To: Sun City Mesquite Finance Committee

From: Jim Hier

Date: December 3, 2017

Subject: October 2017 Financial Statements

SCM

Revenue continued above budget for the month ($6k) again due to increased Assessment and Capital Contribution income from the increased YTD closings above plan, and increased to $81k above budget YTD. We have had 113 closings YTD.

Expenses for the month show that we are 80k over budget. The primary reason for this is because the transfer of funds ($75,777) that should have been from the Prior Year Equity account into our General Reserves account as was done last year, was entered as a current year reserve expense. This should have been a re-allocation of the Liabilities and Equities section of the Balance Sheet, and hopefully will be corrected next month.

Additional expenses over budget were concentrated in the Utilities and General Maintenance accounts ($4k each). Utilities crept into the over budget category year to date, but should end up close to budget by year-end.

Net Income YTD is shown as $35k, but really should be $111k.

Total unrestricted cash at month end is $491k. This is $66k greater than this time last year.

AMM

Revenue for the month is $2k above budget, and $24k better than budget YTD. As with SCM above, expenses for the month show $22k over budget and $15k over YTD. Again, there was a transfer of funds ($25,621) into our Reserve Funds shown as a current year Reserve Allocation instead of a transfer from Prior Year Equity. Hopefully this will be corrected next month as well. There were no other significant variances from budget.

Net Income for the year should be $35k as opposed to the $10k that is shown on the Income Statement.

Unrestricted cash is $244k at month end and is $94k better than last year.

BI

Branding Iron income remains almost right on budget for the month and YTD, and expenses for the month were slightly over by $1k. YTD expenses are now $4k over budget, yielding an unfavorable Net Income variance of $2.8k year to date.

Unrestricted cash is $29k, and $10k less than last year, but more than sufficient for needs.

SUMMARY INCOME STATEMENT REPORT
SUN CITY MESQUITE HOA
October 2017

	Current Period				Year to Date			
	Actual	Budget	Variance	Last Year	Actual	Budget	Variance	Last Year
Income								
Assmts - Owner	148,170	143,110	5,060	132,220	1,410,750	1,395,900	14,850	1,278,310
Assmts - Developer	-	1,650	(1,650)	6,490	31,452	16,500	14,952	22,000
Capital Contribution	5,940	5,280	660	5,940	74,580	48,180	26,400	50,820
All Other Income	7,186	5,290	1,896	4,921	76,215	51,150	25,065	54,297
Total Income	**161,296**	**155,330**	**5,966**	**149,571**	**1,592,997**	**1,511,730**	**81,267**	**1,405,427**
Expense								
General & Admin								
Mgmt. Services	5,105	4,814	291	4,444	49,164	46,954	2,210	42,972
On-Site Payroll	46,176	45,239	937	42,107	450,508	452,390	(1,882)	428,002
Insurance	2,813	3,259	(446)	3,210	33,977	32,605	1,372	31,552
All Other Expenses	6,083	8,101	(2,018)	7,945	54,578	74,303	(19,724)	60,858
Total G&A	60,177	61,413	(1,237)	57,706	588,227	606,251	(18,024)	563,383
Landscape	14,750	16,895	(2,145)	13,636	136,650	159,065	(22,415)	134,458
Contracted Maint. (Note 1)			-	325			-	6,675
Utilities	30,669	26,680	3,990	27,467	268,349	266,809	1,541	277,360
Capital Improvements			-		22,849		22,849	
General Maint.								
Lighting/Electrical	3,098	1,250	1,848	1,229	9,417	12,500	(3,083)	12,106
Putting Green	4,610	4,485	125	4,485	46,200	44,850	1,350	45,256
Service Contract	3,051	2,916	135	2,036	32,025	29,155	2,870	25,610
All Other Gen. Mtc.	5,954	4,074	1,879	2,285	42,441	40,740	1,700	34,443
Total Gen. Maint.	16,712	12,725	3,987	10,035	130,082	127,245	2,837	117,415
Operating Contingency	750	1,250	(500)		2,964	12,500	(9,536)	
Reserve Allocation	109,882	33,558	76,324	26,201	408,672	327,423	81,249	252,650
Total Expenses	**232,940**	**152,521**	**80,419**	**135,369**	**1,557,794**	**1,499,293**	**58,500**	**1,351,941**
Total Surplus (Loss)	**(71,645)**	**2,809**	**(74,454)**	**14,202**	**35,203**	**12,437**	**22,767**	**53,486**

