

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

For the six months ended December 31, 2021, **the net income before depreciation is \$246,838 better than plan;** \$175,665 income versus a planned loss of (\$71,173). The positive variance is approximately 28% related to better than planned revenue and 72% due to lower operating expenses, primarily related to lower wages due to staffing shortages and in some cases purposeful delays in hiring.

Operating Revenue is \$69,517 or 3.05%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined ~ \$57,000 above plan. RV Overnight space income is ~\$12,500 over plan related to higher-than-expected summer occupancy rate.

Operating Expenses are \$177,325 or 7.5 % better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below. Overall, Employee Benefits, Payroll Taxes and Workers Comp insurance are \$46,100 better than plan, which is primarily reflective of less than planned staffing. These costs are allocated directly to the various departments and are not shown separately, but account for approximately 26% of the overall expense savings.

Activities is ~ \$51,000 better than plan: ~\$18,000 due to delay in hiring two janitorial positions; \$23,000 savings due to a delay in seasonal janitorial contracted services; and approximately \$11,100 less in employee benefit/tax allocations.

Security is ~\$35,000 better than plan primarily related to less than planned staffing (~\$29,000) and therefore lower than planned benefit/payroll tax allocations (~\$10,000).

Maintenance is ~\$38,000 better than plan, of which approximately half is related to less than planned headcount/ wage savings, partially offset by additional recruiting costs. Other miscellaneous timing differences generally comprise the balance of savings.

Landscaping is ~\$26,000 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Utilities are ~ \$17,000 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season. Electricity is \$5,400 better than plan, but these savings are offset by higher natural gas of \$6,200.

Accounts Receivable

The Owner Accounts Receivable balance at month end is \$6,291. Two accounts owe more than one quarterly assessment. **The total Accounts Receivable balance represents 0.49% of the quarterly assessment, compared to 0.37% for the same period last year.**

Reserve Fund

See the accompanying Revenue and Expense statement for the Reserve Fund for a listing of year-to-date expenditures.

The Reserve Fund balance is \$1,146,920 at month end.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	12/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,033,221	1,147,876	82,082	2, 263, 179
Owner HOA Dues Receivables	6,291			6, 291
Prepaid Expenses & Other	21,258			21, 258
149999.00 - Interfund Due From / (To)	955	(955)		
Fixed Assets - Net	9,395,748			9, 395, 748
<u>Total Assets</u>	<u>10,457,471</u>	<u>1,146,920</u>	<u>82,082.00</u>	<u>11,686,473.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	57,752			57, 752
Prepaid Assessments	451,485			451, 485
RV Overnight & Storage Reservation Deposits	19,184			19, 184
200150.00 - Unearned Marketing Revenue	134,090			134, 090
200300.00 - Insurance Settlement Proceeds Reserved for R	1,603			1, 603
Other Payables	288			288
200030.00 - Wages Payable	62,543			62, 543
200025.00 - Accrued Vacation & PTO	212,831			212, 831
<u>Total Liabilities</u>	<u>939,776</u>	<u>0</u>	<u>0.00</u>	<u>939,776.00</u>
<u>Fund Balance</u>				
Net Income	175,667	296,442	22	472, 131
Fund Balances	9,342,028	850,478	82,060	10, 274, 566
<u>Total Fund Balances</u>	<u>9,517,695</u>	<u>1,146,920</u>	<u>82,082.00</u>	<u>10,746,697.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	12/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>10,457,471</u>	<u>1,146,920</u>	<u>82,082.00</u>	<u>11,686,473.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 12/01/2021 to 12/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	349,800	349,800		2,098,800	2,098,800	
Owner Fees	3,352	5,520	(2,168)	17,607	15,664	1,943
Transfer & Disclosure Fees	14,500	4,680	9,820	41,360	15,120	26,240
Other Service Fees	5,387	7,005	(1,618)	15,986	20,670	(4,684)
RV Overnight Space Rentals	17,467	15,500	1,967	55,358	42,800	12,558
Vehicle Storage	3,037	2,500	537	27,267	26,750	517
Real Estate Office Rental	9,689	3,800	5,889	47,085	16,100	30,985
Century Link Marketing Program	3,371	3,615	(244)	20,171	20,190	(19)
Laundry Operations	1,468	1,918	(450)	4,991	6,264	(1,273)
Water Vending Machines	1,610	1,250	360	3,855	2,850	1,005
Other Income	510	135	375	10,723	8,207	2,516
Interest Income	161	120	41	1,196	1,061	135
Retail Sales	763	1,219	(456)	3,110	3,515	(406)
Total Revenue	411,115	397,062	14,053	2,347,509	2,277,991	69,517

Expenses

Association	9,430	13,380	3,950	92,422	93,590	1,168
Administration	62,391	59,785	(2,606)	373,967	367,755	(6,212)
Activities	59,395	67,729	8,335	303,506	354,976	51,471
Security	55,430	61,336	5,906	347,316	382,439	35,124
Maintenance	49,145	53,420	4,275	239,443	277,207	37,764
Landscaping	7,142	11,772	4,630	142,789	168,490	25,702

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 12/01/2021 to 12/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	15,962	28,401	12,439	120,666	154,390	33,724
Pool	6,815	7,239	424	51,736	48,258	(3,478)
Waste Disposal	13,407	11,121	(2,286)	69,894	56,398	(13,496)
Irrigation	5,029	4,338	(691)	32,824	30,377	(2,447)
Laundry Operations	369	550	181	897	1,650	753
Payroll Taxes, Insurance & Other Benefits	2		(2)			1
Utilities	72,138	73,041	903	352,106	369,356	17,250
Common Element Capital Purchases \$90,000 limit	1,601	1,601		20,730	20,730	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	358,256	393,713	35,458	2,171,844	2,349,164	177,325
Net Income	52,859	3,349	49,510	175,665	(71,173)	246,838

Venture Out at Mesa Inc.
Revenues and Expenses Statement - Reserve Fund
From 07/01/2021 to 12/31/2021

Current Period

Revenues

Reserve Assessment Income	472,230.00
Interest Income - Reserve Fund	1,061.34

Total Revenue	473,291.34
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Expenses

Maintenance - Electrical Contracted Services	5,200.00
Pavement: Crack Seal/Repair	1,400.00
Pavement - Striiping	11,550.00
Concrete: Sidewalks	8,538.00
Common Area Pole Lights - Large	65,472.07
Common Area Backflow Valves	986.98
Common Area - 312 Aero Drainage	2,973.00
Pickleball Courts 1-4	10,000.00
Pickleball Courts 5-6	4,500.00
Pickleball Courts 7-8	4,708.00
West Pool Replacement	19,392.50
EPC Pool Pool Lift	516.47
EPC Water Heaters	3,855.83
Community Cntr Elevator Equipment	13,191.00
Bathhouse 3 Remodel/Replace	10,036.18
Bathhouse 5 Remodel/Replace	5,297.40
Bathhouse 8 Fixtures/Plumbing/Water Heater	1,432.51
Oasis Bldg HVAC	7,800.00

Total Expense	176,849.94
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Net Income	296,441.40
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Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 12/01/2021 to 12/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	78,705	78,705		472,230	472,230	
Interest Income						
Interest Income - Reserve Fund	194		194	1,061		1,061
TOTAL Interest Income	<u>194</u>		<u>194</u>	<u>1,061</u>		<u>1,061</u>
Total Revenue	78,899	78,705	194	473,291	472,230	1,061
<u>Expenses</u>						
Maintenance	5,200		(5,200)	5,200		(5,200)
Unspent Reserve Contingency Expenses					46,484	46,484
Pavement-Asphalt	11,550		(11,550)	12,950	9,200	(3,750)
Concrete Gutters, Sidewalks & Drives						
Concrete: Sidewalks	8,538		(8,538)	8,538		(8,538)
TOTAL Concrete Gutters, Sidewalks & Drives	<u>8,538</u>		<u>(8,538)</u>	<u>8,538</u>		<u>(8,538)</u>
Common Area				69,432	90,220	20,788
West Pool				19,393	24,240	4,848
EPC Pool						
EPC Pool Pool Lift				516		(516)
TOTAL EPC Pool				<u>516</u>		<u>(516)</u>
EPC Clubhouse						

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 12/01/2021 to 12/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
EPC Water Heaters				3,856		(3,856)
TOTAL EPC Clubhouse				3,856		(3,856)
Community Center						
Community Cntr HVAC					4,900	4,900
Community Cntr Elevator Equipment	3,358		(3,358)	13,191		(13,191)
TOTAL Community Center	3,358		(3,358)	13,191	4,900	(8,291)
Bathhouse 3						
Bathhouse 3 Remodel/Replace	8,861		(8,861)	10,036		(10,036)
TOTAL Bathhouse 3	8,861		(8,861)	10,036		(10,036)
Bathhouse 5						
Bathhouse 5 Remodel/Replace				5,297	5,340	43
TOTAL Bathhouse 5				5,297	5,340	43
Bathhouse 8						
Bathhouse 8 Fixtures/Plumbing/Water Heater				1,433		(1,433)
TOTAL Bathhouse 8				1,433		(1,433)
TOTAL Bathhouses	8,861		(8,861)	16,766	5,340	(11,426)
Oasis Building						
Oasis Bldg HVAC				7,800		(7,800)
TOTAL Oasis Building				7,800		(7,800)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 12/01/2021 to 12/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Total Expense	37,507	0	(37,507)	176,850	198,884	22,035
Net Income	41,392	78,705	(37,313)	296,441	273,346	23,095

FINANCIAL RESULTS FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2021

For the five months ended November 30, 2021, **the net income before depreciation is \$197,148 better than plan;** \$122,626 income versus a planned loss of (\$74,522). The positive variance is approximately 25% related to better than planned revenue and 75% due to lower operating expenses, primarily related to lower than planned wages due to staffing shortages and in some cases purposeful delays in hiring.

Operating Revenue is \$55,465 or 2.9%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined ~ \$41,000 above plan. RV Overnight space income is \$10,600 over plan related to higher-than-expected summer occupancy rate.

Operating Expenses are \$141,686 or 9.3 % better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below. Overall, Employee Benefits, Payroll Taxes and Workers Comp insurance are \$40,695 better than plan, which is primarily reflective of less than planned staffing. These costs are allocated directly to the various departments and are not shown separately, but account for approximately 28% of the overall expense savings.

Activities is ~ \$43,000 better than plan: ~\$15,000 due to delay in hiring two janitorial positions; \$17,100 savings due to a delay in seasonal janitorial contracted services; and approximately \$11,600 less in employee benefit/tax allocations.

Security is ~\$29,000 better than plan primarily related to less than planned staffing (~\$25,000) and therefore lower than planned benefit/payroll tax allocations (~\$8,400).

Maintenance is ~\$33,000 better than plan, of which approximately half is related to less than planned headcount/ wage savings, partially offset by additional recruiting costs. Other miscellaneous timing differences generally comprise the balance of savings.

Landscaping is ~\$21,000 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Utilities are ~ \$16,000 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season. Electricity is \$3,600 better than plan, but these savings are offset by higher natural gas of \$4,300.

Accounts Receivable

The Owner Accounts Receivable balance at month end is \$14,584. Three accounts owe more than one quarterly assessment. **The total Accounts Receivable balance represents 1.13% of the quarterly assessment, compared to .54% for the same period last year.**

Reserve Fund

See the accompanying Revenue and Expense statement for the Reserve Fund for a listing of year-to-date expenditures.

The Reserve Fund balance is \$1,105,529 at month end.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	11/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,105,620	1,185,189	82,079	2, 372, 888
Owner HOA Dues Receivables	14,584			14, 584
Prepaid Expenses & Other	23,583			23, 583
Interfund Due From / (To)	955	(955)		
Fixed Assets - Net	9,395,748			9, 395, 748
<u>Total Assets</u>	<u>10,540,489</u>	<u>1,184,234</u>	<u>82,079.00</u>	<u>11,806,802.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	62,347			62, 347
Prepaid Assessments	226,864			226, 864
RV Overnight & Storage Reservation Deposits	22,043			22, 043
Unearned Marketing Revenue	137,005			137, 005
Insurance Settlement Proceeds Reserved for Repair Contr	1,603			1, 603
Other Payables	796			796
Wages Payable	62,543			62, 543
Accrued Vacation & PTO	212,831			212, 831
Deferred Revenue	349,800	78,705		428, 505
<u>Total Liabilities</u>	<u>1,075,832</u>	<u>78,705</u>	<u>0.00</u>	<u>1,154,537.00</u>
<u>Fund Balance</u>				
Net Income	122,628	255,051	18	377, 697
Fund Balances	9,342,029	850,478	82,061	10, 274, 568
<u>Total Fund Balances</u>	<u>9,464,657</u>	<u>1,105,529</u>	<u>82,079.00</u>	<u>10,652,265.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	11/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>10,540,489</u>	<u>1,184,234</u>	<u>82,079.00</u>	<u>11,806,802.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 11/01/2021 to 11/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	349,800	349,800		1,749,000	1,749,000	
Owner Fees	7,901	3,473	4,428	14,255	10,144	4,111
Transfer & Disclosure Fees	9,000	2,880	6,120	26,860	10,440	16,420
Other Service Fees	5,538	5,745	(207)	10,600	13,665	(3,065)
RV Overnight Space Rentals	14,099	11,000	3,099	37,892	27,300	10,592
Vehicle Storage	8,563	8,900	(337)	24,230	24,250	(20)
Real Estate Office Rental	13,169	2,200	10,969	37,396	12,300	25,096
Century Link Marketing Program	3,386	3,315	71	16,800	16,575	225
Laundry Operations	992	2,533	(1,541)	3,523	4,346	(824)
Water Vending Machines	1,221	650	571	2,245	1,600	645
Other Income	371	486	(115)	10,213	8,072	2,141
Interest Income	190	160	30	1,035	941	94
Retail Sales	1,124	1,024	100	2,346	2,296	50
Total Revenue	415,354	392,166	23,188	1,936,395	1,880,929	55,465

