

FINANCIAL RESULTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2022

For the eight months ended February 28, 2022, **the net income before depreciation is \$307,785 better than plan**; \$237,723 income versus a planned loss of (\$70,062). The positive variance is approximately 19% related to better than planned revenue and 81% due to lower operating expenses, primarily related to lower wages due to staffing shortages and in some instances purposeful delays in hiring.

Operating Revenue is \$59,355 or 1.9%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined ~ \$53,000 above plan. RV Overnight space income is ~\$14,500 over plan related to higher-than-expected summer occupancy rate.

Operating Expenses are \$248,433 or 7.8 % 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 \$64,800 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 ~ \$60,000 better than plan: ~\$19,300 due to delay in hiring two janitorial positions; \$27,100 savings due to a delay in seasonal janitorial contracted services; and approximately \$15,500 less in employee benefit/tax allocations.

Security is ~\$39,500 better than plan primarily related to less than planned staffing (~\$36,000) and therefore lower than planned benefit/payroll tax allocations (~\$17,000), offset by higher security system, golf cart and auto maintenance costs.

Maintenance is ~\$64,600 better than plan, of which approximately \$24,100 related to less than wage/benefit costs; \$16,500 in savings due to lower than planned contract painting costs. Other miscellaneous timing differences generally comprise the balance of savings.

Janitorial is ~\$48,100 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Landscaping is ~\$31,800 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Utilities are ~ \$23,200 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season. Electricity is \$10,100 better than plan, but these savings are offset by higher natural gas of \$9,600.

Accounts Receivable

The Owner Accounts Receivable balance at month end is \$12,151. Three accounts owe more than one quarterly assessment. **The total Accounts Receivable balance represents 0.95% of the regular quarterly assessment, compared to 1.12% 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 \$1,303,031 at month end.

Special Assessments

The Venture Out community approved two special assessments at the annual meeting held on February 16, 2022. The Storm Drain, Proposition # 1, passed with 89% approval and the new West Pool, Proposition # 2, passed with 74.5% approval. These special assessments are in addition to the regular current quarterly assessment of \$735.00.

The total of the special assessments is \$2,967.00, payable in full by April 1, 2022, or in four equal quarterly installments of \$741.75 beginning April 1, 2022.

The components of the special assessments are as follows:

1. Construction of new west pool: \$2,064.00 total, or \$516.00 quarterly.
2. 48" storm drain project: \$903.00 total, or \$225.75 quarterly.

As of February 28, 2022, a total of \$252,195 was collected in advance of the first quarterly special assessment billing due April 1, 2022; \$175,440 related to the West Pool and \$76,755 related to the Storm Drain. These amounts are shown separately on the accompanying Balance Sheet as separate fund balances. Funds are initially collected in the Operating Fund and then transferred *monthly* to the respective special assessment funds, after the monthly accounting close determines the total special assessment funds collected.

No special assessment related project expenditures were incurred during February 2022, and hence there are no accompanying fund balance operating statements presented.

Venture Out at Mesa, Inc.

Balance Sheet
as of February 28, 2022

	Operating Fund	Reserve Fund	West Pool Special Assessment	48" Drain Special Assessment	Recreation Activities Fund	Consolidated
Assets						
Cash	\$ 1,469,204	\$ 1,382,691			\$ 82,089	\$ 2,933,984
Owner HOA Dues Receivables	12,151					12,151
Prepaid Expenses & Other	18,851					18,851
Interfund Due From / (To)	(251,240)	(955)	175,440	76,755		-
Fixed Assets - Net	9,394,206					9,394,206
Total Assets	\$ 10,643,172	\$ 1,381,736	\$ 175,440	\$ 76,755	\$ 82,089	\$ 12,359,192
Liabilities						
Accounts Payable	97,829					97,829
RV Overnight & Storage Reservation Deposits	20,336					20,336
Prepaid HOA Assessments	187,922					187,922
Prepaid Special Assessments			175,440	76,755		252,195
Unearned Marketing Revenue	128,260					128,260
Other Payables	1,886					1,886
Accrued Expenses	2,005					2,005
Wages Payable	62,543					62,543
Accrued Vacation & PTO	212,831					212,831
Deferred Revenue	349,800	78,705				428,505
Total Liabilities	\$ 1,063,412	\$ 78,705	\$ 175,440	\$ 76,755	\$ -	\$ 1,394,312
Fund Balances						
Net Income	237,724	452,553			29	690,306
Beginning Fund Balances	9,342,036	850,478			82,060	10,274,574
Total Fund Balances	\$ 9,579,760	\$ 1,303,031	\$ -	\$ -	\$ 82,089	\$ 10,964,880
Total Liabilities and Fund Balances	\$ 10,643,172	\$ 1,381,736	\$ 175,440	\$ 76,755	\$ 82,089	\$ 12,359,192

