

To: Sun City Mesquite Finance Committee

From: Jim Hier

Date: May 29, 2020

Subject: April 2020 Financial Review

We had no 13 closings this month, versus a budget of 10. YTD we are still ahead of budget (39 vs 33). Seabreeze, our property management company, reports 1,738 association members as of the end of the month. This variance from budget for closings directly impacts revenue for Transfer Fees, Architectural Fees, Capital Contributions and eventually increased Assessments for both SCM and AMM.

SCM

Revenue for the month was \$224k, and \$8k better than budget. This variance can be primarily attributed to the closings mentioned above +\$5k and Developer Assessments +\$5k offset by lack of income for Guest Passes and Fitness -\$2k. YTD revenues of \$922k are \$75k greater than budget with \$59k from Fence Painting Reimbursement \$5k from interest income and \$10k from increased closings.

Expenses of \$192k before Capital Improvements for the month were \$25k lower than budget. The main contributions to the expense variance were from Payroll (\$4k), Landscape costs (\$4k), Utilities (\$14k, \$5k due to no propane charges, \$6k reduced water and \$3k reduced electricity charges). YTD Expenses of \$843k are \$19k above budget and reflect the increased contribution to Fence Painting of \$59k reflected in Revenues offset by reductions in G&A expenses of \$15k, Landscaping of \$17k, and Utilities of \$12k.

There were numerous less significant plusses and minuses from other accounts, but the Surplus of \$32k for the month is \$38k better than budget after Capital Improvements. YTD Surplus of \$78k after Capital Improvements is \$56k above budget.

Total operating funds of \$653k are greater than current liabilities of \$514k. This yields \$139k in unencumbered cash. Liabilities include pre-paid assessments.

AMM

Revenue for the month of \$84k is \$2k greater than budget. This is primarily due to the increase in closings mentioned above and Developer Assessments. YTD Revenue of \$326k is \$4k greater than budget.

Total monthly Expenses of \$68k are \$10k less than budget. There were favorable variances of \$2k in G&A, \$3k in Landscaping, \$2k in Golf Course Water Feature maintenance and \$1k each in Contract Maintenance and Utilities. YTD Expenses of \$279k are \$17k less than budget with G&A contributing \$6k, Golf Course Water Features \$5k, Landscape \$3k and Contract Maintenance \$2k. Small variances that many times reflect timing differences between budget and actual occurred throughout the accounts.

Net Surplus for the month of \$16k after Capital Improvements is \$13k higher than budget and YTD Surplus of \$47k is \$22k better than budget.

Total operating funds of \$375k are \$154k greater than current liabilities of \$221k. Liabilities include pre-paid assessments.

BI

Revenues for the month of \$5k and YTD of \$20k are right on budget. Expenses for the month of \$4k are \$1k below budget, and YTD expenses of \$18k are on budget. Net Income of \$1k for the month and \$3k YTD are slightly ahead of budget.

Total operating funds of \$25k are \$12k better than current liabilities of \$13k. Liabilities include pre-paid assessments.