

**Paseo Master Association
Treasurer's Report**

Based on Unaudited July 31, 2020 Financial Statements (HOA meeting of August 19, 2020)

The Paseo HOA had an operating surplus of \$588,299 at 12.31.19 and it has increase by \$594,604 to \$1,182,903 as of 7.31.20. This large increase is due to operations of \$168,960, charging the Hotwire rate while we were still under contract with Comcast of \$105,307 and Hotwire free service of \$320,337.

The replacement reserves were \$679,756 at 12.31.19 and decreased to \$574,938 as of 7.31.20. Assessments of \$313,956 along with interest of \$2,988 were added to the reserves. Total expenditures of (\$421,762) were charged against the reserves during the calendar year.

The working capital fund was \$86,684 at 12.31.19. Year to date capital contributions of \$103,500 were added to the fund. (\$117,435) of special projects were expensed leaving a balance of \$72,749 as of 7.31.20. The board has additional approved projects that have not been funded yet for an estimated (\$34,245).

For the month, the association had an income of \$113,762 against a budget of \$89,750 for a positive variance of \$24,012. Food and beverage missed budget by (\$112). Utilities were under budget by \$3,832 and non-food and beverage labor by \$17,863.

For the year, the association had an income of \$582,682 against a budget of \$429,951 for a positive variance of \$152,731. Food and beverage missed budget by (\$12,443), maintenance (including labor) exceeded budget by \$42,303 and administration (including labor) exceeded budget by \$37,770. Most other departments were under budget due to the reduction in operations due to Covid-19.

For the year, food and beverage had a direct loss of (\$224,996) against a budget of (\$212,553) for a negative variance of (\$12,443).

Please note that KW and our auditors have determined that Paseo will not record any expense for the five free months of Hotwire service that started on April 21, 2020. We have elected to show the budget variances as if we didn't budget the imputed expense for bulk cable. The actual budget variance has been and will be considerably higher than what is reported in the treasurer's report.

Paseo Master HOA
Balance Sheet
As of 07.31.20

	Operating	Working Capital	Capital Reserves	Total
Cash	1,756,650	72,749	572,886	2,402,285
Due to/from	-			-
Other receivables	2,655			2,655
Deposits				-
Other current assets	106,659		2,052	108,711
Current assets	1,865,964	72,749	574,938	2,513,651
Deferred revenue	(575,042)			(575,042)
Current liabilities	(108,019)			(108,019)
Working capital surplus	1,182,903	72,749	574,938	1,830,590
Fixed assets (net)	22,888			22,888
Fund balance	1,205,791	72,749	574,938	1,853,478
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Fund balance				
Beginning Balance	623,109	86,684	679,756	1,389,550
Net Income (loss)	582,682			582,682
Collected		103,500	313,956	417,456
Interest			2,988	2,988
Capital projects		(117,435)	(421,762)	(539,198)
Fund balance	1,205,791	72,749	574,938	1,853,478
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Current surplus				
Surplus	1,205,791			
Less fixed assets	(22,888)			
Available surplus	1,182,903			

Paseo Master HOA
Income Statement
As of 07.31.20

	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Master dues	287,521	287,521	0	2,012,649	2,012,647	2
Reserve dues	104,652	104,652	-	313,956	313,956	-
Interest income	639	500	139	6,386	3,500	2,886
Events	-	100	(100)	-	10,900	(10,900)
Retail items	943	-	943	8,398	5,000	3,398
Amenities and other	1,313	1,223	90	7,428	8,561	(1,133)
Food and beverage	46,478	59,381	(12,903)	512,834	750,167	(237,333)
Capital assessments	-	-	-	117,435	-	117,435
Income	441,546	453,377	(11,831)	2,979,087	3,104,731	(125,644)
Legal	-	3,000	3,000	2,120	21,000	18,880
Other administrative	5,023	6,327	1,304	34,580	44,289	9,709
Bulk Cable	-	-	-	249,308	247,035	(2,273)
Utilities (other)	17,776	20,157	2,381	120,407	138,784	18,377
Contracts	4,095	6,397	2,302	38,045	44,779	6,734
Insurance	5,578	5,522	(56)	37,820	38,654	834
Lifestyle park	-	208	208	-	1,456	1,456
Cost of sales	19,075	23,428	4,353	208,626	297,223	88,597
Food and beverage supplies	12,178	13,215	1,037	99,405	146,264	46,859
Entertainment	2,200	1,900	(300)	27,890	40,250	12,360
Other amenities	7,184	8,441	1,257	60,436	73,335	12,899
Retail items	492	-	(492)	1,379	5,000	3,621
Pool (other)	3,913	7,404	3,492	32,675	51,828	19,153
Landscaping	19,685	10,951	(8,734)	90,069	76,657	(13,412)
Maintenance	8,056	8,885	829	60,867	62,745	1,878
Payroll	-	-	-	-	-	-
Food and beverage	52,763	60,163	7,400	429,799	519,233	89,434
Member services	2,763	8,004	5,241	47,185	62,780	15,595
Pool monitor	6,920	10,917	3,997	59,609	75,112	15,503
Administration	35,908	38,252	2,344	237,419	246,599	9,180
Maintenance	17,820	24,101	6,281	115,454	155,880	40,426
Capital reserves	104,652	104,652	-	313,956	313,956	-
Depreciation	1,703	1,703	(0)	11,922	11,921	(1)
Capital projects	-	-	-	117,435	-	(117,435)
Expenses	327,784	363,627	35,843	2,396,405	2,674,780	278,375
Net Income (loss) - normal operations	113,762	89,750	24,012	582,682	429,951	152,731
Unusual items	-	-	-	-	-	-
Change in accounting for Hotwire free service	-	96,097	96,097	-	320,337	320,337
Net Income (loss) per KW statements	113,762	(6,347)	120,109	582,682	109,614	473,068