Expenses

Association	14,639	11,305	(3,334)	82,991	80,210	(2,781)
Administration	57,616	54,798	(2,818)	311,573	307,970	(3,603)
Activities	56,550	62,914	6,364	244,113	287,247	43,134
Security	50,513	54,689	4,176	291,885	321,103	29,218
Maintenance	38,749	47,723	8,974	190,298	223,787	33,489
Landscaping	5,210	13,414	8,204	135,647	156,718	21,072

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 11/01/2021 to 11/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	19,763	27,575	7,812	104,704	125,989	21,285
Pool	9,780	8,472	(1,308)	44,921	41,019	(3,902)
Waste Disposal	18,410	9,744	(8,666)	56,667	45,277	(11,390)
Irrigation	4,975	5,785	810	27,794	26,039	(1,755)
Laundry Operations		250	250	528	1,100	572
Payroll Taxes, Insurance & Other Benefits	1		(1)			1
Utilities	69,314	64,893	(4,421)	279,971	296,315	16,345
Common Element Capital Purchases \$90,000 limit				19,129	19,129	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	345,520	361,562	16,042	1,813,769	1,955,451	141,686
Net Income	69,834	30,604	39,230	122,626	(74,522)	197,148

Venture Out at Mesa Inc.
Revenues and Expenses Statement - Reserve Fund
From 07/01/2021 to 11/30/2021

Current Period

Revenues

Reserve Assessment Income	393,525.00
Interest Income - Reserve Fund	867.61

Total Revenue	394,392.61
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Expenses

Pavement: Crack Seal/Repair	1,400.00
Common Area Pole Lights - Large	65,472.07
Common Area Backflow Valves	986.98
Common Area - 312 Aero Drainage	2,973.00
Pickleball Courts 1-4	10,000.00
Pickleball Courts 5-6	4,500.00
Pickleball Courts 7-8	4,708.00
West Pool Replacement	19,392.50
EPC Pool Pool Lift	516.47
EPC Water Heaters	3,855.83
Community Cntr Elevator Equipment	9,833.00
Bathhouse 3 Remodel/Replace	1,174.80
Bathhouse 5 Remodel/Replace	5,297.40
Bathhouse 8 Fixtures/Plumbing/Water Heater	1,432.51
Oasis Bldg HVAC	7,800.00

Total Expense	139,342.56
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Net Income	255,050.05
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Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 11/01/2021 to 11/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	78,705	78,705		393,525	393,525	
Interest Income						
Interest Income - Reserve Fund	189		189	868		868
TOTAL Interest Income	<u>189</u>		<u>189</u>	<u>868</u>		<u>868</u>
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Total Revenue	78,894	78,705	189	394,393	393,525	868

Expenses

Unspent Reserve Contingency Expenses					75,000	75,000
Pavement-Asphalt				1,400	9,200	7,800
Common Area				69,432	90,220	20,788
West Pool	16,580		(16,580)	19,393	24,240	4,848
EPC Pool	516		(516)	516		(516)
EPC Clubhouse	3,856		(3,856)	3,856		(3,856)
Community Center	9,833		(9,833)	9,833	4,900	(4,933)
Bathhouse 3	1,175		(1,175)	1,175		(1,175)
Bathhouse 5				5,297	5,340	43
Bathhouse 8	1,433		(1,433)	1,433		(1,433)
TOTAL Bathhouses	<u>2,608</u>		<u>(2,608)</u>	<u>7,905</u>	<u>5,340</u>	<u>(2,565)</u>
Oasis Building				7,800		(7,800)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 11/01/2021 to 11/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Total Expense	33,393	0	(33,393)	139,343	227,400	88,058
Net Income	45,501	78,705	(33,204)	255,050	166,125	88,925

FINANCIAL RESULTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2021

For the four months ended October 31, 2021, **the net income before depreciation is \$157,909 better than plan**; \$52,783 income versus a planned loss of (\$105,126). The positive variance is approximately 20% related to better than planned revenue and 80% due to lower operating expenses, primarily related to lower than planned wages due to staffing shortages and in some cases purposeful delays in hiring.

Operating Revenue is \$32,278 or 2.1%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined \$24,400 above plan. RV Overnight space income is \$7,500 over plan related to higher-than-expected summer occupancy rate.

Operating Expenses are \$125,636 or 7.9 % better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below. Overall, Employee Benefits, Payroll Taxes and Workers Comp insurance are \$33,567 better than plan, which is primarily reflective of less than planned staffing. These costs are allocated directly to the various departments and are not shown separately, but account for approximately 26% of the overall expense savings.

Activities is approximately \$36,800 better than plan: ~\$20,000 due to delay in hiring two janitorial positions; \$8,500 savings due to a delay in seasonal janitorial contracted services; and approximately \$9,900 less in employee benefit/tax allocations.

Security is ~\$25,000 better than plan primarily related to less than planned staffing (~\$20,000) and therefore lower than planned benefit/payroll tax allocations (~\$7,200).

Maintenance is ~\$24,500 better than plan, of which approximately half is related to less than planned headcount/ wage savings and therefore less than less than benefit/tax costs and half related to timing differences.

Utilities are ~ \$20,800 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season. Electricity is \$2,650 better than plan, but these savings are offset by higher natural gas of \$1,193.

Accounts Receivable

The Owner Accounts Receivable balance as of October 31, 2021, is \$30,253. No accounts owe more than one quarterly assessment, exclusive of any accrued collection costs. **The total Accounts Receivable balance represents 2.35% of the quarterly assessment, compared to 1.50% for the same period last year.**

Reserve Fund

The reserved fund expended \$5,297 on redwood bench replacements in Bath House 5 in July. In September the final lighting contract payment was made to Brycon of \$65,742 and \$2,813 was paid to Aqua Design re West Pool replacement work. In September \$7,800 was spent on a new HVAC system for the Oasis building and \$2,973 towards the 312 Aero drainage project. In October, \$21,595 was spent, primarily related to resurfacing the Pickleball Courts. See the accompanying Rev and Expense statement for the Reserve Fund.

The Reserve Fund balance is \$1,060,028 as of October 31.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	10/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,458,679	1,216,702	82,075	2, 757, 456
Owner HOA Dues Receivables	30,253			30, 253
Prepaid Expenses & Other	22,534			22, 534
Interfund Due From / (To)	(736)	736		
Fixed Assets - Net	9,395,748			9, 395, 748
<u>Total Assets</u>	<u>10,906,478</u>	<u>1,217,438</u>	<u>82,075.00</u>	<u>12,205,991.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	59,788			59, 788
Prepaid Assessments	185,162			185, 162
RV Overnight & Storage Reservation Deposits	34,043			34, 043
Unearned Marketing Revenue	139,920			139, 920
Insurance Settlement Proceeds Reserved for Repair Contr	29,487			29, 487
Other Payables	563			563
Accrued Expenses	87,722			87, 722
Wages Payable	62,543			62, 543
Accrued Vacation & PTO	212,831			212, 831
Deferred Revenue	699,600	157,410		857, 010
<u>Total Liabilities</u>	<u>1,511,659</u>	<u>157,410</u>	<u>0.00</u>	<u>1,669,069.00</u>
<u>Fund Balance</u>				
Net Income	52,787	209,549	15	262, 351
Fund Balances	9,342,032	850,479	82,060	10, 274, 571

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	10/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Fund Balances</u>	<u>9,394,819</u>	<u>1,060,028</u>	<u>82,075.00</u>	<u>10,536,922.00</u>
<u>Total Liabilities and Fund Balances</u>	<u>10,906,478</u>	<u>1,217,438</u>	<u>82,075.00</u>	<u>12,205,991.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 10/01/2021 to 10/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	349,800	349,800		1,399,200	1,399,200	
Owner Fees	1,475	3,886	(2,411)	6,354	6,671	(317)
Transfer & Disclosure Fees	7,500	3,240	4,260	17,860	7,560	10,300
Other Service Fees	2,930	5,369	(2,439)	5,061	7,920	(2,859)
RV Overnight Space Rentals	5,370	10,000	(4,630)	23,793	16,300	7,493
Vehicle Storage	10,229	11,200	(971)	15,667	15,350	317
Real Estate Office Rental	12,369	4,500	7,869	24,227	10,100	14,127
Century Link Marketing Program	3,360	3,315	45	13,414	13,260	154
Laundry Operations	1,002	619	383	2,531	1,813	718
Water Vending Machines	513	400	113	1,025	950	75
Other Income	2,771	828	1,943	9,842	7,586	2,256
Interest Income	204	220	(16)	845	781	64
Retail Sales	911	798	113	1,222	1,272	(50)
Total Revenue	398,434	394,175	4,259	1,521,041	1,488,763	32,278

Expenses

Association	19,099	21,141	2,042	68,351	68,905	554
Administration	81,209	91,546	10,337	253,959	253,172	(787)
Activities	63,023	82,120	19,097	187,563	224,333	36,770
Security	66,539	75,192	8,653	241,373	266,414	25,041
Maintenance	38,986	45,372	6,386	151,550	176,064	24,515
Landscaping	30,773	38,890	8,117	130,437	143,304	12,868

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 10/01/2021 to 10/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	23,359	33,505	10,146	84,941	98,414	13,473
Pool	9,957	10,386	429	35,143	32,547	(2,595)
Waste Disposal	13,048	11,739	(1,309)	38,258	35,533	(2,725)
Irrigation	7,472	6,131	(1,341)	22,820	20,254	(2,566)
Laundry Operations	190	50	(140)	528	850	322
Payroll Taxes, Insurance & Other Benefits				1		
Utilities	54,148	57,554	3,406	210,657	231,422	20,765
Common Element Capital Purchases \$90,000 limit	3,070	3,070		19,129	19,129	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	410,873	476,696	65,823	1,468,258	1,593,889	125,636
Net Income	(12,439)	(82,521)	70,082	52,783	(105,126)	157,909

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 10/01/2021 to 10/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Revenues						
Assessments						
Reserve Assessment Income	78,705	78,705		314,820	314,820	
TOTAL Assessments	<u>78,705</u>	<u>78,705</u>		<u>314,820</u>	<u>314,820</u>	
Interest Income						
Interest Income - Reserve Fund	185		185	678		678
TOTAL Interest Income	<u>185</u>		<u>185</u>	<u>678</u>		<u>678</u>
Total Revenue	78,890	78,705	185	315,498	314,820	678
Expenses						
Unspent Reserve Contingency Expenses						
					75,000	75,000
Pavement-Asphalt						
Pavement: Crack Seal/Repair	1,400		(1,400)	1,400		(1,400)
Pavement - Striping					9,200	9,200
TOTAL Pavement-Asphalt	<u>1,400</u>		<u>(1,400)</u>	<u>1,400</u>	<u>9,200</u>	<u>7,800</u>
Common Area						
Common Area Pole Lights - Large				65,472	60,220	(5,252)
Common Area Backflow Valves	987		(987)	987		(987)
Common Area - 312 Aero Drainage				2,973	30,000	27,027
TOTAL Common Area	<u>987</u>		<u>(987)</u>	<u>69,432</u>	<u>90,220</u>	<u>20,788</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 10/01/2021 to 10/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Pickleball						
Pickleball Courts 1-4	10,000		(10,000)	10,000	10,000	
Pickleball Courts 5-6	4,500		(4,500)	4,500	4,500	
Pickleball Courts 7-8	4,708		(4,708)	4,708	4,000	(708)
TOTAL Pickleball	<u>19,208</u>		<u>(19,208)</u>	<u>19,208</u>	<u>18,500</u>	<u>(708)</u>
TOTAL Sporting Facilities	<u>19,208</u>		<u>(19,208)</u>	<u>19,208</u>	<u>18,500</u>	<u>(708)</u>
West Pool						
West Pool Replacement				2,813	24,240	21,428
TOTAL West Pool				<u>2,813</u>	<u>24,240</u>	<u>21,428</u>
Community Center						
Community Cntr HVAC					4,900	4,900
TOTAL Community Center					<u>4,900</u>	<u>4,900</u>
Bathhouse 5						
Bathhouse 5 Remodel/Replace				5,297	5,340	43
TOTAL Bathhouse 5				<u>5,297</u>	<u>5,340</u>	<u>43</u>
TOTAL Bathhouses				<u>5,297</u>	<u>5,340</u>	<u>43</u>
Oasis Building						
Oasis Bldg HVAC				7,800		(7,800)
TOTAL Oasis Building				<u>7,800</u>		<u>(7,800)</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 10/01/2021 to 10/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Total Expense	21,595	0	(21,595)	105,950	227,400	121,451
Net Income	57,295	78,705	(21,410)	209,548	87,420	122,128

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

For the three months ended September 30, 2021, **the net income before depreciation is \$87,832 better than plan;** \$65,227 income versus a planned loss of (\$22,605). The positive variance is approximately 30% related to better than planned revenue and 70% due to lower operating expenses, primarily related to lower than planned wages due to staffing shortages and in some cases purposeful delays in hiring.

Operating Revenue is \$28,018 or 2.5%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined \$12,300 above plan. RV Overnight space income is \$12,100 over plan related to an unexpected 50+% occupancy rate.

Operating Expenses are \$59,816 or 5.5 % better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below.

Activities is approximately \$17,600 better than plan: ~\$14,000 due to delay in hiring two janitorial positions and \$7,000 related to lower than planned benefit/payroll tax allocations due to less than planned headcount and payroll.

