To: Sun City Mesquite Finance Committee
From: Jim Hier

Date: September 3, 2020
Subject: July 2020 Financial Review

We had 29 closings this month, versus a budget of 13. WOW! YTD we are now ahead of budgeted closings by 6 (78 vs 72). Seabreeze, our property management company, reports 1,780 association members as of the end of the month. Any 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 $250k, and $25k better than budget. This variance can be primarily attributed to the closings mentioned above, which contributed a $25k in favorable variance by themself. YTD revenues of $1,598k are $81k greater than budget with $59k from Fence Painting Reimbursement, $7k from interest income and $18k from increased Developer Assessments.

Expenses of $242k before Capital Improvements for the month were $14k greater than budget. The main contributions to the expense variances were overruns in water costs and General Maintenance, offset by favorable variances in G&A and Landscaping costs. Because of the increased closings, our contributions to reserves contributed $11k, of the total $14k, to the unfavorable expense variance. YTD Expenses of $1,501 are $11k higher than budget, but include the increased contributions to reserves due to the fencing reimbursements and increased closings. Without the increased reserve contributions, expenses for the year would be $60k less than budget.

As always, there were numerous less significant plusses and minuses from other accounts, but the net Profit/Loss of $0k for the month puts our favorable variance from budget at $9k after Capital Improvements. YTD Surplus of $84k after Capital Improvements is $93k above budget.

Total operating funds of $666k are greater than current liabilities of $565k. This yields $101k in unencumbered cash. Liabilities include pre-paid assessments.

AMM

Revenue for the month of $88k is $4k better than budget. This is primarily due to the closings mentioned above. YTD Revenue of $577k is $5k greater than budget.

Total monthly Expenses of $87k are $4k over budget. There were unfavorable variances of $4k in Landscaping and were due to our planting and tree trimming projects. Unfavorable variance of $3k for Utilities was offset by multiple favorable variances in G&A and Contract Maintenance. YTD Expenses of $530k are $20k less than budget with G&A contributing $10k, Golf Course Water Features $13k and Contract Maintenance $5k, offset by an unfavorable variance of $10k in Utilities. Small variances that many times reflect timing differences between budget and actual occurred throughout the accounts.

Net surplus for the month of $1k after Capital Improvements is $2k above budget and YTD Surplus of $47k is $39k better than budget.

Total operating funds of $257k are $37k greater than current liabilities of $220k. Liabilities include pre-paid assessments.

BI

Revenues for the month of $5k and YTD of $36k are right on budget. Expenses for the month of $7k are over budget by $1k primarily due to high Utilities costs, and YTD expenses of $37k are now over budget by $3k. Net loss of $1k for the month is $1k below budget and loss of $1k YTD is $3k below budget. Total operating funds of $23k are $8k better than current liabilities of $15k.