Paseo Master HOA
Working Capital Fund

Balance as of 12.31.19			86,684
Closings (sales) 2020	69	1,500	103,500
2020 Projects	Paid	O/S	
LED lighting project	(554)		(554)
LED Tiki lighting	(6,330)		(6,330)
Acoustic panels for the pub	(3,183)		(3,183)
Door between the kitchen and bistro	(1,182)		(1,182)
Aerobic pac dumbbells	(1,214)		(1,214)
Spa Barber chairs (3)	(746)		(746)
Eversafe storage building	(13,833)		(13,833)
Bocce shade structures	(12,190)	(12,191)	(24,380)
Landscaping bocce/shed	(4,770)		(4,770)
Firepit (net)	(3,217)		(3,217)
Retaining wall stone	(4,250)		(4,250)
Power wash circle drive	(7,150)		(7,150)
Emergency lighting	(11,311)		(11,311)
Sound system antenna kit	(571)		(571)
Fix low spot in pavers (circle)	(6,000)		(6,000)
Convert kiddie splash pad to geothermal	(6,906)		(6,906)
Pickleball lines	(1,413)		(1,413)
Tennis fencing repairs	(8,550)		(8,550)
Pickleball ball fencing repairs	(2,850)		(2,850)
Furniture removal (dumpsters)	(3,285)		(3,285)
Café and ice cream cabinets	(6,998)	(1,364)	(8,362)
Lagoon pool additional lighting	(1,213)	(55)	(1,269)
2nd pool table	(2,000)		(2,000)
Level pavers and fix pool deck draining issues	-	(7,000)	(7,000)
Variable Frequency Drives	(7,721)	(7,721)	(15,442)
Infrared tiki heaters	-	(5,278)	(5,278)
Available balance 07.31.20	(117,435)	(33,609)	39,139
Sales since prior month end	6	1,500	9,000
Pending properties as of 8.16.20	13	1,500	19,500
Anticipated additional home sales 2020	10	1,500	15,000
Working capital available			82,639
Funding of capital projects:			
Bar stools for Bistro serving table			(4,607)
Anticipated balance 12.31.20			78,032

Paseo Master HOA
Food and Beverage
As of 07.31.20

	Month-to-Date			Year-to-Date			07.31.19			2017				
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Change		Actual	Actual	Actual	Budget	
Food Sales	19,823	29,125	(9,302)	269,321	399,125	(129,804)	388,028	(118,707)	-30.6%	572,330	561,133	582,215	604,750	
Bar Sales	26,655	30,256	(3,601)	243,513	357,042	(113,529)	345,871	(102,358)	-29.6%	481,545	513,011	530,384	546,322	
Total Sales	46,478	59,381	(12,903)	512,834	750,167	(237,333)	733,898	(221,064)	-30.1%	1,053,875	1,074,144	1,112,599	1,151,072	
Cost of goods sold														
Food	10,174	12,233	2,059	126,833	165,116	38,283	178,122	51,288	28.8%	229,819	223,887	260,861	253,995	
Bar	8,901	11,195	2,294	81,793	132,107	50,314	123,524	41,731	33.8%	154,887	191,627	192,433	202,139	
Total COGS	19,075	23,428	4,353	208,626	297,223	88,597	301,646	93,020	30.8%	384,707	415,514	453,293	456,134	
Supplies	12,178	13,215	1,037	99,405	146,264	46,859	135,913	36,508	26.9%	193,379	221,200	237,628	229,408	
Labor	52,763	60,163	7,400	429,799	519,233	89,434	506,796	76,997	15.2%	930,803	811,841	841,451	856,848	
Total direct expenses	84,015	96,806	12,791	737,830	962,720	224,890	944,355	206,525	21.9%	1,508,888	1,448,556	1,532,372	1,542,390	
Direct loss	(37,537)	(37,425)	(112)	(224,996)	(212,553)	(12,443)	(210,457)	(14,539)	6.9%	(455,013)	(374,411)	(419,773)	(391,318)	
Direct cost recovery	55.3%	61.3%	-6.0%	69.5%	77.9%	-8.4%	77.7%			69.8%	74.2%	72.6%	74.6%	
Cost of goods sold														
Food	51.3%	42.0%	-9.3%	47.1%	42.0%	-5.1%	45.9%			40.2%	39.9%	44.8%	42.0%	
Bar	33.4%	37.0%	3.6%	33.6%	37.0%	3.4%	35.7%			32.2%	37.4%	36.3%	37.0%	
Total	41.0%	39.5%	-1.6%	40.7%	39.6%	-1.1%	41.1%			36.5%	38.7%	40.7%	39.6%	
Supplies	26.2%	22.3%	-3.9%	19.4%	19.5%	0.1%	18.5%			18.3%	20.6%	21.4%	19.9%	
Labor	113.5%	101.3%	-12.2%	83.8%	69.2%	-14.6%	69.1%			88.3%	75.6%	75.6%	74.4%	
Food			0.00			0.00								
Rate			(1,848)			(13,716)								
Volume			3,907			51,999								
Bar			962			8,308								
Rate			1,332			42,006								
Volume														
COGS Variance			4,353			88,597								

