

FINANCIAL RESULTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2022

For the eleven months ended May 31, 2022, **the net income before depreciation is \$387,451 better than plan;** \$326,637 income versus a planned loss of (\$60,814). The positive variance is approximately 38% related to better than planned revenue and 62% 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 \$146,603 or 3.4%, better than plan. Due to higher than planned unit sales, Real Estate Office rental income and transfer/disclosure fees are a combined ~ \$121,000 above plan. RV Overnight space income is ~\$27,000 over plan related to higher-than-expected summer occupancy rate and fee increases.

Operating Expenses are \$240,849 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. Overall, Employee Benefits, Payroll Taxes and Workers Comp insurance are \$78,600 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 33% of the overall expense savings.

Activities is ~ \$81,000 better than plan: ~\$17,000 due to delay in hiring two janitorial positions; \$29,200 savings due to a delay in seasonal janitorial contracted services; and approximately \$19,400 less in employee benefit/tax allocations.

Security is ~\$61,000 better than plan primarily related to less than planned staffing (~\$55,000) and therefore lower than planned benefit/payroll tax allocations (~\$32,000), offset by higher security system, golf cart and fire inspection/compliance costs.

Maintenance is ~\$60,000 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.

Landscaping is ~\$42,000 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Janitorial is ~\$52,000 better than plan primarily related to less than planned staffing and hence benefit and tax allocations.

Accounts Receivable

The Owner Accounts Receivable balance at month end is \$23,178. One account owes more than one quarterly assessment. The larger than normal AR balance is related to the special assessment, of which approximately 16 units have not paid the first installment due.

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 \$1,779,397 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 May 31, 2022, there are 602 owners (34% of all owners) that have fully paid the remaining three installments of the special assessments. These amounts are shown separately on the accompanying Balance Sheet in separate fund balances as prepaid assessments. Funds are initially collected in the Operating Fund and then transferred periodically to the respective special assessment funds.

There was approximately \$8,618 spent on the West Pool project related to permit fees and asbestos removal. There are no YTD expenditures related to the Storm Drain project.

Venture Out at Mesa, Inc.

Balance Sheet
as of May 31, 2022

	Operating Fund	Reserve Fund	West Pool Special Assessment	48" Drain Special Assessment	Recreation Activities Fund	Consolidated
Assets						
Cash	\$ 1,471,456	\$ 1,862,133	\$ 1,825,762	\$ 543,606	\$ 82,099	\$ 5,785,056
Owner HOA Dues Receivables	23,178					23,178
Prepaid Expenses & Other	10,797					10,797
Interfund Due From / (To)	10,891	(4,031)			(6,860)	-
Fixed Assets - Net	9,396,225					9,396,225
Total Assets	\$ 10,912,547	\$ 1,858,102	\$ 1,825,762	\$ 543,606	\$ 75,239	\$ 15,215,256
Liabilities						
Accounts Payable	64,297					64,297
RV Overnight & Storage Reservation Deposits	47,173					47,173
Prepaid HOA Assessments	1,723,944					1,723,944
Prepaid Special Assessments	(1,339,600)		931,896	407,704		-
Unearned Marketing Revenue	119,515					119,515
Other Payables	3,378					3,378
Wages Payable	62,543					62,543
Accrued Vacation & PTO	212,831					212,831
Deferred Revenue	349,800	78,705				428,505
Total Liabilities	\$ 1,243,881	\$ 78,705	\$ 931,896	\$ 407,704	\$ -	\$ 2,662,186
Fund Balances						
Net Income	326,637	928,919	893,866	135,902	(6,821)	2,278,503
Beginning Fund Balances	9,342,029	850,478	-	-	82,060	10,274,567
Total Fund Balances	\$ 9,668,666	\$ 1,779,397	\$ 893,866	\$ 135,902	\$ 75,239	\$ 12,553,070
Total Liabilities and Fund Balances	\$ 10,912,547	\$ 1,858,102	\$ 1,825,762	\$ 543,606	\$ 75,239	\$ 15,215,256

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 05/01/2022 to 05/31/2022

	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\$
Revenues						
Assessments	349,800	349,800		3,847,800	3,847,800	
Owner Fees	(123)	(218)	95	48,259	46,301	1,958
Transfer & Disclosure Fees	10,400	1,440	8,960	110,360	39,600	70,760
Other Service Fees	1,095	742	353	33,248	43,080	(9,832)
RV Overnight Space Rentals	8,434	2,700	5,734	134,113	106,500	27,613
Vehicle Storage	8,240	8,600	(360)	41,341	41,500	(159)
Real Estate Office Rental	6,092	3,500	2,592	99,529	49,100	50,429
Century Link Marketing Program	3,470	3,315	155	37,560	37,665	(105)
Laundry Operations	558	1,114	(556)	16,000	17,976	(1,976)
Water Vending Machines	274	500	(227)	12,782	12,700	82
Other Income	3,682	20	3,662	16,485	8,915	7,570
Interest Income	235	135	100	2,224	1,743	481
Retail Sales	162	107	55	6,948	7,166	(218)
Total Revenue	392,319	371,755	20,563	4,406,649	4,260,046	146,603

Expenses

Association	16,446	9,805	(6,641)	193,741	167,769	(25,972)
Administration	50,254	50,626	372	668,355	656,069	(12,286)
Activities	49,693	50,807	1,114	602,732	683,668	80,936
Security	51,910	57,711	5,801	643,464	704,571	61,107
Maintenance	34,347	33,058	(1,289)	449,082	508,913	59,831
Landscaping	13,792	13,278	(514)	198,692	240,838	42,146