Security is \$16,400 better than plan primarily related to less than planned staffing and therefore lower than planned benefit/payroll tax allocations.

Maintenance is ~\$18,000 better than plan, of which approximately half is related to less than planned headcount/ wage savings and therefore less than less than benefit/tax costs and half related to timing differences.

Utilities are ~ \$17,300 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season.

Accounts Receivable

The Owner Accounts Receivable balance as of September 30, 2021, is \$8,697. Three accounts have been referred to legal counsel for continued collection efforts. **The total Accounts Receivable balance represents .67% of the quarterly assessment, compared to .43% for the same period last year.**

Reserve Fund

The reserved fund expended \$5,297 on redwood bench replacements in Bath House 5 in July. In September the final lighting contract payment was made to Brycon of \$65,742 and \$2,813 was paid to Aqua Design re West Pool replacement work. In September \$7,800 was spent on a new HVAC system for the Oasis building and \$2,973 towards the 312 Aero drainage project. See the accompanying Revenue and Expense statement for the Reserve Fund.

The Reserve Fund balance is \$1,002,733 as of September 30.

Venture Out at Mesa, Inc.

Balance Sheet as of 09/30/2021

	Operating Fund	Reserve Fund	Recreation Activities Fund	Consolidated
Assets				
Cash	\$ 1,047,300	\$ 999,610	\$ 82,072	\$ 2,128,982
Owner HOA Dues Receivables	8,697			8,697
Prepaid Expenses & Other	66,411			66,411
Interfund Due From / (To)	(3,123)	3,123		-
Fixed Assets - Net	9,394,993			9,394,993
Total Assets	\$ 10,514,278	\$ 1,002,733	\$ 82,072	\$ 11,599,083
Liabilities				
Accounts Payable	43,095			43,095
Prepaid HOA Assessments	489,635			489,635
RV Overnight & Storage Reservation Deposits	39,188			39,188
Unearned Marketing Revenue	142,835			142,835
Insurance Settlement Proceeds Reserved for Repair Contract	29,487			29,487
Other Payables	153			153
Accrued Expenses	87,258			87,258
Wages Payable	62,543			62,543
Accrued Vacation & PTO	212,831			212,831
Total Liabilities	\$ 1,107,025	\$ -	\$ -	\$ 1,107,025
Fund Balances				
Net Income	65,228	152,255	12	217,495
Beginning Fund Balances	9,342,025	850,478	82,060	10,274,563
Total Fund Balances	\$ 9,407,253	\$ 1,002,733	\$ 82,072	\$ 10,492,058
Total Liabilities and Fund Balances	\$ 10,514,278	\$ 1,002,733	\$ 82,072	\$ 11,599,083

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 09/01/2021 to 09/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Revenues						
Assessments	349,800	349,800		1,049,400	1,049,400	
Owner Fees	1,486	168	1,318	4,879	2,785	2,094
Transfer & Disclosure Fees	5,000	1,440	3,560	10,360	4,320	6,040
Other Service Fees	939	1,435	(496)	2,131	2,551	(420)
RV Overnight Space Rentals	7,034	4,000	3,034	18,423	6,300	12,123
Vehicle Storage	2,526	1,350	1,176	5,438	4,150	1,288
Real Estate Office Rental	3,430	1,200	2,230	11,858	5,600	6,258
Century Link Marketing Program	3,367	3,315	52	10,054	9,945	109
Laundry Operations	384	211	173	1,528	1,194	334
Water Vending Machines	205	200	5	512	550	(38)
Other Income	2,386	1,642	744	7,071	6,758	313
Interest Income	180	211	(31)	641	561	80
Retail Sales	168	211	(43)	311	474	(163)
Total Revenue	376,905	365,183	11,722	1,122,606	1,094,588	28,018

Expenses

Association	25,195	24,106	(1,089)	49,251	47,764	(1,487)
Administration	59,753	50,231	(9,521)	172,750	161,626	(11,124)
Activities	47,026	51,234	4,208	124,541	142,213	17,672
Security	52,938	60,638	7,700	174,832	191,222	16,390
Maintenance	55,749	57,222	1,473	112,564	130,692	18,128
Landscaping	22,377	19,460	(2,917)	99,664	104,414	4,751

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 09/01/2021 to 09/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	19,858	22,044	2,186	61,581	64,909	3,328
Pool	9,296	6,966	(2,330)	25,185	22,161	(3,024)
Waste Disposal	8,672	6,560	(2,112)	25,210	23,794	(1,416)
Irrigation	5,166	4,339	(827)	15,347	14,123	(1,224)
Laundry Operations		500	500	338	800	462
Payroll Taxes, Insurance & Other Benefits	1		(1)	(3)		3
Utilities	50,902	56,418	5,516	156,512	173,868	17,356
Common Element Capital Purchases \$90,000 limit	16,059	16,059		16,059	16,059	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	372,992	375,777	2,786	1,057,379	1,117,193	59,816
Net Income	3,913	(10,594)	14,507	65,227	(22,605)	87,832

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 09/01/2021 to 09/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	78,705	78,705		236,115	236,115	
Interest Income						
Interest Income - Reserve Fund	162		162	494		494
TOTAL Interest Income	<u>162</u>		<u>162</u>	<u>494</u>		<u>494</u>
<hr/>						
Total Revenue	78,867	78,705	162	236,609	236,115	494

Expenses

Unspent Reserve Contingency Expenses					75,000	75,000
Pavement-Asphalt					9,200	9,200
Common Area						
Common Area Community Signs						
Common Area Pole Lights - Large				65,472	60,220	(5,252)
Common Area Pole Lights - Small						
Common Area Solar Panels/Inverters						
Common Area Block Walls						
Common Area Backflow Valves						
Common Area Isolation Valves						
Common Area Water/Sewer Pipes						
Common Area Gate Operating Equipment						
Common Area Surveillance Equipment						
Common Area Nachos Storage						

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 09/01/2021 to 09/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Common Area - 312 Aero Drainage	2,973		(2,973)	2,973	30,000	27,027
TOTAL Common Area	2,973		(2,973)	68,445	90,220	21,775
West Pool				2,813	24,240	21,428
Community Center					4,900	4,900
Bathhouse 5				5,297	5,340	43
TOTAL Bathhouses				5,297	5,340	43
Oasis Building						
Oasis Bldg HVAC	7,800		(7,800)	7,800		(7,800)
TOTAL Oasis Building	7,800		(7,800)	7,800		(7,800)
Total Expense	10,773	0	(10,773)	84,355	227,400	143,046
Net Income	68,094	78,705	(10,611)	152,254	8,715	143,539

FINANCIAL RESULTS FOR THE TWO MONTHS ENDED AUGUST 31, 2021

For the two months ended August 31, 2021, **the net income before depreciation is \$78,998 better than plan;** \$66,986 income versus a planned loss of (\$12,012). The positive variance is approximately 20% related to better than planned revenue and 80% due to lower operating expenses, primarily related to lower than planned wages due to staffing shortages and in some cases purposeful delays in hiring.

Operating Revenue is \$15,796 or 2.1%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined \$6,500 above plan. RV Overnight space income is \$9,100 over plan related to an unexpected 50+% occupancy rate.

Operating Expenses are \$63,205 or 8.5 %better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below.

Activities is approximately \$9,500 better than plan: ~\$5,000 due to delay in hiring two janitorial positions and \$8,000 related to lower than planned benefit/payroll tax allocations due to less than planned headcount and payroll.

Security is \$10,200 better than plan primarily related to less than planned staffing and therefore lower than planned benefit/payroll tax allocations.

Maintenance is ~\$20,000 better than plan, of which approximately half is related to less than planned headcount/ wage savings and therefore less than less than benefit/tax costs and half related to timing differences.

Utilities are ~ \$11,800 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season.

Accounts Receivable

The Owner Accounts Receivable balance as of August 31, 2021, is \$15,635. Three accounts have been referred to legal counsel for continued collection efforts. **The total Accounts Receivable balance represents 1.2% of the quarterly assessment, which is equal to 1.2% for the same period last year.**

Reserve Fund

The reserved fund expended \$5,297 on redwood bench replacements in Bath House 5 in July. In August the final lighting contract payment was made to Brycon of \$65,742 and \$2,813 was paid to Aqua Design re West Pool replacement work. No other expenditures were incurred in the month.

The Reserve Fund balance is \$850,478 as of August 31.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	08/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,392,022	1,013,033	96,261	2, 501, 316
Owner HOA Dues Receivables	15,635			15, 635
Prepaid Expenses & Other	15,100			15, 100
Interfund Due From / (To)	13,882	311	(14,192)	
Fixed Assets - Net	9,394,206			9, 394, 206
<u>Total Assets</u>	<u>10,830,845</u>	<u>1,013,344</u>	<u>82,069.00</u>	<u>11,926,257.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	54,585			54, 585
Prepaid Assessments	279,041			279, 041
RV Overnight & Storage Reservation Deposits	42,234			42, 234
Unearned Marketing Revenue	145,750			145, 750
Insurance Settlement Proceeds Reserved for Repair Contr	68,345			68, 345
Other Payables	71			71
Accrued Expenses	206,626			206, 626
Wages Payable	62,543			62, 543
Accrued Vacation & PTO	212,831			212, 831
Deferred Revenue	349,800	78,705		428, 505
<u>Total Liabilities</u>	<u>1,421,826</u>	<u>78,705</u>	<u>0.00</u>	<u>1,500,531.00</u>
<u>Fund Balance</u>				
Net Income	66,988	84,161	8	151, 157
Fund Balances	9,342,031	850,478	82,061	10, 274, 569

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	08/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Fund Balances</u>	9,409,019	934,639	82,069.00	10,425,726.00
<u>Total Liabilities and Fund Balances</u>	10,830,845	1,013,344	82,069.00	11,926,257.00

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 08/01/2021 to 08/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Revenues						
Assessments	349,800	349,800		699,600	699,600	
Owner Fees	(428)	(128)	(300)	3,393	2,617	776
Transfer & Disclosure Fees	2,500	1,800	700	5,360	2,880	2,480
Other Service Fees	339	325	14	1,192	1,116	76
RV Overnight Space Rentals	6,342	1,700	4,642	11,389	2,300	9,089
Vehicle Storage	2,694	1,800	894	2,913	2,800	113
Real Estate Office Rental	4,436	2,700	1,736	8,428	4,400	4,028
Century Link Marketing Program	3,518	3,315	203	6,686	6,630	56
Laundry Operations	848	357	491	1,144	983	161
Water Vending Machines	202	150	52	307	350	(43)
Other Income	2,769	3,510	(741)	4,185	5,116	(931)
Interest Income	229	150	79	461	350	111
Retail Sales	70	114	(44)	143	263	(120)
Total Revenue	373,319	365,593	7,726	745,201	729,405	15,796

Expenses

Association	15,342	13,905	(1,439)	24,056	23,659	(397)
Administration	57,185	49,311	(7,873)	111,388	111,395	7
Activities	39,662	45,099	5,437	77,420	90,979	13,559
Security	55,352	54,648	(703)	121,091	130,584	9,493
Maintenance	26,346	38,478	12,132	53,478	73,470	19,992
Landscaping	9,366	11,883	2,517	77,288	84,954	7,668

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 08/01/2021 to 08/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	17,443	21,636	4,193	41,390	42,865	1,475
Pool	5,625	8,133	2,508	15,889	15,195	(694)
Waste Disposal	7,950	9,268	1,318	16,538	17,234	696
Irrigation	5,167	5,181	14	10,181	9,784	(397)
Laundry Operations	160	50	(110)	338	300	(38)
Payroll Taxes, Insurance & Other Benefits	(1)		1	(1)		1
Utilities	48,925	58,802	9,877	105,611	117,450	11,839
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	288,522	316,394	27,872	678,215	741,417	63,205
Net Income	84,797	49,199	35,598	66,986	(12,012)	78,998

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 08/01/2021 to 08/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	78,705	78,705		157,410	157,410	
Interest Income						
Interest Income - Reserve Fund	170		170	332		332
TOTAL Interest Income	<u>170</u>		<u>170</u>	<u>332</u>		<u>332</u>
Total Revenue	78,875	78,705	170	157,742	157,410	332

Expenses

Unspent Reserve Contingency Expenses					75,000	75,000
Pavement-Asphalt					9,200	9,200
Common Area						
Common Area Community Signs						
Common Area Pole Lights - Large	65,472		(65,472)	65,472	60,220	(5,252)
Common Area Pole Lights - Small						
Common Area Solar Panels/Inverters						
Common Area Block Walls						
Common Area Backflow Valves						
Common Area Isolation Valves						
Common Area Water/Sewer Pipes						
Common Area Gate Operating Equipment						
Common Area Surveillance Equipment						
Common Area Nachos Storage						

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 08/01/2021 to 08/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Common Area - 312 Aero Drainage					30,000	30,000
TOTAL Common Area	65,472		(65,472)	65,472	90,220	24,748
West Pool	2,813		(2,813)	2,813	24,240	21,428
Community Center						
Community Cntr HVAC					4,900	4,900
TOTAL Community Center					4,900	4,900
Bathhouse 5						
Bathhouse 5 Remodel/Replace				5,297	5,340	43
TOTAL Bathhouse 5				5,297	5,340	43
TOTAL Bathhouses				5,297	5,340	43
Total Expense	68,285	0	(68,285)	73,582	227,400	153,819
Net Income	10,590	78,705	(68,115)	84,160	(69,990)	154,150

FINANCIAL RESULTS FOR THE ONE MONTH ENDED JULY 31, 2021

For the one month ended July 31, 2021, **the net loss before depreciation is \$43,400 better than plan;** (\$17,810) loss versus a planned loss of (\$61,210). The positive variance is approximately 20% related to better than planned revenue and 80% due to lower operating expenses, primarily related to lower than planned wages.