Paseo Master HOA
Cost by Service
As of 07.31.20

	Current Month			Year to Date			Average per Month		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Bulk Cable	-	-	-	249,308	247,035	(2,273)	35,615	35,291	(325)
Administration	40,930	47,579	6,649	274,118	311,888	37,770	39,160	44,555	5,396
Replacement Reserves	104,652	104,652	-	313,956	313,956	-	44,851	44,851	-
Maintenance	25,877	37,986	7,109	176,322	218,625	42,303	25,189	31,232	6,043
Food and Beverage	37,537	37,425	(112)	224,996	212,553	(12,443)	32,142	30,365	(1,778)
Utilities	17,776	20,157	2,381	120,407	138,784	18,377	17,201	19,826	2,625
Amenity Access	6,920	10,917	3,997	59,609	75,112	15,503	8,516	10,730	2,215
Landscaping	19,685	10,951	(8,734)	90,069	76,657	(13,412)	12,867	10,951	(1,916)
Member Services	2,763	8,004	5,241	47,185	62,780	15,595	6,741	8,969	2,228
Pool	3,913	7,404	3,492	32,675	51,828	19,153	4,668	7,404	2,736
Entertainment	2,200	1,900	(300)	27,890	40,250	12,360	3,984	5,750	1,766
Insurance	5,578	5,522	(56)	37,820	38,654	834	5,403	5,522	119
Management Contract	3,497	3,497	(0)	24,482	24,479	(3)	3,497	3,497	(0)
Tennis (net)	4,023	4,608	585	30,361	31,504	1,143	4,337	4,501	163
IT Services	405	2,700	2,295	12,222	18,900	6,678	1,746	2,700	954
Café	797	1,500	703	14,108	14,000	(108)	2,015	2,000	(15)
Events (net)	617	400	(217)	9,155	4,100	(5,055)	1,308	586	(722)
Retail (net)	(451)	-	451	(7,019)	-	7,019	(1,003)	-	1,003
Other	(11)	518	529	(5,662)	3,626	9,288	(809)	518	1,327
Total	276,708	300,720	24,012	1,732,001	1,884,731	152,730	247,429	269,247	21,819
Per Unit									
Bulk Cable	-	-	-	217.55	215.56	(1.98)	31.08	30.79	(0.28)
Administration	35.72	41.52	5.80	239.20	272.15	32.96	34.17	38.88	4.71
Replacement Reserves	91.32	91.32	-	273.96	273.96	-	39.14	39.14	-
Maintenance	22.58	28.78	6.20	153.86	190.77	36.91	21.98	27.25	5.27
Food and Beverage	32.76	32.66	(0.10)	196.33	185.47	(10.86)	28.05	26.50	(1.55)
Utilities	15.51	17.59	2.08	105.07	121.10	16.04	15.01	17.30	2.29
Amenity Access	6.04	9.53	3.49	52.01	65.54	13.53	7.43	9.36	1.93
Landscaping	17.18	9.56	(7.62)	78.59	66.89	(11.70)	11.23	9.56	(1.67)
Member Services	2.41	6.98	4.57	41.17	54.78	13.61	5.88	7.83	1.94
Pool	3.41	6.46	3.05	28.51	45.23	16.71	4.07	6.46	2.39
Entertainment	1.92	1.66	(0.26)	24.34	35.12	10.79	3.48	5.02	1.54
Insurance	4.87	4.82	(0.05)	33.00	33.73	0.73	4.71	4.82	0.10
Management Contract	3.05	3.05	(0.00)	21.36	21.36	(0.00)	3.05	3.05	(0.00)
Tennis (net)	3.51	4.02	0.51	26.49	27.49	1.00	3.78	3.93	0.14
IT Services	0.35	2.36	2.00	10.66	16.49	5.83	1.52	2.36	0.83
Café	0.70	1.31	0.61	12.31	12.22	(0.09)	1.76	1.75	(0.01)
Events (net)	0.54	0.35	(0.19)	7.99	3.58	(4.41)	1.14	0.51	(0.63)
Retail (net)	(0.39)	-	0.39	(6.12)	-	6.12	(0.87)	-	0.87
Other	(0.01)	0.45	0.46	(4.94)	3.16	8.10	(0.71)	0.45	1.16
Total	241.46	262.41	20.95	1,511.34	1,644.62	133.27	215.91	234.95	19.04