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Operating Fund

From 05/01/2022 to 05/31/2022

	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	18,213	21,977	3,764	245,162	297,791	52,629
Pool	6,068	8,229	2,162	90,955	89,941	(1,014)
Waste Disposal	12,129	9,867	(2,262)	144,589	124,336	(20,253)
Irrigation	4,987	4,687	(300)	62,085	57,957	(4,128)
Laundry Operations	1,181		(1,181)	3,201	3,150	(51)
Payroll Taxes, Insurance & Other Benefits	1		(1)	1		(1)
Utilities	55,500	54,470	(1,030)	733,675	741,579	7,904
Common Element Capital Purchases \$90,000 limit				20,730	20,730	
Bathhouse 3 Repipe/Relining - Op Fund				23,548	23,548	1
Total Expense	314,521	314,515	(5)	4,080,012	4,320,860	240,849
Net Income	77,798	57,240	20,558	326,637	(60,814)	387,451

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2022 to 05/31/2022

	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\$
Revenues						
Assessments						
Reserve Assessment Income	78,705	78,705		865,755	865,755	
TOTAL Assessments	<u>78,705</u>	<u>78,705</u>		<u>865,755</u>	<u>865,755</u>	
Interest Income						
Interest Income - Reserve Fund	700		700	3,113		3,113
TOTAL Interest Income	<u>700</u>		<u>700</u>	<u>3,113</u>		<u>3,113</u>
Special Assessment - West Pool				902,484		902,484
Special Assessment - 48" Storm Drain Project				394,837		394,837
Total Revenue	79,405	78,705	700	2,166,189	865,755	1,300,434

Expenses

Maintenance

Maintenance - Electrical Contracted Services				5,200		(5,200)
TOTAL Maintenance				<u>5,200</u>		<u>(5,200)</u>

Unspent Reserve Contingency Expenses

Consulting Fees - Streets				10,355	46,484	46,484
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Pavement-Asphalt

Pavement: Crack Seal/Repair				1,400		(1,400)
Pavement - Striping				11,550	9,200	(2,350)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2022 to 05/31/2022

	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\$
TOTAL Pavement-Asphalt				12,950	9,200	(3,750)
Concrete Gutters, Sidewalks & Drives						
Concrete: Sidewalks				8,538		(8,538)
TOTAL Concrete Gutters, Sidewalks & Drives				8,538		(8,538)
Common Area						
Common Area Pole Lights - Large				69,687	60,220	(9,467)
Common Area Backflow Valves				987		(987)
Common Area - 312 Aero Drainage				2,973	30,000	27,027
TOTAL Common Area				73,647	90,220	16,573
Pickleball						
Pickleball Courts 1-4				10,000	10,000	
Pickleball Courts 5-6				4,500	4,500	
Pickleball Courts 7-8				4,708	4,000	(708)
TOTAL Pickleball				19,208	18,500	(708)
TOTAL Sporting Facilities				19,208	18,500	(708)
West Pool						
West Pool Replacement				21,113	24,240	3,128
TOTAL West Pool				21,113	24,240	3,128
EPC Pool						
EPC Pool Pool Lift				516		(516)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2022 to 05/31/2022

	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\$
TOTAL EPC Pool				516		(516)
EPC Clubhouse						
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 Ballroom Floor				11,198	11,500	302
Community Cntr Elevator Equipment				3,358		(3,358)
TOTAL Community Center				14,556	16,400	1,844
Bathhouse 3						
Bathhouse 3 Remodel/Replace				10,036		(10,036)
TOTAL Bathhouse 3				10,036		(10,036)
Bathhouse 5						
Bathhouse 5 Remodel/Replace				5,297	5,340	43
TOTAL Bathhouse 5				5,297	5,340	43
Bathhouse 6						
Bathhouse 6 Remodel/Replace				4,380	4,680	300
TOTAL Bathhouse 6				4,380	4,680	300
Bathhouse 8						
Bathhouse 8 Fixtures/Plumbing/Water Heater				1,433		(1,433)

Venture Out at Mesa Inc.

Revenues and Expenses Statement - Reserve Fund

From 05/01/2022 to 05/31/2022

	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\$
TOTAL Bathhouse 8				1,433		(1,433)
TOTAL Bathhouses				21,146	10,020	(11,126)
Oasis Building						
Oasis Bldg HVAC				7,800		(7,800)
TOTAL Oasis Building				7,800		(7,800)
New West Pool Construction Expenses	2,578		(2,578)	8,618		(8,618)
Total Expense	2,578	0	(2,578)	207,503	225,419	17,917
Net Income	76,827	78,705	(1,878)	1,958,686	640,336	1,318,350

Venture Out at Mesa Inc.
Revenues and Expenses Statement - Reserve Fund
From 07/01/2021 to 05/31/2022

Current Period

Revenues

Reserve Assessment Income	865,755.00
Special Assessment - West Pool	902,484.00
Special Assessment - 48" Storm Drain Project	394,836.75
Interest Income - Reserve Fund	3,112.60

Total Revenue	2,166,188.35
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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 - Stripping	11,550.00
Concrete: Sidewalks	8,538.00
Common Area Pole Lights - Large	69,686.92
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	8,617.98

Total Expense	207,502.99
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Net Income	1,958,685.36
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