

To: Sun City Mesquite Finance Committee  
From: Jim Hier  
Date: July 2, 2017  
Subject: May 2017 Financial Statements

---

### **SCM**

Revenue remains ahead of budget by \$3k for the month and \$36k YTD. Expenses for the month were \$14k over budget primarily due to the \$14k unfavorable variance in Utilities. Year to date expenses were \$5k over budget, which includes the \$20k unbudgeted Capital Improvements expenditure. Utilities are still under budget YTD, and less than \$1k greater than this time last year. Although Net Income was down from budget by \$10k for the month, YTD net income of \$47k, is \$41k better than budget.

Since there wasn't very much exciting in the statements for May against budget, I thought I'd look at SCM's performance compared to last year at this time. Revenue is up 12% over last year, and overall expenses are up 13%. However, 40% of the Expense variance is due to the increased Reserve Allocation. If we exclude the Reserve Allocation, expenses are up only 10% versus the 12% revenue increase. I did not look at in detail to determine a rate vs. volume variance analysis. First glance suggests that there are no major issues.

Total unrestricted cash at month end is \$293k. This is \$8k less than at this time last year, and includes the developer receivables mentioned last month. We should also keep in mind that we were carrying \$78k in surplus cash last year that was transferred to Reserves in November.

### **AMM**

Revenue for the month is \$3k better than budget for the month, and \$11k better YTD. Expenses for the month and YTD are almost exactly at budget, yielding Net Income variances the same as Revenue. Unrestricted cash is \$127k, which is \$15k better than last year.

### **BI**

Branding Iron income and expense variances are \$1k or less from budget, yielding an overall \$1k favorable Net Income variance year to date. Unrestricted cash is \$46k, and \$19k better than last year.

Sun City Cash Flow Analysis

	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
Beginning Cash Balances	1,721,276	1,575,690	1,562,795	1,790,294	1,663,161	1,637,900	1,839,257	1,735,205	1,724,131	1,909,379	1,832,881	1,861,003	2,043,780
<b>(Reduced) or Increased by</b>													
<b>Changes to:</b>													
Current Yr. Surplus/Deficit	16,496	5,939	(1,372)	(5,343)	(11,192)	14,202	4,949	17,629	12,400	8,858	(14,953)	46,790	(6,014)
Res. Fund Intr. Rec. etc.	(5,947)	(29,536)	10,348	7,920	(1,980)	(5,940)	(4,109)	(511)	17,301	(39,365)	61,289	(42,570)	(42,668)
Current Assets	(7,479)	8,697	(14,953)	(5,517)	(5,013)	16,334	202	(7,270)	(23,245)	(1,639)	6,342	(31,186)	32,086
Capital Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Accts Pay. & Accrued Payroll	(20,237)	(33,422)	50,681	(27,352)	3,233	(3,103)	(174)	6,512	(19,037)	1,214	(3,215)	4,296	(2,941)
Other Current Liabilities	(119,711)	8,265	145,560	(126,399)	(35,435)	149,023	(129,456)	(54,327)	156,630	(56,458)	(41,591)	167,260	(90,793)
Reserves	(8,707)	27,161	37,234	29,557	25,125	30,841	102,196	26,892	41,200	10,891	20,250	38,186	43,249
Prior Yr. Equity	0	0	0	0	0	0	(77,660)	0	0	0	0	0	0
Prior Yr. Surplus/Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Changes to Cash	(145,586)	(12,895)	227,498	(127,133)	(25,261)	201,357	(104,052)	(11,075)	185,249	(76,498)	28,122	182,777	(67,081)
<b>Ending Cash Balances</b>	<b>1,575,690</b>	<b>1,562,795</b>	<b>1,790,294</b>	<b>1,663,161</b>	<b>1,637,900</b>	<b>1,839,257</b>	<b>1,735,205</b>	<b>1,724,130</b>	<b>1,909,379</b>	<b>1,832,881</b>	<b>1,861,003</b>	<b>2,043,780</b>	<b>1,976,699</b>

