LED basketball project | (364) | | (364) |
| Landscaping upgrades at the VC | (6,446) | (2,224) | (8,669) |
| Wireless microphones - theater | (2,649) | | (2,649) |
| Extra weight for the strength machines | (2,260) | | (2,260) |
| Gym rowing machine | (1,998) | | (1,998) |
| Bar stools for Bistro serving table | | (5,000) | (5,000) |
| Available balance 3.31.21 | (13,717) | (7,224) | 197,714 |
| Closings since prior month end | 24 | 1,500 | 36,000 |
| Pending properties | 39 | 1,500 | 58,500 |
| Estimated additional 2021 sales | - | 1,500 | - |
| Working capital estimate for 2021 | | | <u>292,214</u> |
| Priority items | | | |
| Restructure serving station (Tiki) | | | 25,000 |
| Walk-in freezer - Tiki kitchen | | | 50,000 |
| Tiki kitchen AC | | | 10,000 |
| Asphalt, fencing and landscaping at BB/PB court | | | 15,000 |
| WordPress (mypaseo.life) | | | 10,000 |
| Additional parking by tennis courts 5 and 6 | | | 30,000 |
| Transfer to replacement reserves | | | 100,000 |
| | | | <u>240,000</u> |

Paseo Master HOA
Cost by Service
As of 03.31.21

| | Current Month | | | Year to Date | | | Average per Month | | |
|----------------------|----------------|----------------|---------------|----------------|----------------|----------------|-------------------|----------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Actual | Budget | Variance |
| Bulk Cable | 101,655 | 101,708 | 53 | 304,964 | 305,123 | 158 | 101,655 | 101,708 | 53 |
| Administration | 42,921 | 44,050 | 1,129 | 123,077 | 123,623 | 546 | 41,026 | 41,208 | 182 |
| Replacement Reserves | - | - | - | 90,000 | 90,000 | - | 30,000 | 30,000 | - |
| Maintenance | 25,207 | 29,167 | 3,960 | 65,574 | 84,219 | 18,645 | 21,858 | 28,073 | 6,215 |
| Food and Beverage | 4,705 | 14,366 | 9,661 | 17,401 | 79,292 | 61,891 | 5,800 | 26,431 | 20,630 |
| Utilities | 16,811 | 19,219 | 2,408 | 50,720 | 56,564 | 5,844 | 16,907 | 18,855 | 1,948 |
| Amenity Access | 5,596 | 14,994 | 9,398 | 16,924 | 44,445 | 27,521 | 5,641 | 14,815 | 9,174 |
| Landscaping | 10,082 | 11,268 | 1,186 | 28,458 | 33,804 | 5,346 | 9,486 | 11,268 | 1,782 |
| Member Services | 8,452 | 10,289 | 1,837 | 27,368 | 30,231 | 2,863 | 9,123 | 10,077 | 954 |
| Pool | 3,913 | 6,020 | 2,108 | 11,738 | 18,060 | 6,323 | 3,913 | 6,020 | 2,108 |
| Entertainment | 5,730 | 11,450 | 5,720 | 24,339 | 23,725 | (614) | 8,113 | 7,908 | (205) |
| Insurance | 5,504 | 6,085 | 581 | 16,659 | 17,239 | 580 | 5,553 | 5,746 | 193 |
| Management Contract | 4,172 | 4,185 | 13 | 12,517 | 12,555 | 38 | 4,172 | 4,185 | 13 |
| Tennis (net) | 4,038 | 4,620 | 582 | 12,509 | 13,860 | 1,351 | 4,170 | 4,620 | 450 |
| IT Services | 405 | 2,000 | 1,595 | 3,915 | 6,000 | 2,085 | 1,305 | 2,000 | 695 |
| Café | 3,747 | 2,500 | (1,247) | 9,628 | 7,500 | (2,128) | 3,209 | 2,500 | (709) |
| Events (net) | 268 | 500 | 233 | 2,216 | 1,500 | (716) | 739 | 500 | (239) |
| Retail (net) | 772 | - | (772) | (1,653) | - | 1,653 | (551) | - | 551 |
| Other | 527 | 753 | 226 | (388) | 2,259 | 2,647 | (129) | 753 | 882 |
| Total | 244,504 | 283,174 | 38,669 | 815,965 | 949,999 | 134,033 | 271,988 | 316,666 | 44,678 |
| Per Unit | | | | | | | | | |
| Bulk Cable | 88.70 | 88.75 | 0.05 | 266.11 | 266.25 | 0.14 | 88.70 | 88.75 | 0.05 |
| Administration | 37.45 | 38.44 | 0.99 | 107.40 | 107.87 | 0.48 | 35.80 | 35.96 | 0.16 |
| Replacement Reserves | - | - | - | 78.53 | 78.53 | - | 26.18 | 26.18 | - |
| Maintenance | 22.00 | 25.45 | 3.46 | 57.22 | 73.49 | 16.27 | 19.07 | 24.50 | 5.42 |
| Food and Beverage | 4.11 | 12.54 | 8.43 | 15.18 | 69.19 | 54.01 | 5.06 | 23.06 | 18.00 |
| Utilities | 14.67 | 16.77 | 2.10 | 44.26 | 49.36 | 5.10 | 14.75 | 16.45 | 1.70 |
| Amenity Access | 4.88 | 13.08 | 8.20 | 14.77 | 38.78 | 24.02 | 4.92 | 12.93 | 8.01 |
| Landscaping | 8.80 | 9.83 | 1.04 | 24.83 | 29.50 | 4.67 | 8.28 | 9.83 | 1.56 |
| Member Services | 7.38 | 8.98 | 1.60 | 23.88 | 26.38 | 2.50 | 7.96 | 8.79 | 0.83 |
| Pool | 3.41 | 5.25 | 1.84 | 10.24 | 15.76 | 5.52 | 3.41 | 5.25 | 1.84 |
| Entertainment | 5.00 | 9.99 | 4.99 | 21.24 | 20.70 | (0.54) | 7.08 | 6.90 | (0.18) |
| Insurance | 4.80 | 5.31 | 0.51 | 14.54 | 15.04 | 0.51 | 4.85 | 5.01 | 0.17 |
| Management Contract | 3.64 | 3.65 | 0.01 | 10.92 | 10.96 | 0.03 | 3.64 | 3.65 | 0.01 |
| Tennis (net) | 3.52 | 4.03 | 0.51 | 10.92 | 12.09 | 1.18 | 3.64 | 4.03 | 0.39 |
| IT Services | 0.35 | 1.75 | 1.39 | 3.42 | 5.24 | 1.82 | 1.14 | 1.75 | 0.61 |
| Café | 3.27 | 2.18 | (1.09) | 8.40 | 6.54 | (1.86) | 2.80 | 2.18 | (0.62) |
| Events (net) | 0.23 | 0.44 | 0.20 | 1.93 | 1.31 | (0.62) | 0.64 | 0.44 | (0.21) |
| Retail (net) | 0.67 | - | (0.67) | (1.44) | - | 1.44 | (0.48) | - | 0.48 |
| Other | 0.46 | 0.66 | 0.20 | (0.34) | 1.97 | 2.31 | (0.11) | 0.66 | 0.77 |
| Total | 213.35 | 247.10 | 33.74 | 712.01 | 828.97 | 116.96 | 237.34 | 276.32 | 38.99 |