

To: Sun City Mesquite Finance Committee

From: Jim Hier

Date: April 19, 2020

Subject: March 2020 Financial Review

We had no closings this month, versus a budget of 8. Our worst monthly closing performance variance from budget since March 2018. YTD we are still slightly ahead of budget (26 vs 23). Seabreeze, our property management company, reports 1,724 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 \$199k, and \$13k worse than budget. This variance can be primarily attributed to the lack of closings mentioned above. YTD revenues of \$698k are \$68k greater than budget with \$59k from Fence Painting Reimbursement \$4k from interest income and \$7k from increased closings.

Expenses of \$189k before Capital Improvements for the month were \$12k lower than budget. The main contributions to the expense variance were from Payroll (\$5k), Landscape costs (\$3k) and reduced contributions to Reserves due to the reduction in closings. YTD Expenses of \$652k are \$44k above budget and reflect the increased contribution to Fence Painting reflected in Reveues.

There were numerous less significant plusses and minuses from other accounts, but the Surplus of \$9k for the month is \$4k better than budget after Capital Improvements. YTD Surplus of \$46k after Capital Improvements is \$38k above budget.

Total operating funds of \$578k are greater than current liabilities of \$441k. This yields \$137k in unencumbered cash. Liabilities include pre-paid assessments.

### **AMM**

Revenue for the month of \$78k is \$2k lower than budget. This is primarily due to the reduction in closings mentioned above. YTD Revenue of \$242k is still \$2k greater than budget.

Total monthly Expenses of \$74k are \$3k greater than budget. There were unfavorable variances in Landscaping of \$2k for tree trimming and Golf Course Water Feature maintenance of \$2k. YTD Expenses of \$211k are \$7k less than budget with G&A contributing \$4k, and Golf Course Water Features \$2k. Small variances that many times reflect timing differences between budget and actual occurred throughout the accounts.

Net Surplus for the month of \$4k after Capital Improvements is \$7k lower than budget and YTD Surplus of \$31k is still \$15k better than budget.

Total operating funds of \$326k are \$148k greater than current liabilities of \$178k. Liabilities include pre-paid assessments.

### **BI**

Revenues for the month of \$5k and YTD of \$15k are right on budget. Expenses for the month of \$4k are right on budget, and YTD expenses of \$13k are likewise on budget.

Total operating funds of \$22k are \$12k better than current liabilities of \$10k. Liabilities include pre-paid assessments.