Cash Restricted by:													
- Reserves	(1,213,899)	(1,241,060)	(1,278,294)	(1,307,851)	(1,332,976)	(1,363,817)	(1,466,013)	(1,492,904)	(1,534,104)	(1,544,995)	(1,565,245)	(1,603,431)	(1,646,681)
- Accts Pay & Accrued Payroll	(60,295)	(26,873)	(77,555)	(50,203)	(53,436)	(50,333)	(50,159)	(56,671)	(37,634)	(38,848)	(35,632)	(39,929)	(36,988)
<b>Unrestricted Cash</b>	<b>301,496</b>	<b>294,862</b>	<b>434,445</b>	<b>305,107</b>	<b>251,488</b>	<b>425,108</b>	<b>219,034</b>	<b>174,555</b>	<b>337,642</b>	<b>249,038</b>	<b>260,125</b>	<b>400,420</b>	<b>293,031</b>
Unrestricted Cash Prior Yr.	253,590	154,415	347,556	194,522	111,816	294,287	165,853	78,434	322,913	263,088	172,314	418,138	301,496
Cash Position - Better (Worse)	47,906	140,447	86,889	110,585	139,672	130,821	53,181	96,121	14,729	(14,050)	87,811	(17,718)	(8,465)
Average monthly spend	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	150,229	150,229	150,229	150,229	150,229

**SUMMARY INCOME STATEMENT REPORT**  
**SUN CITY MESQUITE HOA**

May 2017

	Current Period			Year to Date			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Last Year</u>	<u>Budget</u>	<u>Variance</u>	<u>Last Year</u>
<b>Income</b>							
Assmts - Owner	140,360	139,700	660	128,810	688,710	550	629,860
Assmts - Developer	-	1,650	(1,650)	9,020	8,250	15,708	9,020
Capital Contribution	9,900	6,600	3,300	5,940	27,720	5,940	26,400
All Other Income	7,138	5,790	1,348	9,320	26,950	13,997	28,230
<b>Total Income</b>	<b>157,398</b>	<b>153,740</b>	<b>3,658</b>	<b>153,090</b>	<b>751,630</b>	<b>36,195</b>	<b>693,510</b>
<b>Expense</b>							
<b>General &amp; Admin</b>							
Mgmt. Services	4,858	4,699	159	4,281	23,166	601	21,405
On-Site Payroll	44,839	45,239	(400)	42,798	226,195	3,321	213,755
Insurance	4,800	3,263	1,537	3,132	16,304	1,299	15,659
All Other Expenses	8,065	7,666	399	5,177	40,635	(7,631)	31,150
<b>Total G&amp;A</b>	<b>62,562</b>	<b>60,867</b>	<b>1,695</b>	<b>55,388</b>	<b>306,300</b>	<b>(2,411)</b>	<b>281,968</b>
<b>Landscape</b>	<b>13,110</b>	<b>15,459</b>	<b>(2,350)</b>	<b>13,076</b>	<b>77,297</b>	<b>(9,998)</b>	<b>60,979</b>
<b>Contracted Maint.</b>	<b>489</b>	<b>603</b>	<b>(114)</b>	<b>325</b>	<b>3,018</b>	<b>572</b>	<b>3,568</b>
<b>Utilities</b>	<b>40,024</b>	<b>25,914</b>	<b>14,110</b>	<b>32,055</b>	<b>129,566</b>	<b>(14,182)</b>	<b>114,645</b>
<b>Capital Improvements</b>							
<b>General Maint.</b>							
Lighting/Electrical	1,029	1,250	(221)	1,513	6,250	(1,843)	8,114
Putting Green	5,010	4,485	525	4,485	22,425	700	22,831
Service Contract	3,724	2,916	808	1,951	14,578	1,555	10,632
All Other Gen. Mtc.	4,116	3,670	445	2,591	18,352	3,247	15,261
<b>Total Gen. Maint.</b>	<b>13,878</b>	<b>12,321</b>	<b>1,557</b>	<b>10,540</b>	<b>61,604</b>	<b>3,659</b>	<b>56,837</b>
<b>Operating Contingency</b>							
Reserve Allocation	33,349	32,768	581	25,210	161,570	2,682	124,262
<b>Total Expenses</b>	<b>163,412</b>	<b>149,183</b>	<b>14,230</b>	<b>136,594</b>	<b>745,605</b>	<b>(4,862)</b>	<b>642,259</b>
<b>Total Surplus (Loss)</b>	<b>(6,014)</b>	<b>4,557</b>	<b>(10,572)</b>	<b>16,496</b>	<b>6,025</b>	<b>41,057</b>	<b>51,251</b>