Operating Revenue is \$8,069 or 3.0%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined \$3,300 above plan. RV Overnight space income is \$4,400 over plan related to an unexpected 50% occupancy rate.

Operating Expenses are \$35,332 or 8.3 %better than plan and are primarily related to less than planned staff expenses in Activities, Security and Maintenance. Material departmental expense variances are discussed below.

Admin budget savings of \$7,900: \$1,800 lower wages due to less than planned hours worked, plus \$2,500 planned spending completed in prior fiscal year and \$3,200 in likely timing differences.

Activities is approximately \$8,100 better than plan: ~\$6,000 due to delay in hiring two janitorial positions.

Security is \$10,200 better than plan: \$8,000 related to less hours worked than plan and approx. \$3,000 in timing differences.

Maintenance is \$7,900 better than plan, of which ~\$4,000 is related to wage savings due to less than planned hours and approximately \$4,000 related to timing differences.

Accounts Receivable

The Owner Accounts Receivable balance as of July 31, 2021, is \$42,040. As of August 11, 2021, three accounts have been referred to legal counsel for continued collection efforts. **The total Accounts Receivable balance represents 3.3% of the quarterly assessment, compared to 2.7% for the same period last year.**

Reserve Fund

The reserved fund expended \$5,297 on redwood bench replacements in Bath House 5, as was planned. No other expenditures were incurred in the month. The Reserve Fund balance is \$924,000 at July 31.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	07/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,613,475	1,078,335	96,257	2, 788, 068
Owner HOA Dues Receivables	42,040			42, 040
Prepaid Expenses & Other	14,195			14, 195
Interfund Due From / (To)	11,069	3,123	(14,192)	
Fixed Assets - Net	10,800,932			10, 800, 932
<u>Total Assets</u>	12,481,711	1,081,458	82,065.00	13,645,234.00
<u>Liabilities</u>				
Accounts Payable - Net Total	41,700			41, 700
Prepaid Assessments	254,531			254, 531
RV Overnight & Storage Reservation Deposits	44,328			44, 328
Unearned Marketing Revenue	148,665			148, 665
Insurance Settlement Proceeds Reserved for Repair Contr	68,345			68, 345
Other Payables	(51)			(51)
Accrued Expenses	204,770			204, 770
Wages Payable	76,043			76, 043
Accrued Vacation & PTO	212,831			212, 831
Deferred Revenue	699,600	157,410		857, 010
<u>Total Liabilities</u>	1,750,762	157,410	0.00	1,908,172.00
<u>Fund Balance</u>				
Net Income	(17,808)	73,570	4	55, 766
Fund Balances	10,748,757	850,478	82,061	11, 681, 296

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	07/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Fund Balances</u>	<u>10,730,949</u>	<u>924,048</u>	<u>82,065.00</u>	<u>11,737,062.00</u>
<u>Total Liabilities and Fund Balances</u>	<u>12,481,711</u>	<u>1,081,458</u>	<u>82,065.00</u>	<u>13,645,234.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 07/01/2021 to 07/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	349,800	349,800		349,800	349,800	
Owner Fees	3,820	2,745	1,075	3,820	2,745	1,075
Transfer & Disclosure Fees	2,860	1,080	1,780	2,860	1,080	1,780
Other Service Fees	853	791	62	853	791	62
RV Overnight Space Rentals	5,047	600	4,447	5,047	600	4,447
Vehicle Storage	218	1,000	(782)	218	1,000	(782)
Real Estate Office Rental	3,992	1,700	2,292	3,992	1,700	2,292
Century Link Marketing Program	3,169	3,315	(147)	3,169	3,315	(147)
Laundry Operations	296	626	(330)	296	626	(330)
Water Vending Machines	106	200	(94)	106	200	(94)
Other Income	1,416	1,606	(190)	1,416	1,606	(190)
Interest Income	232	200	32	232	200	32
Retail Sales	73	149	(76)	73	149	(76)
Total Revenue	371,882	363,812	8,069	371,882	363,812	8,069

Expenses

Association	8,711	9,753	1,040	8,711	9,753	1,040
Administration	54,203	62,084	7,881	54,203	62,084	7,881
Activities	37,757	45,880	8,124	37,757	45,880	8,124
Security	65,741	75,936	10,195	65,741	75,936	10,195
Maintenance	27,133	34,992	7,859	27,133	34,992	7,859
Landscaping	67,921	73,071	5,151	67,921	73,071	5,151

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 07/01/2021 to 07/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Janitorial	23,947	21,229	(2,718)	23,947	21,229	(2,718)
Pool	10,265	7,062	(3,202)	10,265	7,062	(3,202)
Waste Disposal	8,588	7,966	(622)	8,588	7,966	(622)
Irrigation	5,014	4,603	(411)	5,014	4,603	(411)
Laundry Operations	177	250	73	177	250	73
Payroll Taxes, Insurance & Other Benefits						
Utilities	56,687	58,648	1,961	56,687	58,648	1,961
Bathhouse 3 Repipe/Relining - Op Fund	23,548	23,548	1	23,548	23,548	1
Total Expense	389,692	425,022	35,332	389,692	425,022	35,332
Net Income	(17,810)	(61,210)	43,400	(17,810)	(61,210)	43,400

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 07/01/2021 to 07/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	78,705	78,705		78,705	78,705	
Interest Income	162		162	162		162
Total Revenue	78,867	78,705	162	78,867	78,705	162
<u>Expenses</u>						
Unspent Reserve Contingency Expenses		75,000	75,000		75,000	75,000
Pavement-Asphalt						
Pavement - Striping		9,200	9,200		9,200	9,200
TOTAL Pavement-Asphalt		9,200	9,200		9,200	9,200
Common Area						
Common Area Pole Lights - Large		60,220	60,220		60,220	60,220
Common Area - 312 Aero Drainage		30,000	30,000		30,000	30,000
TOTAL Common Area		90,220	90,220		90,220	90,220
Pickleball						
Pickleball Courts 1-4		10,000	10,000		10,000	10,000
Pickleball Courts 5-6		4,500	4,500		4,500	4,500
Pickleball Courts 7-8		4,000	4,000		4,000	4,000
TOTAL Pickleball		18,500	18,500		18,500	18,500
TOTAL Sporting Facilities		18,500	18,500		18,500	18,500

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 07/01/2021 to 07/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
West Pool						
West Pool Replacement		24,240	24,240		24,240	24,240
TOTAL West Pool		24,240	24,240		24,240	24,240
Community Center						
Community Cntr HVAC		4,900	4,900		4,900	4,900
TOTAL Community Center		4,900	4,900		4,900	4,900
Bathhouse 5						
Bathhouse 5 Remodel/Replace	5,297	5,340	43	5,297	5,340	43
TOTAL Bathhouse 5	5,297	5,340	43	5,297	5,340	43
TOTAL Bathhouses	5,297	5,340	43	5,297	5,340	43
Total Expense	5,297	227,400	222,103	5,297	227,400	222,103
Net Income	73,570	(148,695)	222,265	73,570	(148,695)	222,265

FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

For fiscal year ended June 30, 2021, **net income before depreciation is \$296,362 better than plan;** \$84,401 income versus a planned *loss* of (\$211,961). The positive variance is primarily a combination of lower expenses due to less than planned staffing and lower utilities, which are somewhat offset by less than planned RV overnight revenue and guest fees.

Operating Revenue is \$40,162 or .87%, worse than plan. The \$35,939 shortfall in RV overnight space revenue is the primary factor in the revenue shortage. Real Estate Office rental income is \$10,926 (21%) above plan and the Century Link marketing contract revenue has added \$28,683 in unplanned revenue, which also offsets other COVID-19 related revenue shortfall in owner fees, water vending and retail sales.

Operating Expenses are \$336,528 or 7.0 %better than plan and are primarily related to less than planned staff expenses in Recreation and Maintenance and lower utility costs related to less than planned occupancy. Material departmental expense variances are discussed below.

Association expenses increased substantially against budget, due to the February payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$10,464 better than plan, primarily related to a delay in the final 50% payment due on the pending Reserve Study.

Admin budget savings of \$97,212 is comprised of ~\$27,000 in telephone costs related to a switch to a VOIP based phone system and a new contract for other analog service, ~\$8,000 savings in GM discretionary, numerous other small line-item savings and ~\$73,000 related to budgeted supervisory cost allocations to the other departments (i.e., Recreation, Maintenance and Security department heads) exceeding the original budget assumptions.

Activities is approximately \$215,095 better than plan, ~\$144,000 of which is related to a staffing reduction and delays in hiring other personnel. There is an additional ~\$52,000 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$112,030 worse than plan due to the usage of contract security during the heightened period of criminal activity in and around the park (~\$13,700), the rental of a light system (~\$11,800) to improve security on 48th street, gross wages related to adding two additional night shifts (~\$65,000) and tax/benefits allocations (~\$22,700) primarily related to the additional staffing.

Maintenance is \$84,045 better than plan, of which ~\$50,700 is related to wage savings due to delays in hiring staff, ~\$26,800 less in general building maintenance expenses, and ~\$22,700 related to less than planned painting and other contracted services.

Landscape is \$20,776 over budget primarily related to the delay in the 2020 season palm tree trimming of which the entire seasonal cost was incurred in September, but this was somewhat offset by a smaller than expected June 2021 expenditure for the 2021 palm tree trimming season.

Utilities finished the year with a positive variance of \$90,969, of which ~\$31,000 is related to electric, ~\$3,000 in natural gas, ~\$44,200 in water savings due to lower park occupancy and ~\$10,600 in cable savings as the anticipated November rate increase did not occur.

Accounts Receivable

The Owner Accounts Receivable balance as of June 30, 2021, is \$9,646. Three owners are two or more quarters in arrears and 7 owners are one quarter in arrears. No accounts are currently with legal counsel. **The total Accounts Receivable balance represents 0.78% of the quarterly assessment, compared to .21% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing of 7% of the monthly gross Century Link services billed to Venture Out occupants.

The \$174,900 upfront payment is available for immediate use without restriction, however to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the '*unearned*' portion of the contract.

There are income tax consequences related to these funds received. Income taxes are due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

Special Note Regarding Insurance Settlement Proceeds Reserved for Repair Contract

In May 2021, Venture Out received \$97,489 as an insurance settlement for damages caused by a third-party vendor to one of the solar parking structures. The repair contract with Sun Renu Solar is for the same amount. As the repair contract draws are made, these payments will be applied to the liability. As of June 30, 2021, one draw in the amount of \$9,715 has been made, leaving a net liability of \$87,774 reported on the balance sheet.

Special Note Regarding the Fiscal Year Budget June 30, 2021

In March 2021, the Venture Out Board approved *supplemental Operating Fund* expenditures noted below:

	<u>Total Dollars</u>
Annex Sewer Pipe Reline	30,000
West Pool Kool Deck Repairs	15,000
NuFlow Bath House 6 Sewer Pipe Reline	43,395
Op Fund Contribution to Valley Gutter (total proj \$124,462)	50,000
Total Reserve Fund Projects paid via Operating Fund	<u>\$ 138,395</u>

For reporting purposes, as monies for these projected were spent, the total operating budget was increased by the same amount, to ensure the actual operating performance against the original approved budget is not distorted. In the month of March, \$21,698 was spent on the Nuflow Bath House 3 reline (due to a rapid deterioration of Bathhouse 3 sewer lines, the Bathhouse 6 reline budgeted expense was reallocated to Bathhouse 3), representing a 50% deposit. The balance of this work was completed in July 2021 and the related budget dollars will become part of the FYE 6/30/2022 budget. The Valley Gutter project and Annex sewer reline projects were also completed. \$50,000 was contributed to the valley gutter project as budgeted and the Annex sewer pipe reline was only \$23,595. The West Pool Kool deck is not yet completed but is expected to be substantially less than the \$15,000 allocated. The Kool Deck budget dollars will be moved to the FYE 6/30/2022, but at the lesser estimated completion cost.

Operating Fund "Excess" Cash Balances

The "Excess" Cash balance for the fiscal year ended 6/30/2021 is \$241,936, or approximately \$130,000 better than the March budget projection of \$111,414. The 111,414 was used to reduce the FYE 6/30/2022 HOA quarter assessment by approximately \$16 per lot owner. The additional \$130,000 dollars in "Excess" cash may be used to offset the FYE 6.30.2023 HOA fee increase and/or for supplemental budget purposes as may be determined and approved by the Board in accordance with the CCRs.

Operating Fund Cash @ 6/30/2021	\$ 1,241,587
Add:	
Due from Reserve and RAC Funds	67,899
Less:	
Prepaid HOA Dues	(556,668)
Accounts Payable	(96,887)
Insurance Settlement Proceeds for Repair	(87,774)
Accrued Expenses & Other Payables	(154,084)
Reservation Deposits	(41,509)
Balance of Bathhouse 3 reline contract	(23,548)
Unearned Century link marketing - net of tax:	(107,080)
 Actual "Excess" Cash at 6/30/2021	 <u>241,936</u>
Better than March Budget Projection	130,522
 Budget Projection of "Excess" Cash at 6/30/2021	 <u>\$ 111,414</u>

Reserve Fund

In March 2021, The Board approved a total of \$619,147 in Reserve Fund expenses for the FYE 6/30/2022, plus an additional \$174,900 in street lights funded via a special assessment. The accompanying FYE 6/30/2021 Reserve Fund Revenue and Expense statement includes FYE 6/30/2022 budgeted expenses approved by the Board to be spent in the fiscal year ended 6/30/2021, based on the below schedule. Only the \$9,200 restriping expense was not incurred prior to June 30,2021. The street light project was substantially complete by June 30, however \$60,220 remains on the Brycon lighting contact. The corresponding street light dollars will be carried forward to the FYE 6/30/2022 budget.