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 02/01/2022 to 02/28/2022

	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		2,798,400	2,798,400	
Owner Fees	6,407	6,495	(88)	30,183	30,262	(79)
Transfer & Disclosure Fees	7,100	7,560	(460)	54,960	27,360	27,600
Other Service Fees	4,104	7,099	(2,995)	25,284	35,090	(9,806)
RV Overnight Space Rentals	18,831	18,000	831	93,313	78,800	14,513
Vehicle Storage	55	100	(45)	28,404	27,200	1,204
Real Estate Office Rental	6,134	11,000	(4,866)	58,818	33,100	25,718
Century Link Marketing Program	3,476	3,615	(139)	27,061	27,420	(359)
Laundry Operations	2,324	3,146	(822)	10,321	12,947	(2,626)
Water Vending Machines	2,819	2,600	219	8,548	8,100	448
Other Income	326	200	126	11,700	8,745	2,955
Interest Income	180	105	75	1,579	1,279	300
Retail Sales	812	912	(100)	5,184	5,697	(513)
Total Revenue	402,368	410,632	(8,264)	3,153,755	3,094,400	59,355

Expenses

Association	11,875	12,305	431	125,015	128,968	3,953
Administration	50,991	54,118	3,127	482,233	475,258	(6,974)
Activities	67,731	67,240	(491)	428,523	488,496	59,974
Security	50,030	56,944	6,916	460,371	499,843	39,472
Maintenance	37,925	47,579	9,655	315,063	379,687	64,624
Landscaping	11,344	12,271	927	161,791	193,616	31,825

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 02/01/2022 to 02/28/2022

	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	24,210	30,061	5,851	165,658	213,795	48,137
Pool	4,749	9,638	4,889	65,421	65,313	(108)
Waste Disposal	15,346	12,013	(3,333)	99,186	86,054	(13,132)
Irrigation	5,237	5,209	(28)	43,678	40,322	(3,356)
Laundry Operations	687	500	(187)	1,584	2,400	816
Payroll Taxes, Insurance & Other Benefits						
Utilities	82,561	89,592	7,031	523,231	546,432	23,201
Common Element Capital Purchases \$90,000 limit				20,730	20,730	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	362,686	397,470	34,788	2,916,032	3,164,462	248,433
Net Income	39,682	13,162	26,520	237,723	(70,062)	307,785

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 02/01/2022 to 02/28/2022

	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		629,640	629,640	
Interest Income						
Interest Income - Reserve Fund	206		206	1,482		1,482
TOTAL Interest Income	<u>206</u>		<u>206</u>	<u>1,482</u>		<u>1,482</u>
Total Revenue	78,911	78,705	206	631,122	629,640	1,482

Expenses

Maintenance				5,200		(5,200)
Unspent Reserve Contingency Expenses					46,484	46,484
Pavement-Asphalt				12,950	9,200	(3,750)
Concrete Gutters, Sidewalks & Drives				8,538		(8,538)
Common Area				69,432	90,220	20,788
West Pool				21,113	24,240	3,128
EPC Pool				516		(516)
EPC Clubhouse				3,856		(3,856)
Community Center				13,191	4,900	(8,291)
Bathhouse 3				10,036		(10,036)
Bathhouse 5				5,297	5,340	43
Bathhouse 8				1,433		(1,433)
TOTAL Bathhouses				<u>16,766</u>	<u>5,340</u>	<u>(11,426)</u>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 02/01/2022 to 02/28/2022

	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 Building				7,800		(7,800)
Total Expense	0	0	0	178,570	198,884	20,315
Net Income	78,911	78,705	206	452,552	430,756	21,796

Venture Out at Mesa Inc.
Revenues and Expenses Statement - Reserve Fund
From 07/01/2021 to 02/28/2022

Current Period

Revenues

Reserve Assessment Income	629,640.00
Interest Income - Reserve Fund	1,482.10

Total Revenue	631,122.10
----------------------	-------------------

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	21,112.50
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	178,569.94
----------------------	-------------------

Net Income	452,552.16
-------------------	-------------------