

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED MARCH 31, 2022

For the nine months ended March 31, 2022, **the net income before depreciation is \$372,466 better than plan**; \$304,573 income versus a planned loss of (\$67,893). The positive variance is approximately 23% related to better than planned revenue and 77% 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 \$86,725 or 2.4%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined ~ \$80,000 above plan. RV Overnight space income is ~\$19,000 over plan related to higher-than-expected summer occupancy rate and fee increases.

Operating Expenses are \$285,742 or 8.0 % 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 \$66,600 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 23% of the overall expense savings.

Activities is ~ \$80,000 better than plan: ~\$19,300 due to delay in hiring two janitorial positions; \$32,600 savings due to a delay in seasonal janitorial contracted services; and approximately \$21,500 less in employee benefit/tax allocations.

Security is ~\$45,400 better than plan primarily related to less than planned staffing (~\$42,000) and therefore lower than planned benefit/payroll tax allocations (~\$22,000), offset by higher security system, golf cart and auto maintenance costs.

Maintenance is ~\$73,800 better than plan, of which approximately \$38,000 related to less than wage/benefit costs; \$19,100 in savings due to lower than planned contract painting costs. Other miscellaneous timing differences generally comprise the balance of savings.

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

Janitorial is ~\$51,300 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Utilities are ~ \$20,700 better than plan, primarily related to irrigation water savings to the substantive rains of the monsoon season. Electricity is \$11,000 better than plan, but these savings are offset by higher natural gas of \$10,300.

Accounts Receivable

The Owner Accounts Receivable balance at month end is \$7,347. Three accounts owe more than one quarterly assessment. **The total Accounts Receivable balance represents 0.57% of the regular quarterly assessment, compared to 0.72% 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 \$1,362,918 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 March 31, 2022, a total of \$1,667,454 was collected in advance of the first quarterly special assessment billing due April 1, 2022; \$1,159,968 related to the West Pool and \$507,486 related to the Storm Drain, representing a total of 562 owners (32% of all owners) that fully paid the Special Assessment prior to the due date of the first installment. These amounts are shown separately on the accompanying Balance Sheet in separate fund balances. Funds are initially collected in the Operating Fund and then transferred periodically to the respective special assessment funds.

During March 2022, \$2,535 was spent on the West Pool project related to permit fees. There were no expenditures related to the Storm Drain project.

Venture Out at Mesa, Inc.

Balance Sheet
as of March 31, 2022

	Operating Fund	Reserve Fund	West Pool Special Assessment	48" Drain Special Assessment	Recreation Activities Fund	Consolidated
Assets						
Cash	\$ 1,466,264	\$ 1,356,132	\$ 1,067,088	\$ 466,851	\$ 82,092	\$ 4,438,427
Owner HOA Dues Receivables	7,347					7,347
Prepaid Expenses & Other	88,397					88,397
Interfund Due From / (To)	(140,301)	9,321	90,345	40,635		-
Fixed Assets - Net	9,396,225					9,396,225
Total Assets	\$ 10,817,932	\$ 1,365,453	\$ 1,157,433	\$ 507,486	\$ 82,092	\$ 13,930,396
Liabilities						
Accounts Payable	73,374					73,374
RV Overnight & Storage Reservation Deposits	46,143					46,143
Prepaid HOA Assessments	641,070					641,070
Prepaid Special Assessments			1,159,968	507,486		1,667,454
Unearned Marketing Revenue	125,345					125,345
Other Payables	2,399					2,399
Accrued Expenses	7,618					7,618
Wages Payable	62,543					62,543
Accrued Vacation & PTO	212,831					212,831
Deferred Revenue						-
Total Liabilities	\$ 1,171,323	\$ -	\$ 1,159,968	\$ 507,486	\$ -	\$ 2,838,777
Fund Balances						
Net Income	304,573	514,975	(2,535)		32	817,045
Beginning Fund Balances	9,342,036	850,478			82,060	10,274,574
Total Fund Balances	\$ 9,646,609	\$ 1,365,453	\$ (2,535)	\$ -	\$ 82,092	\$ 11,091,619
Total Liabilities and Fund Balances	\$ 10,817,932	\$ 1,365,453	\$ 1,157,433	\$ 507,486	\$ 82,092	\$ 13,930,396