Venture Out at Mesa, Inc. FY 2022 Reserve Fund Spending

Street Lights: Qty = 25; Brycon as GC with subcontractors	\$	178,000
Asphalt Repaving: 6,022 sq yards - Ace Asphalt		142,771
Valley Gutter Replacement+catch basin repair: Cactus Asphalt		74,462 *
Soil stabilization contingency		20,000
PMA Consulting Fees re Streets/Valley Gutter		20,000
Restriping - Cactus Asphalt		9,200
Valley Gutter Contingency @ 3% per PMA Consulting		3,734
FY 2022 Approved Expenses to be completed in FY 2021	\$	448,167

Overall, the Reserve Fund spent \$82,614 less than budgeted, as summarized below:

Interest income	\$	2,292
Unspent contingency funds		29,882
Street consulting & project management fees		1,400
Pavement projects		24,720
Valley gutter project		5,234
Street lights		(15,349)
West Pool Replacement		34,435
Total Better Than Budget	\$	82,614

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	06/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,241,587	904,186	96,253	2, 242, 026
Owner HOA Dues Receivables	9,647			9, 647
Prepaid Expenses & Other	6,067			6, 067
Interfund Due From / (To)	67,899	(53,707)	(14,192)	
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,358,351</u>	<u>850,479</u>	<u>82,061.00</u>	<u>12,290,891.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	96,887			96, 887
Prepaid Assessments	556,668			556, 668
RV Overnight & Storage Reservation Deposits	41,509			41, 509
Unearned Marketing Revenue	151,580			151, 580
Insurance Settlement Proceeds Reserved for Repair Contr	87,774			87, 774
Other Payables	8,070			8, 070
Accrued Expenses	146,014			146, 014
Wages Payable	76,043			76, 043
Accrued Vacation & PTO	212,831			212, 831
<u>Total Liabilities</u>	<u>1,377,376</u>	<u>0</u>	<u>0.00</u>	<u>1,377,376.00</u>
<u>Fund Balance</u>				
Net Income	84,406	109,346	(31,030)	162, 722
Fund Balances	9,896,569	741,133	113,091	10, 750, 793
<u>Total Fund Balances</u>	<u>9,980,975</u>	<u>850,479</u>	<u>82,061.00</u>	<u>10,913,515.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	06/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,358,351</u>	<u>850,479</u>	<u>82,061.00</u>	<u>12,290,891.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 06/01/2021 to 06/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	352,715	352,715		4,232,580	4,232,580	
Owner Fees	111	145	(34)	12,150	33,005	(20,855)
Transfer & Disclosure Fees	4,680	1,300	3,380	50,760	41,680	9,080
Other Service Fees	391	618	(227)	23,152	41,163	(18,011)
RV Overnight Space Rentals	5,908	2,352	3,556	89,019	124,958	(35,939)
Vehicle Storage	2,138	1,400	738	42,533	39,825	2,708
Real Estate Office Rental	3,113	2,438	675	61,916	50,990	10,926
Century Link Marketing Program	3,486		3,486	28,683		28,683
Laundry Operations	516	400	116	9,009	19,902	(10,893)
Water Vending Machines	185	200	(15)	7,940	13,700	(5,760)
Other Income	140		140	14,313	11,043	3,270
Interest Income	183	100	83	1,904	2,072	(168)
Retail Sales	228	69	159	4,782	8,335	(3,553)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	373,794	361,737	12,057	4,579,091	4,619,253	(40,162)

Expenses

Association	9,242	10,385	1,144	228,710	194,674	(34,036)
Administration	63,267	62,898	(369)	683,002	780,214	97,212
Activities	35,669	51,561	15,892	518,722	733,817	215,095
Security	65,394	43,161	(22,233)	691,480	579,450	(112,030)
Maintenance	36,449	42,939	6,490	507,374	591,419	84,045

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 06/01/2021 to 06/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	156,875	177,190	20,317	432,369	411,592	(20,776)
Janitorial	16,652	18,534	1,882	305,014	276,080	(28,934)
Pool	11,043	7,036	(4,006)	90,566	91,690	1,125
Waste Disposal	8,242	9,407	1,165	120,475	160,248	39,773
Irrigation	3,450	562	(2,888)	19,336	27,100	7,764
Laundry Operations		250	250	448	3,600	3,152
Payroll Taxes, Insurance & Other Benefits	7,080		(7,079)	7,077		(7,076)
Utilities	56,184	54,374	(1,810)	705,048	796,037	90,989
Common Element Capital Purchases \$90,000 limit				89,776	90,000	224
Concrete: Valley Gutters - OP	50,000	50,000		50,000	50,000	
Community Center Annex - Reline Sewer pipes - OP				23,595	23,595	
Bathhouse 3 Repipe/Relining - Op Fund				21,698	21,698	1
Total Expense	519,547	528,297	8,755	4,494,690	4,831,214	336,528
Net Income	(145,753)	(166,560)	20,807	84,401	(211,961)	296,362

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 06/01/2021 to 06/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Revenues						
Assessments						
Reserve Assessment Income	61,215	61,215		734,580	734,580	
TOTAL Assessments	61,215	61,215		734,580	734,580	
Interest Income						
Interest Income - Reserve Fund	180		180	2,292		2,292
TOTAL Interest Income	180		180	2,292		2,292
Total Revenue	61,395	61,215	180	736,872	734,580	2,292

Expenses

Unspent Reserve Contingency Expenses					29,882	29,882
Consulting Fees - Streets	15,400	20,000	4,600	18,600	20,000	1,400
Pavement-Asphalt						
Street Contract Contingencies		20,000	20,000		20,000	20,000
Pavement-Main: Grumman	44,635	52,445	7,810	48,055	52,445	4,390
Pavement-Main: Ercourpe	3,902	3,902		3,902	3,902	
Pavement-Secondary: Navion	91,449	93,639	2,190	91,449	93,639	2,190
Pavement: Crack Seal/Repair	2,075	2,075		2,075	2,075	
Pavement - Stripiing	710	710		13,876	12,016	(1,860)
TOTAL Pavement-Asphalt	142,771	172,771	30,000	159,357	184,077	24,720

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 06/01/2021 to 06/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Concrete Gutters, Sidewalks & Drives						
Concrete: Valley Gutters	72,962	78,196	5,234	72,962	78,196	5,234
TOTAL Concrete Gutters, Sidewalks & Drives	<u>72,962</u>	<u>78,196</u>	<u>5,234</u>	<u>72,962</u>	<u>78,196</u>	<u>5,234</u>
Common Area						
Common Area Pole Lights - Large	286,380	292,680	6,300	308,029	292,680	(15,349)
TOTAL Common Area	<u>286,380</u>	<u>292,680</u>	<u>6,300</u>	<u>308,029</u>	<u>292,680</u>	<u>(15,349)</u>
West Pool						
West Pool Heaters				3,343	3,343	
West Pool Replacement				25,565	60,000	34,435
TOTAL West Pool				<u>28,908</u>	<u>63,343</u>	<u>34,435</u>
EPC Clubhouse						
EPC Water Heaters				7,275	7,275	
TOTAL EPC Clubhouse				<u>7,275</u>	<u>7,275</u>	
Community Center						
Community Cntr Walkway Deck				17,100	17,100	
Community Cntr HVAC				4,900	4,900	
TOTAL Community Center				<u>22,000</u>	<u>22,000</u>	
Bathhouse 5						
Bathhouse 5 HVAC		4,600	4,600	4,600	4,600	
TOTAL Bathhouse 5		<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 06/01/2021 to 06/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
TOTAL Bathhouses		4,600	4,600	4,600	4,600	
Oasis Building						
Oasis Bldg Flooring				5,795	5,795	
TOTAL Oasis Building				5,795	5,795	
Total Expense	517,513	568,247	50,734	627,526	707,848	80,322
Net Income	(456,118)	(507,032)	50,914	109,346	26,732	82,614

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Recreation Activities Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Interest Income						
Interest Income - RAC Fund	4		4	42		42
Interest Income - Operating Fund				9		9
TOTAL Interest Income	<u>4</u>		<u>4</u>	<u>51</u>		<u>51</u>
Total Revenue	4	0	4	51	0	51
<u>Expenses</u>						
Maintenance	2,700		(2,700)	2,700		(2,700)
Pickleball Lights	14,193		(14,193)	28,385		(28,385)
Total Expense	16,893	0	(16,893)	31,085	0	(31,085)
Net Income	(16,889)	0	(16,889)	(31,034)	0	(31,034)

FINANCIAL RESULTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2021

For the eleven months of the fiscal year ended June 30, 2021, **net income before depreciation is \$252,392 better than plan**; \$230,586 income versus a planned loss of (\$21,806). The positive variance is primarily a combination of lower expenses due to less than planned staffing and lower utilities, which are somewhat offset by less than planned RV overnight revenue and guest fees.

Operating Revenue is \$51,786 or 1.2%, worse than plan. The \$39,495 shortfall in RV overnight space revenue is the primary factor. Real Estate Office rental income is \$10,251 (21%) above plan and the Century Link marketing contract revenue has added \$25,197 in unplanned earned revenue, which also offsets other COVID-19 related revenue shortfalls.

Operating Expenses are \$304,181 better than plan and are primarily related to less than planned staff expenses in Recreation and Maintenance and lower utility costs related to less than planned occupancy. Material departmental expense variances are discussed below.

Association expenses increased substantially against budget, due to the February payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$9,321 better than plan, primarily related to a delay in the final 50% payment due on the pending Reserve Study.

Admin budget savings of \$97,583 is comprised of ~\$22,000 in telephone costs related to a switch to a VOIP based phone system and a new contract for other analog service, ~\$8,000 savings in GM discretionary, numerous other small line-item savings and ~\$73,000 related to budgeted supervisory cost allocations to the other departments (i.e., Recreation, Maintenance and Security department heads) exceeding the original budget assumptions.

Activities is approximately \$199,202 better than plan, ~\$133,900 of which is related to a staffing reduction and delays in hiring other personnel. There is an additional ~\$52,000 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$89,797 worse than plan due to the usage of contract security during the heightened period of criminal activity in and around the park (~\$13,700), gross wages related to adding two additional night shifts (~\$61,000) and tax/benefits allocations (~\$18,000) related to the additional staffing.

Maintenance is \$77,552 better than plan, of which ~\$43,000 is related to wage savings due to delays in hiring staff, ~30,000 less in general building maintenance expenses, and ~\$13,000 related to less than planned painting and other contracted services.

Landscape is \$41,092 over budget primarily related to the delay in the palm tree trimming caused by the contractor unable to find sufficient qualified labor to complete the work. Normally the seasonal palm tree trimming is split between the months of June and July (two separate fiscal year expenses), but the entire cost of the seasonal trimming contract was incurred in September. It also appears likely that given the early April 2021 start to palm tree trimming this season, the entire seasonal expense may also hit this year's budget, however this has no impact on overall cash usage and the *total* cash for the seasonal trimming was budgeted appropriately.

Utilities continue to be better than plan with a positive variance of \$92,798, of which ~ \$30,000 is related to electric, ~\$6,000 in natural gas, ~\$48,000 in water savings due to lower park occupancy and ~\$9,000 in cable savings as the anticipated November rate increase did not occur.

Accounts Receivable

The Owner Accounts Receivable balance as of May 31, 2021, is \$17,990. Five owners are two quarters in arrears and 14 owners are one quarter in arrears. No accounts have been referred to legal. **The total Accounts Receivable balance represents 1.45% of the quarterly assessment, compared to .76% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing of 7% of the monthly gross Century Link services billed to Venture Out occupants.

The \$174,900 upfront payment is available for immediate use without restriction, however to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the '*unearned*' portion of the contract.

