

To: Sun City Mesquite Finance Committee

From: Jim Hier

Date: March 2, 2019

Subject: January 2019 Financial Review

New year, and new budget. We had 24 closings in January, versus a budget of 7. Seabreeze, our property management company, reports 1,553 association members at 1/31/19. This variance from budget for closings directly impacts revenues for SCM and AMM.

### **SCM**

Revenue for the month was \$205k, and \$22k better than budget. Most of the increase (\$16k) was from the additional closings mentioned above, with increased contributions to Capital, Architectural Design Fees and Transfer Fees, with additional contributions from Developer Assessments, Interest Income and Newsletter Advertising.

Expenses of \$191k were \$10k greater than budget. The General and Administrative Expenses of \$78k are \$6k greater than budget, with payroll the major contributor at \$9k greater than budget due to unbudgeted bonuses. Utilities were \$2k over budget due to increased Propane costs. General Maintenance contributed another \$2k to the unfavorable expense variance, due to fire system and pump repairs. Net Surplus of \$15k is \$10k better than budget.

Total operating assets of \$709k are greater than current liabilities of \$620k. This yields \$89k in unencumbered cash. Liabilities include pre-paid assessments.

### **AMM**

Revenue of \$78k is \$6k better than budget. This is primarily due to the increased closings mentioned above.

Total Expenses of \$62k are \$6k less than budget. There were favorable variances in G&A of \$3k primarily in Payroll expenses, Landscaping of \$2k, and Utilities of \$1k.

Net Surplus of \$16k is \$12k better than budget.

Total operating assets of \$213k are \$2k less than current liabilities of \$215k. Liabilities include pre-paid assessments.

### **BI**

Revenues of \$5k and expenses of \$4k are right on budget, yielding a Net Surplus of \$1k.

Total operating assets of \$17k are \$5k better than current liabilities of \$12k. Liabilities include pre-paid assessments.