

To: Sun City Mesquite Finance Committee

From: Jim Hier

Date: June 28, 2020

Subject: May 2020 Financial Review

We had 9 closings this month, versus a budget of 13. YTD we are still ahead of budget (48 vs 46). Seabreeze, our property management company, reports 1,747 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 \$218k, and \$4k less than budget. This variance can be primarily attributed to the closings mentioned above (\$6k), Guest Passes and Fitness (\$3k) offset by Developer Assessments +\$5k. YTD revenues of \$1,140k are \$72k greater than budget with \$59k from Fence Painting Reimbursement \$5k from interest income and \$12k from increased Developer Assessments.

Expenses of \$196k before Capital Improvements for the month were \$29k lower than budget. The main contributions to the expense variance were from Payroll (\$10k), Landscape costs (\$4k), Utilities (\$8k) - \$9k due to no propane charges, \$5k increased water costs offset by \$4k reduced electricity charges. YTD Expenses of \$1,039k are \$10k below budget and are due to the increased expense contribution for Fence Painting of \$59k reflected in Revenues offset by reductions in G&A expenses of \$27k, Landscaping of \$21k, and Utilities of \$20k.

There were numerous less significant plusses and minuses from other accounts, but the Surplus of \$22k for the month is \$29k better than budget after Capital Improvements. YTD Surplus of \$99k after Capital Improvements is \$105k above budget.

Total operating funds of \$538k are greater than current liabilities of \$357k. This yields \$181k in unencumbered cash. Liabilities include pre-paid assessments.

AMM

Revenue for the month of \$81k is \$1k less than budget. This is primarily due to the closings mentioned above and Bulk Service (TDS) costs. YTD Revenue of \$407k is \$3k greater than budget.

Total monthly Expenses of \$79k are \$8k less than budget. There were favorable variances of \$5k in Landscaping and \$2k in Golf Course Water Feature maintenance. YTD Expenses of \$358k are \$25k less than budget with G&A contributing \$6k, Golf Course Water Features \$7k, Landscape \$7k and Contract Maintenance \$3k. Small variances that many times reflect timing differences between budget and actual occurred throughout the accounts.

Net Surplus for the month of \$2k after Capital Improvements is \$8k higher than budget and YTD Surplus of \$49k is \$38k better than budget.

Total operating funds of \$318k are \$159k greater than current liabilities of \$159k. Liabilities include pre-paid assessments.

BI

Revenues for the month of \$5k and YTD of \$25k are right on budget. Expenses for the month of \$5k are on budget, and YTD expenses of \$23k are on budget. Net loss of \$1k for the month and surplus of \$2k YTD are on budget.

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