There are income tax consequences related to these funds received. Income taxes are due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

Special Note Regarding Insurance Settlement Proceeds Reserved for Repair Contract

In May 2021, Venture Out received \$97,489 as an insurance settlement for damages caused by a third-party vendor to one of the solar parking structures. The repair contract with Sun Renu Solar is for the same amount. As the repair contract draws are made, these payments will be applied to the liability. As of May 31, 2021, one draw in the amount of \$9,715 has been made, leaving a net liability of \$87,774 reported on the balance sheet.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	05/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,253,122	1,364,689	96,249	2, 714, 060
Owner HOA Dues Receivables	17,990			17, 990
Prepaid Expenses & Other	10,026			10, 026
Interfund Due From / (To)	11,069	3,123	(14,192)	
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,325,358</u>	<u>1,367,812</u>	<u>82,057.00</u>	<u>12,775,227.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	47,508			47, 508
Prepaid Assessments	244,431			244, 431
RV Overnight & Storage Reservation Deposits	38,462			38, 462
Unearned Marketing Revenue	154,495			154, 495
Insurance Settlement Proceeds Reserved for Repair Contr	87,774			87, 774
Other Payables	924			924
Accrued Expenses	52,833			52, 833
Accrued Vacation & PTO	219,061			219, 061
Deferred Revenue	352,715	61,215		413, 930
<u>Total Liabilities</u>	<u>1,198,203</u>	<u>61,215</u>	<u>0.00</u>	<u>1,259,418.00</u>
<u>Fund Balance</u>				
Net Income	230,588	565,464	(31,034)	765, 018
Fund Balances	9,896,567	741,133	113,091	10, 750, 791
<u>Total Fund Balances</u>	<u>10,127,155</u>	<u>1,306,597</u>	<u>82,057.00</u>	<u>11,515,809.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	05/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,325,358</u>	<u>1,367,812</u>	<u>82,057.00</u>	<u>12,775,227.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Revenues						
Assessments	352,715	352,715		3,879,865	3,879,865	
Owner Fees	(208)	(400)	192	12,039	32,860	(20,821)
Transfer & Disclosure Fees	5,040	2,860	2,180	46,080	40,380	5,700
Other Service Fees	400	638	(238)	22,762	40,545	(17,783)
RV Overnight Space Rentals	3,832	3,632	200	83,111	122,606	(39,495)
Vehicle Storage	9,056	6,500	2,556	40,395	38,425	1,970
Real Estate Office Rental	3,453	3,650	(197)	58,803	48,552	10,251
Century Link Marketing Program	3,383		3,383	25,197		25,197
Laundry Operations	735	600	135	8,923	19,502	(10,579)
Water Vending Machines	316	500	(184)	7,756	13,500	(5,744)
Other Income	266		266	14,174	11,043	3,131
Interest Income	191	135	56	1,720	1,972	(252)
Retail Sales	115	207	(92)	4,555	8,266	(3,711)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	379,294	371,037	8,257	4,205,730	4,257,516	(51,786)

Expenses

Association	8,439	10,435	1,996	219,468	184,289	(35,179)
Administration	49,282	55,708	6,426	619,734	717,316	97,583
Activities	32,986	51,369	18,383	483,054	682,256	199,202
Security	47,260	43,438	(3,822)	626,086	536,289	(89,797)
Maintenance	34,996	36,074	1,078	470,928	548,480	77,552

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	16,722	12,369	(4,353)	275,494	234,402	(41,092)
Janitorial	19,961	18,931	(1,030)	288,361	257,546	(30,815)
Pool	6,291	7,005	714	79,525	84,654	5,130
Waste Disposal	11,179	9,660	(1,518)	112,232	150,841	38,609
Irrigation	3,189	3,177	(12)	15,886	26,538	10,652
Laundry Operations				448	3,350	2,902
Payroll Taxes, Insurance & Other Benefits				(6)		6
Utilities	49,375	50,858	1,483	648,865	741,663	92,798
Common Element Capital Purchases \$90,000 limit				89,776	90,000	224
Community Center Annex - Reline Sewer pipes	23,595		(23,595)	23,595		(23,595)
Bathhouse 3 Repipe/Relining - Op Fund				21,698	21,698	1
Total Expense	303,275	299,024	(4,250)	3,975,144	4,279,322	304,181
Net Income	76,019	72,013	4,006	230,586	(21,806)	252,392

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	61,215	61,215		673,365	673,365	
Interest Income						
Interest Income - Reserve Fund	228		228	2,112		2,112
TOTAL Interest Income	<u>228</u>		<u>228</u>	<u>2,112</u>		<u>2,112</u>
Total Revenue	61,443	61,215	228	675,477	673,365	2,112

Expenses

Pavement-Asphalt				16,586	11,306	(5,280)
Concrete Gutters, Sidewalks & Drives						
Concrete: Valley Gutters				3,200		(3,200)
TOTAL Concrete Gutters, Sidewalks & Drives				<u>3,200</u>		<u>(3,200)</u>
Common Area	10,684		(10,684)	21,649	92,473	70,824
West Pool				28,908	60,000	31,092
EPC Clubhouse				7,275		(7,275)
Community Center				22,000	17,100	(4,900)
Bathhouse 5				4,600		(4,600)
TOTAL Bathhouses				<u>4,600</u>		<u>(4,600)</u>
Oasis Building						
Oasis Bldg Flooring				5,795	5,795	

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
TOTAL Oasis Building				5,795	5,795	
Community Center Annex - Reline Sewer pipes		23,595	23,595		23,595	23,595
Total Expense	10,684	23,595	12,911	110,013	210,269	100,256
Net Income	50,759	37,620	13,139	565,464	463,096	102,368

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Recreation Activities Fund

From 05/01/2021 to 05/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Interest Income						
Interest Income - RAC Fund	4		4	42		42
Interest Income - Operating Fund				9		9
TOTAL Interest Income	<u>4</u>		<u>4</u>	<u>51</u>		<u>51</u>
Total Revenue	4	0	4	51	0	51
<u>Expenses</u>						
Maintenance	2,700		(2,700)	2,700		(2,700)
Pickleball Lights	14,193		(14,193)	28,385		(28,385)
Total Expense	16,893	0	(16,893)	31,085	0	(31,085)
Net Income	(16,889)	0	(16,889)	(31,034)	0	(31,034)

FINANCIAL RESULTS FOR THE TEN MONTHS ENDED APRIL 30, 2021

For the ten months of the fiscal year ended June 30, 2021, **net income before depreciation is \$248,375 better than plan**; \$154,556 income versus a planned loss of (\$93,819). The positive variance is primarily a combination of lower expenses due to less than planned staffing and lower utilities, which are somewhat offset by less than planned RV overnight revenue and guest fees.

Operating Revenue is \$60,044 or 1.6%, worse than plan. The \$39,694 shortfall in RV overnight space revenue is approximately 61% of the total less than planned revenue; however, the RV Overnight revenue has *markedly improved* over previous forecasts and the April revenue was slightly better than budget. Real Estate Office rental income is still strong and is 23% above plan.

Operating Expenses are \$308,424 better than plan and are primarily related to less than planned staff expenses in Recreation and Maintenance and lower utility costs related to less than planned occupancy. Material departmental expense variances are discussed below.

Association expenses increased substantially against budget, due to the February payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$7,322 better than plan, primarily related to a delay in the final 50% payment due on the currently underway Reserve Study.

Admin budget savings of \$91,155 is comprised of ~\$22,000 in telephone costs related to a switch to a VOIP based phone system and a new contract for other analog service, \$8,231 savings in GM discretionary, numerous other small line-item savings and \$73,115 related to actual budgeted supervisory cost allocations to the other departments (i.e., Recreation, Maintenance and Security department heads) exceeding the original budget assumptions.

Activities is approximately \$180,817 better than plan, ~\$122,000 of which is related to a staffing reduction and delays in hiring other personnel. There is an additional ~\$52,000 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$85,974 over budget due to the usage of contract security during the heightened period of criminal activity in and around the park (~\$13,700), gross wages related to adding two additional night shifts (~\$56,500) and tax/benefits allocations (~\$17,500) related to the additional staffing to cover the two extra night shifts.

Maintenance is \$76,474 better than plan, of which ~\$36,000 is related to wage savings due to delays in hiring staff, ~30,000 less in general building maintenance expenses, and ~\$13,000 related to less than planned painting and other contracted services.

Landscape is \$38,732 over budget primarily related to the delay in the palm tree trimming caused by the contractor unable to find sufficient qualified labor to complete the work. Normally the seasonal palm tree trimming is split between the months of June and July (two separate fiscal year expenses), but the entire cost of the seasonal trimming contract was incurred in September. It also appears likely that given the early April 2021 start to palm tree trimming this season, the entire seasonal expense may also hit this year's budget, however this has no impact on overall cash usage and the *total* cash for the seasonal trimming was budgeted appropriately.

Utilities continue to be better than plan with a positive variance of \$91,314, of which ~ \$28,000 is related to electric, ~\$5,000 in natural gas, ~\$48,000 in water savings due to lower park occupancy and ~\$8,000 in cable savings as the anticipated November rate increase did not occur.

Accounts Receivable

The Owner Accounts Receivable balance as of March 31, 2021 is \$39,352, with nine owners owning two quarters. No accounts have been referred to legal. **The total Accounts Receivable balance represents 3.17% of the quarterly assessment, compared to 2.61% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing of 7% of the monthly gross Century Link services billed to Venture Out occupants.

The \$174,900 upfront payment is available for immediate use without restriction, however to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the '*unearned*' portion of the contract.

There are income tax consequences related to these funds received. Income taxes are due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	04/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,311,106	1,395,085	113,137	2, 819, 328
Owner HOA Dues Receivables	39,351			39, 351
Prepaid Expenses & Other	21,540			21, 540
Interfund Due From / (To)	31,009	(16,817)	(14,192)	
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,436,157</u>	<u>1,378,268</u>	<u>98,945.00</u>	<u>12,913,370.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	64,144			64, 144
Prepaid Assessments	117,182			117, 182
RV Overnight & Storage Reservation Deposits	41,720			41, 720
Unearned Marketing Revenue	157,410			157, 410
Other Payables	321			321
Accrued Expenses	75,605			75, 605
Accrued Vacation & PTO	222,856			222, 856
Deferred Revenue	705,430	122,430		827, 860
<u>Total Liabilities</u>	<u>1,384,668</u>	<u>122,430</u>	<u>0.00</u>	<u>1,507,098.00</u>
<u>Fund Balance</u>				
Net Income	154,559	514,705	(14,145)	655, 119
Fund Balances	9,896,930	741,133	113,090	10, 751, 153
<u>Total Fund Balances</u>	<u>10,051,489</u>	<u>1,255,838</u>	<u>98,945.00</u>	<u>11,406,272.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	04/30/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,436,157</u>	<u>1,378,268</u>	<u>98,945.00</u>	<u>12,913,370.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 04/01/2021 to 04/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	352,715	352,715		3,527,150	3,527,150	
Owner Fees	3,786	4,204	(418)	12,247	33,260	(21,013)
Transfer & Disclosure Fees	9,360	7,540	1,820	41,040	37,520	3,520
Other Service Fees	3,858	2,995	863	22,362	39,907	(17,545)
RV Overnight Space Rentals	9,910	9,857	53	79,280	118,974	(39,694)
Vehicle Storage	4,488	2,600	1,888	31,339	31,925	(586)
Real Estate Office Rental	10,954	10,495	459	55,349	44,902	10,447
Century Link Marketing Program	3,481		3,481	21,814		21,814
Laundry Operations	1,624	2,200	(576)	8,188	18,902	(10,714)
Water Vending Machines	551	1,500	(949)	7,440	13,000	(5,560)
Other Income	477	100	377	13,907	11,043	2,864
Interest Income	174	175	(1)	1,529	1,837	(308)
Retail Sales	357	593	(236)	4,440	8,059	(3,619)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	401,735	394,974	6,761	3,826,435	3,886,479	(60,044)

Expenses

Association	10,290	11,445	1,156	211,033	173,854	(37,178)
Administration	67,806	78,297	10,492	570,454	661,608	91,155
Activities	71,740	76,338	4,598	450,070	630,887	180,817
Security	74,845	59,610	(15,235)	578,825	492,851	(85,974)
Maintenance	36,767	48,328	11,562	435,932	512,406	76,474

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 04/01/2021 to 04/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	15,094	17,087	1,993	258,772	222,033	(36,739)
Janitorial	30,277	29,807	(470)	268,401	238,615	(29,786)
Pool	11,390	8,576	(2,814)	73,233	77,649	4,417
Waste Disposal	10,309	14,806	4,498	101,055	141,181	40,127
Irrigation	4,762	4,863	101	12,696	23,361	10,665
Laundry Operations	173		(173)	448	3,350	2,902
Payroll Taxes, Insurance & Other Benefits	(1)		1	(5)		5
Utilities	62,397	70,016	7,619	599,491	690,805	91,314
Common Element Capital Purchases \$90,000 limit				89,776	90,000	224
Bathhouse 3 Repipe/Relining - Op Fund				21,698	21,698	1
Total Expense	395,849	419,173	23,328	3,671,879	3,980,298	308,424
Net Income	5,886	(24,199)	30,085	154,556	(93,819)	248,375

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 04/01/2021 to 04/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	61,215	61,215		612,150	612,150	
Interest Income						
Interest Income - Reserve Fund	209		209	1,884		1,884
TOTAL Interest Income	<u>209</u>		<u>209</u>	<u>1,884</u>		<u>1,884</u>
<hr/>						
Total Revenue	61,424	61,215	209	614,034	612,150	1,884
<u>Expenses</u>						
Pavement-Asphalt	5,210		(5,210)	16,586	11,306	(5,280)
Concrete Gutters, Sidewalks & Drives						
Concrete: Valley Gutters	3,200		(3,200)	3,200		(3,200)
TOTAL Concrete Gutters, Sidewalks & Drives	<u>3,200</u>		<u>(3,200)</u>	<u>3,200</u>		<u>(3,200)</u>
Common Area				10,965	92,473	81,508
West Pool	19,940		(19,940)	28,908	60,000	31,092
EPC Clubhouse						
EPC Water Heaters				7,275		(7,275)
TOTAL EPC Clubhouse				<u>7,275</u>		<u>(7,275)</u>
Community Center						
Community Cntr Walkway Deck				17,100	17,100	
Community Cntr HVAC				4,900		(4,900)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 04/01/2021 to 04/30/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
TOTAL Community Center				22,000	17,100	(4,900)
Bathhouse 5						
Bathhouse 5 HVAC				4,600		(4,600)
TOTAL Bathhouse 5				4,600		(4,600)
TOTAL Bathhouses				4,600		(4,600)
Oasis Building						
Oasis Bldg Flooring				5,795	5,795	
TOTAL Oasis Building				5,795	5,795	
Total Expense	28,350	0	(28,350)	99,329	186,674	87,345
Net Income	33,074	61,215	(28,141)	514,705	425,476	89,229

SPECIAL NOTE REGARDING FISCAL YEAR BUDGET JUNE 30, 2021

In March the Venture Out Board approved supplemental *Operating Fund* expenditures noted below:

	Total Dollars
Annex Sewer Pipe Reline	30,000
West Pool Kool Deck Repairs	15,000
NuFlow Bath House 6 Sewer Pipe Reline	43,395
Op Fund Contribution to Valley Gutter (total proj \$124,462)	50,000
Total Reserve Fund Projects paid via Operating Fund	\$ 138,395

For reporting purposes, as monies for these projected are *actually* spent, the total operating budget will be increased by the same amount, to ensure the actual operating performance against the original approved budget is not distorted. In the month of March, \$21,698 was spent on the Nuflow Bath House reline, representing a 50% deposit. Due to rapid deterioration of Bathhouse 3 sewer lines, the Bathhouse 6 reline budgeted expense was reallocated to Bathhouse 3.