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 03/01/2022 to 03/31/2022

	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		3,148,200	3,148,200	
Owner Fees	8,935	11,292	(2,358)	39,116	41,554	(2,438)
Transfer & Disclosure Fees	20,500	3,600	16,900	75,460	30,960	44,500
Other Service Fees	4,111	4,743	(632)	29,395	39,833	(10,438)
RV Overnight Space Rentals	20,579	17,000	3,579	113,892	95,800	18,092
Vehicle Storage	696	800	(104)	29,100	28,000	1,100
Real Estate Office Rental	18,806	9,000	9,806	77,624	42,100	35,524
Century Link Marketing Program	3,489	3,615	(126)	30,550	31,035	(485)
Laundry Operations	2,849	2,957	(108)	13,170	15,904	(2,734)
Water Vending Machines	2,509	2,600	(91)	11,057	10,700	357
Other Income	558	100	458	12,258	8,845	3,413
Interest Income	191	155	36	1,771	1,434	337
Retail Sales	929	919	10	6,114	6,616	(503)
Total Revenue	433,952	406,581	27,370	3,587,707	3,500,981	86,725

Expenses

Association	15,421	17,105	1,684	140,437	146,073	5,636
Administration	57,507	51,589	(5,918)	539,742	526,847	(12,895)
Activities	49,880	70,789	20,909	478,401	559,285	80,885
Security	63,086	68,976	5,890	523,454	568,819	45,365
Maintenance	34,803	44,030	9,227	349,869	423,717	73,848
Landscaping	8,450	15,692	7,242	170,240	209,308	39,068

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 03/01/2022 to 03/31/2022

	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	25,490	28,670	3,180	191,148	242,465	51,317
Pool	9,354	7,531	(1,823)	74,775	72,844	(1,931)
Waste Disposal	13,648	11,774	(1,874)	112,834	97,828	(15,006)
Irrigation	5,309	6,292	983	48,988	46,614	(2,374)
Laundry Operations	213	500	287	1,796	2,900	1,104
Payroll Taxes, Insurance & Other Benefits						
Utilities	83,944	81,464	(2,480)	607,172	627,896	20,724
Common Element Capital Purchases \$90,000 limit				20,730	20,730	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	367,105	404,412	37,307	3,283,134	3,568,874	285,742
Net Income	66,847	2,169	64,678	304,573	(67,893)	372,466

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 03/01/2022 to 03/31/2022

	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		708,345	708,345	
Interest Income	329		329	1,811		1,811
Total Revenue	79,034	78,705	329	710,156	708,345	1,811
<u>Expenses</u>						
Maintenance				5,200		(5,200)
Unspent Reserve Contingency Expenses					46,484	46,484
Consulting Fees - Streets	10,355	10,355		10,355	10,355	
Pavement-Asphalt				12,950	9,200	(3,750)
Concrete Gutters, Sidewalks & Drives				8,538		(8,538)
Common Area	512		(512)	69,944	90,220	20,276
West Pool				21,113	24,240	3,128
EPC Pool				516		(516)
EPC Clubhouse				3,856		(3,856)
Community Center	1,365	11,500	10,135	14,556	16,400	1,844
Bathhouse 3						
Bathhouse 3 Remodel/Replace				10,036		(10,036)
TOTAL Bathhouse 3				<u>10,036</u>		<u>(10,036)</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>

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 03/01/2022 to 03/31/2022

	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\$
Bathhouse 6						
Bathhouse 6 Remodel/Replace	4,380	4,680	300	4,380	4,680	300
TOTAL Bathhouse 6	4,380	4,680	300	4,380	4,680	300
 Bathhouse 8						
Bathhouse 8 Fixtures/Plumbing/Water Heater				1,433		(1,433)
TOTAL Bathhouse 8				1,433		(1,433)
 TOTAL Bathhouses	4,380	4,680	300	21,146	10,020	(11,126)
 Oasis Building				7,800		(7,800)
New West Pool Construction Expenses	2,535		(2,535)	2,535		(2,535)
 Total Expense	19,147	26,535	7,388	197,717	225,419	27,703
 Net Income	59,887	52,170	7,717	512,439	482,926	29,513

Venture Out at Mesa Inc.
Revenues and Expenses Statement - Reserve Fund
From 07/01/2021 to 03/31/2022

Current Period

Revenues

Reserve Assessment Income	708,345.00
Interest Income - Reserve Fund	1,810.85

Total Revenue	710,155.85
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Expenses

Maintenance - Electrical Contracted Services	5,200.00
Consulting Fees - Streets	10,355.00
Pavement: Crack Seal/Repair	1,400.00
Pavement - Striping	11,550.00
Concrete: Sidewalks	8,538.00
Common Area Pole Lights - Large	65,983.92
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 Ballroom Floor	11,198.22
Community Cntr Elevator Equipment	3,358.00
Bathhouse 3 Remodel/Replace	10,036.18
Bathhouse 5 Remodel/Replace	5,297.40
Bathhouse 6 Remodel/Replace	4,380.00
Bathhouse 8 Fixtures/Plumbing/Water Heater	1,432.51
Oasis Bldg HVAC	7,800.00
New West Pool Construction Expenses	2,535.00

Total Expense	197,717.01
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Net Income	512,438.84
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