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED MARCH 31, 2021

For the nine months of the fiscal year ended June 30, 2021, **net income before depreciation is \$218,288 better than plan**; \$148,666 income versus a planned loss of (\$69,620). **The month of March provided a \$47,461 improvement against budget.** The positive variance is primarily a combination of lower expenses due to less than planned staffing and lower utilities, which are somewhat offset by less than planned RV overnight revenue.

Operating Revenue is \$66,807 or 1.9%, worse than plan. The \$39,748 shortfall in RV overnight space revenue is approximately 59% of the total less than planned revenue; however, the RV Overnight revenue has *markedly improved* over previous forecasts and the April confirmed reservations appear to be at levels consistent with the April budget. Real Estate Office rental income continued to improve against budget as is now 29% above plan.

Operating Expenses are \$285,095 better than plan and are primarily related to less than planned staff expenses in Recreation and Maintenance and lower utility costs related to less than planned occupancy. Material departmental expense variances are discussed below.

Association expenses increased substantially against budget, due to the February payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$6,165 better than plan, primarily related to a delay in the final 50% payment due on the currently underway Reserve Study.

Admin budget savings of \$80,665 is comprised of approximately \$21,000 in telephone costs related to a switch to a VOIP based phone system and a new contract for other analog service, \$8,500 savings in GM discretionary, numerous other small line-item savings and \$44,800 related to actual budgeted supervisory cost allocations to the other departments (i.e., Recreation, Maintenance and Security department heads) exceeding the original budget assumptions.

Activities is approximately \$176,218 better than plan, \$101,200 of which is related to a staffing reduction and delays in hiring other personnel, which therefore also resulting in \$16,200 less than planned benefits cost allocations. There is an additional \$52,000 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$70,740 over budget due to the usage of contract security during the heightened period of criminal activity in and around the park (\$13,700), gross wages related to adding two additional night shifts (\$45,500) and tax/benefits allocations (\$15,500) related to the additional staffing to cover the two extra night shifts.

Maintenance is \$64,914 better than plan, of which \$25,830 is related to wage savings due to delays in hiring staff, 23,322 less in general building maintenance expenses, various repair category timing differences and \$13,400 related to less than planned painting and other contracted services.

Landscape is \$38,732 over budget primarily related to the delay in the palm tree trimming caused by the contractor unable to find sufficient qualified labor to complete the work. Normally the seasonal palm tree trimming is split between the months of June and July (two separate fiscal year expenses), but the entire cost of the seasonal trimming contract was incurred in September.

Utilities continue to be better than plan with a positive variance of \$83,693, of which approximately \$24,000 is related to electric, \$6,000 in natural gas, \$44,700 in water savings due to lower park occupancy and \$6,800 in cable savings as the anticipated November rate increase did not occur.

Accounts Receivable

The Owner Accounts Receivable balance as of March 31, 2021 is \$8,973, with only two owners more than one quarter in arrears. No accounts have been referred to legal. **The total Accounts Receivable balance represents .72% of the quarterly assessment, compared to .27% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing of 7% of the monthly gross Century Link services billed to Venture Out occupants.

The \$174,900 upfront payment is available for immediate use without restriction, however in order to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the '*unearned*' portion of the contract.

There are income tax consequences related to these funds received. Income taxes are due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	03/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	961,259	1,219,641	113,132	2, 294, 032
Owner HOA Dues Receivables	8,973			8, 973
Prepaid Expenses & Other	21,615			21, 615
Interfund Due From / (To)	(3,123)	3,123		
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,021,875</u>	<u>1,222,764</u>	<u>113,132.00</u>	<u>12,357,771.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	54,714			54, 714
Prepaid Assessments	443,209			443, 209
RV Overnight & Storage Reservation Deposits	42,367			42, 367
Unearned Marketing Revenue	160,325			160, 325
Other Payables	(25)			(25)
Accrued Expenses	52,833			52, 833
Accrued Vacation & PTO	222,856			222, 856
<u>Total Liabilities</u>	<u>976,279</u>	<u>0</u>	<u>0.00</u>	<u>976,279.00</u>
<u>Fund Balance</u>				
Net Income	148,668	481,631	42	630, 341
Fund Balances	9,896,928	741,133	113,090	10, 751, 151
<u>Total Fund Balances</u>	<u>10,045,596</u>	<u>1,222,764</u>	<u>113,132.00</u>	<u>11,381,492.00</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,021,875</u>	<u>1,222,764</u>	<u>113,132.00</u>	<u>12,357,771.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 03/01/2021 to 03/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	352,715	352,715		3,174,435	3,174,435	
Owner Fees	(117)	7,643	(7,760)	8,461	29,056	(20,595)
Transfer & Disclosure Fees	8,280	6,500	1,780	31,680	29,980	1,700
Other Service Fees	3,246	5,362	(2,116)	18,503	36,912	(18,409)
RV Overnight Space Rentals	16,021	11,793	4,228	69,369	109,117	(39,748)
Vehicle Storage	945	1,550	(605)	26,851	29,325	(2,474)
Real Estate Office Rental	11,351	8,189	3,162	44,395	34,407	9,988
Century Link Marketing Program	3,612		3,612	18,333		18,333
Laundry Operations	2,294	3,500	(1,207)	6,564	16,702	(10,138)
Water Vending Machines	2,263	3,000	(737)	6,889	11,500	(4,611)
Other Income	617	475	142	13,430	10,943	2,487
Interest Income	136	135	1	1,356	1,662	(306)
Retail Sales	629	1,119	(490)	4,082	7,466	(3,384)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	401,992	401,981	10	3,424,698	3,491,505	(66,807)

Expenses

Association	15,964	11,935	(4,029)	200,744	162,409	(38,335)
Administration	55,148	63,728	8,580	502,646	583,311	80,665
Activities	37,072	67,061	29,989	378,331	554,549	176,218
Security	54,760	48,971	(5,789)	503,981	433,241	(70,740)
Maintenance	37,234	41,399	4,165	399,164	464,078	64,914

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 03/01/2021 to 03/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	13,333	13,704	371	243,678	204,946	(38,732)
Janitorial	32,575	24,585	(7,990)	238,124	208,808	(29,316)
Pool	8,854	6,932	(1,922)	61,845	69,073	7,229
Waste Disposal	8,369	13,066	4,697	90,745	126,375	35,630
Irrigation	3,696	3,931	235	7,934	18,498	10,564
Laundry Operations	95	250	155	275	3,350	3,075
Payroll Taxes, Insurance & Other Benefits	1			(5)		5
Utilities	66,231	85,219	18,988	537,096	620,789	83,693
Common Element Capital Purchases \$90,000 limit				89,776	90,000	224
Bathhouse 3 Repipe/Relining - Op Fund	21,698	21,698	1	21,698	21,698	1
Total Expense	355,030	402,479	47,451	3,276,032	3,561,125	285,095
Net Income	46,962	(498)	47,461	148,666	(69,620)	218,288

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 03/01/2021 to 03/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	61,215	61,215		550,935	550,935	
Interest Income						
Interest Income - Reserve Fund	202		202	1,675		1,675
TOTAL Interest Income	<u>202</u>		<u>202</u>	<u>1,675</u>		<u>1,675</u>
Total Revenue	61,417	61,215	202	552,610	550,935	1,675

Expenses

Pavement-Asphalt				11,376	11,306	(70)
Common Area				10,965	92,473	81,508
West Pool				8,968	60,000	51,032
EPC Clubhouse						
EPC Water Heaters				7,275		(7,275)
TOTAL EPC Clubhouse				<u>7,275</u>		<u>(7,275)</u>
Community Center						
Community Cntr Walkway Deck				17,100	17,100	
Community Cntr HVAC	4,900		(4,900)	4,900		(4,900)
TOTAL Community Center	<u>4,900</u>		<u>(4,900)</u>	<u>22,000</u>	<u>17,100</u>	<u>(4,900)</u>
Bathhouse 5						
Bathhouse 5 HVAC				4,600		(4,600)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 03/01/2021 to 03/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
TOTAL Bathhouse 5				4,600		(4,600)
TOTAL Bathhouses				4,600		(4,600)
Oasis Building						
Oasis Bldg Flooring				5,795	5,795	
TOTAL Oasis Building				5,795	5,795	
Total Expense	4,900	0	(4,900)	70,979	186,674	115,695
Net Income	56,517	61,215	(4,698)	481,631	364,261	117,370

FINANCIAL RESULTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2021

For the first eight months of the fiscal year ended June 30, 2021, **net income before depreciation is \$170,823 better than plan**; \$101,699 income versus a planned loss of (\$69,122). **The month of February alone provided a \$82,000 improvement against budget.** The positive variance is primarily a combination of lower expenses due to less than planned staffing and lower utilities, which are somewhat offset by less than planned RV overnight revenue.

Operating Revenue is \$66,817 or 2.2%, worse than plan. The shortfall in RV overnight space revenue is approximately 65% of the total less than planned revenue. Real Estate Office rental income continued to improve against budget as is now 26% above plan.

The existing *confirmed* reservations for RV Overnight Spaces would yield another \$14,000 in revenue for March, but based on 'unbooked' rentals coming in over the last two months, it would appear the RV overnight shortfall for the fiscal year may be as small as \$50,000, an approximate \$8,000 improvement from the prior month outlook.

Operating Expenses are \$237,640 better than plan and are primarily related to less than planned staff expenses in Recreation and Maintenance and lower utility costs related to less than planned occupancy. Material departmental expense variances are discussed below.

Association expenses increased substantially against budget, due to the February payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$10,100 better than plan, but approximately half of these savings are related to a delay in the e-ballot invoicing.

Admin budget savings of approximately \$72,000 is comprised of approximately \$16,000 in telephone costs related to a switch to a VOIP based phone system and a new contract for other analog service, \$7,700 savings in GM discretionary, numerous other small line-item savings and \$40,100 related to actual budgeted supervisory cost allocations to the other departments (i.e., Recreation, Maintenance and Security department heads) exceeding the original budget assumptions.

Activities is approximately \$146,200 better than plan, \$88,000 of which is related to a staffing reduction and delays in hiring other personnel, which therefore also resulting in \$12,500 less than planned benefits cost allocations. There is an additional \$42,800 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$64,900 over budget due to the usage of contract security during the heightened period of criminal activity in and around the park (\$13,700), gross wages related to adding two additional night shifts (\$42,800) and tax/benefits allocations (\$15,600) related to the additional staffing to cover the two extra night shifts.

Maintenance is \$60,700 better than plan, of which \$18,700 is related to wage savings due to delays in hiring staff, 19,800 less in general building maintenance expenses, various repair category timing differences and \$13,400 related to less than planned painting and other contracted services.

Landscape is \$39,100 over budget primarily related to the delay in the palm tree trimming caused by the contractor unable to find sufficient qualified labor to complete the work. Normally the seasonal palm tree trimming is split between the months of June and July (two separate fiscal year expenses), but the entire cost of the seasonal trimming contract was incurred in September.

Utilities continue to be better than plan with a positive variance of \$64,700, of which approximately \$20,000 is related to electric, \$4,500 in natural gas, \$32,500 in water savings due to lower park occupancy and \$5,500 in cable savings as the anticipated November rate increase did not occur.

With the January addition of grab bars in the EPC bathrooms at a cost of \$5,277, the common element category has accumulated \$89,776 of the total \$90,000 budgeted purchases.

Accounts Receivable:

The Owner Accounts Receivable balance as of February 28, 2021 is \$13,969. **The total Accounts Receivable balance represents 1.12% of the quarterly assessment, compared to 0.41% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing of 7% of the monthly gross Century Link services billed to Venture Out occupants.

The \$174,900 upfront payment is available for immediate use without restriction, however in order to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the *'unearned'* portion of the contract.

There are income tax consequences related to these funds received. Income taxes will be due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	02/28/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	983,213	1,229,338	113,127	2, 325, 678
Owner HOA Dues Receivables	13,969			13, 969
Prepaid Expenses & Other	18,361			18, 361
Interfund Due From / (To)	1,877	(1,877)		
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,050,571</u>	<u>1,227,461</u>	<u>113,127.00</u>	<u>12,391,159.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	53,783			53, 783
Prepaid Assessments	178,577			178, 577
RV Overnight & Storage Reservation Deposits	27,633			27, 633
Unearned Marketing Revenue	163,240			163, 240
Other Payables	302			302
Accrued Expenses	52,833			52, 833
Accrued Vacation & PTO	222,856			222, 856
Deferred Revenue	352,715	61,215		413, 930
<u>Total Liabilities</u>	<u>1,051,939</u>	<u>61,215</u>	<u>0.00</u>	<u>1,113,154.00</u>
<u>Fund Balance</u>				
Net Income	101,701	425,114	37	526, 852
Fund Balances	9,896,931	741,132	113,090	10, 751, 153
<u>Total Fund Balances</u>	<u>9,998,632</u>	<u>1,166,246</u>	<u>113,127.00</u>	<u>11,278,005.00</u>

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	02/28/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,050,571</u>	<u>1,227,461</u>	<u>113,127.00</u>	<u>12,391,159.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 02/01/2021 to 02/28/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	352,715	352,715		2,821,720	2,821,720	
Owner Fees	(114)	3,869	(3,983)	8,578	21,413	(12,835)
Transfer & Disclosure Fees	3,240	3,640	(400)	23,400	23,480	(80)
Other Service Fees	3,120	5,161	(2,041)	15,257	31,550	(16,293)
RV Overnight Space Rentals	15,310	10,777	4,533	53,348	97,324	(43,976)
Vehicle Storage	143	175	(32)	25,906	27,775	(1,869)
Real Estate Office Rental	8,184	6,135	2,049	33,044	26,218	6,826
Century Link Marketing Program	3,434		3,434	14,721		14,721
Laundry Operations	575	3,400	(2,825)	4,270	13,202	(8,932)
Water Vending Machines	673	3,000	(2,327)	4,626	8,500	(3,874)
Other Income	667	575	92	12,814	10,468	2,346
Interest Income	145	174	(29)	1,219	1,527	(308)
Retail Sales	687	1,262	(575)	3,454	6,347	(2,893)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	388,779	390,883	(2,104)	3,022,707	3,089,524	(66,817)

Expenses

Association	21,308	28,203	6,896	184,781	150,474	(34,307)
Administration	57,579	67,431	9,852	447,497	519,583	72,086
Activities	37,213	69,056	31,843	341,260	487,488	146,228
Security	49,027	43,878	(5,149)	449,221	384,270	(64,951)
Maintenance	27,118	48,721	21,603	361,928	422,679	60,751

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 02/01/2021 to 02/28/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	20,576	12,151	(8,425)	230,347	191,242	(39,105)
Janitorial	28,952	28,333	(618)	205,549	184,223	(21,326)
Pool	7,129	8,314	1,185	52,990	62,141	9,152
Waste Disposal	9,071	12,454	3,384	82,376	113,309	30,933
Irrigation	150	3,947	3,797	4,239	14,567	10,328
Laundry Operations		250	250	180	3,100	2,920
Payroll Taxes, Insurance & Other Benefits				(3)		4
Utilities	66,124	86,396	20,272	470,867	535,570	64,703
Common Element Capital Purchases \$90,000 limit				89,776	90,000	224
Total Expense	324,247	409,134	84,890	2,921,008	3,158,646	237,640
Net Income	64,532	(18,251)	82,786	101,699	(69,122)	170,823

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 02/01/2021 to 02/28/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	61,215	61,215		489,720	489,720	
Interest Income						
Interest Income - Reserve Fund	183		183	1,473		1,473
TOTAL Interest Income	<u>183</u>		<u>183</u>	<u>1,473</u>		<u>1,473</u>
Total Revenue	61,398	61,215	183	491,193	489,720	1,473

Expenses

Pavement-Asphalt				11,376	11,306	(70)
Common Area				10,965	92,473	81,508
West Pool				8,968	60,000	51,032
EPC Clubhouse						
EPC Water Heaters	7,275		(7,275)	7,275		(7,275)
TOTAL EPC Clubhouse	<u>7,275</u>		<u>(7,275)</u>	<u>7,275</u>		<u>(7,275)</u>
Community Center						
Community Cntr Walkway Deck				17,100	17,100	
TOTAL Community Center				<u>17,100</u>	<u>17,100</u>	
Bathhouse 5						
Bathhouse 5 HVAC				4,600		(4,600)
TOTAL Bathhouse 5				<u>4,600</u>		<u>(4,600)</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 02/01/2021 to 02/28/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
TOTAL Bathhouses				4,600		(4,600)
Oasis Building						
Oasis Bldg Flooring				5,795	5,795	
TOTAL Oasis Building				5,795	5,795	
Total Expense	7,275	0	(7,275)	66,079	186,674	120,595
Net Income	54,123	61,215	(7,092)	425,114	303,046	122,068

FINANCIAL RESULTS FOR THE SEVEN MONTHS ENDED JANUARY 31, 2021

For the first seven months of the fiscal year ended June 30, 2021, **net income before depreciation is \$88,038 better than plan;** \$37,162 income versus a planned loss of (\$50,871). The positive variance is a combination of lower expenses due to less than planned staffing, lower utilities, and expense timing differences, which are somewhat offset by less than planned RV overnight revenue.

Operating Revenue is \$64,712 or 2.4%, worse than plan. The shortfall in RV overnight space revenue is approximately 75% of the total less than planned revenue. Real Estate Office rental income continued to improve against budget as is now 23% above plan.

The RV overnight confirmed reservation occupancy rate is substantially below plan due to continuing traveler COVID-19 concerns. The current confirmed reservation rate for RV overnight spots in February 2021 is approximately 50%. The existing confirmed reservation occupancy rates would yield a revenue shortfall for the entire fiscal year of approximately \$58,000, a \$7,000 improvement over January projections. Efforts to re-rent the spaces will continue to face significant challenges until there is a marked improvement in various governmental COVID-19 related restrictions.

Operating Expenses are \$152,750 better than plan and are related to less than planned staff expenses in Recreation and Maintenance, lower utility costs related to less than planned occupancy and partially due to timing differences.

Association expenses increased substantially against budget, due to the payment of estimated income taxes of \$44,500 related to the Century Link 5-year marketing contract proceeds of \$174,900. Exclusive of the tax payments, Association expenses are \$2,300 better than plan.

Admin budget savings of approximately \$44,600 is comprised of approximately \$13,300 in telephone costs related to a switch to a VOIP based phone system, and numerous other small line-item savings.

Activities is approximately \$121,000 better than plan, \$70,000 of which is related to a staffing reduction and delays in hiring other personnel. There is an additional \$33,600 in savings related to contract cleaning, however some of these planned expenses were shifted to the Janitorial department.

Security is \$53,228 over budget due to the usage of contract security during the heightened period of criminal activity in and around the park, and the hiring of three additional night shift employees.

Maintenance is \$43,903 better than plan, of which \$14,100 is related to wage savings due to delays in hiring staff, approximately 20,000 in various repair category timing differences and \$7,400 related to a delay in contract painting.

Landscape is \$30,680 over budget primarily related to the delay in the palm tree trimming caused by the contractor unable to find sufficient qualified labor to complete the work. Normally the seasonal palm tree trimming is split between the months of June and July (two separate fiscal year expenses), but the entire cost of the seasonal trimming contract was incurred in September.

Utilities continue to be better than plan with a positive variance of \$47,634, of which approximately \$16,100 is related to electric and \$21,100 in water savings due to lower park occupancy.

With the January addition of grab bars in the EPC bathrooms at a cost of \$5,277, the common element category has accumulated \$89,776 of the total \$90,000 budgeted purchases.

Accounts Receivable:

The Owner Accounts Receivable balance as of January 31, 2020 is \$33,452. **The total Accounts Receivable balance represents 2.69% of the quarterly assessment, compared to 1.95% for the same period last year.**

Special Note Regarding Century Link Marketing Contract

In November 2020, Venture Out received \$174,900 under the terms of a five-year exclusive marketing agreement with Century Link. In addition to this one-time payment, the contract also provides for revenue sharing for Venture Out homeowners who have Century Link service.

The \$174,900 upfront payment is available for immediate use without restriction, however in order to follow applicable accounting principles, this amount is shown as a liability on the balance sheet and then each month 1/60th of the \$174,900 will be recognized as earned, or \$2,915 of revenue will be recognized per month with a corresponding reduction in the liability. If for any reason Venture Out chose not to perform under the terms of the agreement or to cancel the agreement, a *prorata* amount of these funds would be due to Century Link for any period remaining on the contract. As such, the amount that appears on the balance sheet each month would be equivalent to the '*unearned*' portion of the contract.

There are income tax consequences related to these funds received. Income taxes will be due on the *entire amount* received. The exact tax liability will not be known until the related federal and state income tax returns are filed in *late 2021*, however Butler Hansen (our tax and auditing firm) estimated \$44,500 will be due as a result of this transaction, compared to the previous internal estimate of \$43,725.

The earned income for the month of January 2021 was \$3,618, representing the amortized/earned portion of the original \$174,900 payment equal to \$2,915 plus \$650 representing 7% of the Century Link gross revenue.

Venture Out at Mesa Inc.
Consolidated Balance Sheet by Fund

	01/31/2021			
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Recreation Activities Fund</u>	<u>Total Funds</u>
<u>Assets</u>				
Cash	1,225,613	1,236,431	113,123	2, 575, 167
Owner HOA Dues Receivables	33,452			33, 452
Prepaid Expenses & Other	20,170			20, 170
Fixed Assets - Net	10,033,151			10, 033, 151
<u>Total Assets</u>	<u>11,312,386</u>	<u>1,236,431</u>	<u>113,123.00</u>	<u>12,661,940.00</u>
<u>Liabilities</u>				
Accounts Payable - Net Total	68,777			68, 777
Prepaid Assessments	150,035			150, 035
RV Overnight & Storage Reservation Deposits	13,645			13, 645
Unearned Marketing Revenue	166,155			166, 155
Other Payables	438			438
Accrued Expenses	52,833			52, 833
Accrued Vacation & PTO	222,856			222, 856
Deferred Revenue	705,430	122,430		827, 860
<u>Total Liabilities</u>	<u>1,380,169</u>	<u>122,430</u>	<u>0.00</u>	<u>1,502,599.00</u>
<u>Fund Balance</u>				
Net Income	37,167	370,991	33	408, 191
Fund Balances	9,895,050	743,010	113,090	10, 751, 150
<u>Total Fund Balances</u>	<u>9,932,217</u>	<u>1,114,001</u>	<u>113,123.00</u>	<u>11,159,341.00</u>
<u>Total Liabilities and Fund Balances</u>	<u>11,312,386</u>	<u>1,236,431</u>	<u>113,123.00</u>	<u>12,661,940.00</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 01/01/2021 to 01/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	352,715	352,715		2,469,005	2,469,005	
Owner Fees	3,429	6,060	(2,631)	8,692	17,544	(8,852)
Transfer & Disclosure Fees	4,680	4,680		20,160	19,840	320
Other Service Fees	2,655	6,808	(4,153)	12,137	26,389	(14,252)
RV Overnight Space Rentals	14,025	18,830	(4,805)	38,038	86,547	(48,509)
Vehicle Storage	1,337	345	992	25,764	27,600	(1,836)
Real Estate Office Rental	9,689	5,158	4,531	24,861	20,083	4,778
Century Link Marketing Program	3,565		3,565	11,287		11,287
Laundry Operations	997	3,540	(2,543)	3,696	9,802	(6,106)
Water Vending Machines	1,325	2,650	(1,326)	3,953	5,500	(1,547)
Other Income	438	1,890	(1,452)	12,146	9,893	2,253
Interest Income	155	189	(34)	1,074	1,353	(279)
Retail Sales	605	1,370	(765)	2,766	5,085	(2,319)
Gain / (Loss) on Asset Disposal				350		350
Total Revenue	395,615	404,235	(8,621)	2,633,929	2,698,641	(64,712)

Expenses

Association	60,809	11,935	48,874	163,475	122,271	41,204
Administration	55,813	62,835	(7,022)	407,588	452,152	(44,564)
Activities	36,037	64,193	(28,157)	297,703	418,432	(120,730)
Security	52,434	45,469	6,965	393,620	340,392	53,228
Maintenance	40,786	43,209	(2,423)	330,056	373,958	(43,903)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 01/01/2021 to 01/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Landscaping	9,207	11,801	(2,594)	209,771	179,091	30,680
Janitorial	28,331	26,429	1,902	176,598	155,890	20,708
Pool	5,228	7,610	(2,382)	45,862	53,827	(7,966)
Waste Disposal	10,456	17,570	(7,114)	76,513	100,855	(24,343)
Irrigation	566	3,085	(2,519)	4,088	10,620	(6,532)
Laundry Operations		250	(250)	180	2,850	(2,670)
Payroll Taxes, Insurance & Other Benefits				(3)		(4)
Utilities	71,359	86,601	(15,242)	401,540	449,174	(47,634)
Common Element Capital Purchases \$90,000 limit	5,277		5,277	89,776	90,000	(224)
Total Expense	376,303	380,987	(4,685)	2,596,767	2,749,512	(152,750)
Net Income	19,312	23,248	(3,936)	37,162	(50,871)	88,038

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 01/01/2021 to 01/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
<u>Revenues</u>						
Assessments	61,215	61,215		428,505	428,505	
Interest Income						
Interest Income - Reserve Fund	192		192	1,290		1,290
TOTAL Interest Income	<u>192</u>		<u>192</u>	<u>1,290</u>		<u>1,290</u>
Total Revenue						
	61,407	61,215	192	429,795	428,505	1,290
<u>Expenses</u>						
Pavement-Asphalt				11,376	11,306	70
Common Area				10,965	92,473	(81,508)
West Pool				8,968	60,000	(51,032)
Community Center						
Community Cntr Walkway Deck				17,100	17,100	
TOTAL Community Center				<u>17,100</u>	<u>17,100</u>	
Bathhouse 5						
Bathhouse 5 HVAC				4,600		4,600
TOTAL Bathhouse 5				<u>4,600</u>		<u>4,600</u>
TOTAL Bathhouses				<u>4,600</u>		<u>4,600</u>
Oasis Building						

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 01/01/2021 to 01/31/2021

	Actual Current Period	Budget Current Period	Variance Real of the Period to its Budget in \$	Actual Current Year	YTD Budget	Variance YTD Budget to YTD Real\$
Oasis Bldg Flooring				5,795	5,795	
TOTAL Oasis Building				<u>5,795</u>	<u>5,795</u>	
Total Expense	0	0	0	58,804	186,674	(127,870)
Net Income	61,407	61,215	192	370,991	241,831	129,160