Note 1. Now included in General Maintenance

Sun City Cash Flow Analysis

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Beginning Cash Balances	1,637,900	1,839,257	1,735,205	1,724,131	1,909,379	1,832,881	1,861,003	2,043,780	1,976,699	2,008,810	2,246,689	2,153,372	2,169,182
(Reduced) or Increased by Changes to:													
Current Yr. Surplus/Deficit	14,202	4,949	17,629	(63,664)	8,858	(14,953)	46,790	(6,014)	9,938	27,761	10,708	9,010	(69,295)
Res. Fund Intr. Rec. etc.	(5,940)	(4,109)	(511)	17,301	(39,365)	61,289	(42,570)	(42,668)	(34,190)	58,866	63,862	(12,135)	27,414
Current Assets	16,335	202	(7,270)	(23,245)	(1,639)	6,342	(31,186)	32,086	45,911	(10,160)	10,698	4,192	(14,586)
Capital Assets	(0)	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets													
Accumulated Depreciation	(0)	0	0	0	0	0	0	0	0	0	0	0	0
Accts Pay. & Accrued Payroll	(3,103)	(174)	6,512	(19,037)	1,214	(3,215)	4,296	(2,941)	(2,195)	(10,483)	1,046	2,327	(1,358)
Other Current Liabilities	149,024	(129,456)	(54,327)	156,630	(56,458)	(41,591)	167,260	(90,793)	(20,584)	151,721	(209,025)	(32,525)	180,186
Reserves	30,841	102,196	26,892	41,200	10,891	20,250	38,186	43,249	33,230	20,173	29,394	44,941	110,680
Prior Yr. Equity	0	(77,660)	0	76,064	0	0	0	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	201,357	(104,052)	(11,075)	185,249	(76,498)	28,122	182,777	(67,081)	32,111	237,879	(93,317)	15,810	233,042
Ending Cash Balances	**1,839,257**	**1,735,205**	**1,724,130**	**1,909,379**	**1,832,881**	**1,861,003**	**2,043,780**	**1,976,699**	**2,008,810**	**2,246,689**	**2,153,372**	**2,169,182**	**2,402,224**
Cash Restricted by:													
- Reserves	(1,363,817)	(1,466,013)	(1,492,904)	(1,534,104)	(1,544,995)	(1,565,245)	(1,603,431)	(1,646,681)	(1,679,911)	(1,700,084)	(1,729,479)	(1,774,420)	(1,885,100)
- Accts Pay & Accrued Payroll	(50,333)	(50,159)	(56,671)	(37,634)	(38,848)	(35,632)	(39,929)	(36,988)	(34,793)	(24,310)	(25,356)	(27,683)	(26,325)
Unrestricted Cash	**425,107**	**219,034**	**174,555**	**337,642**	**249,038**	**260,125**	**400,420**	**293,031**	**294,106**	**522,294**	**398,537**	**367,079**	**490,798**
Unrestricted Cash Prior Yr.	294,287	165,853	78,434	322,913	263,088	172,314	418,138	301,496	294,862	434,445	305,107	251,489	425,107
Cash Position - Better (Worse)	130,820	53,181	96,121	14,729	(14,050)	87,811	(17,718)	(8,465)	(756)	87,849	93,430	115,590	65,691
Average budgeted spend	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475	139,475

Anthem Cash Flow Statement

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Beginning Cash Balances	294,948	318,931	298,761	276,026	362,319	291,288	285,717	357,634	290,418	304,417	389,459	374,155	355,251
(Reduced) or Increased by Changes to:													
Current Yr. Surplus/Deficit	1,156	1,299	3,578	(31,661)	(1,979)	(9,903)	10,553	3,660	(2,360)	9,734	4,737	5,653	(18,469)
Res. Fund Intr. Rec. etc.	(448)	(1,375)	3,558	(3,541)	(3,082)	4,770	(3,604)	(3,349)	(2,682)	5,011	24,248	(3,550)	(483)
Current Assets	(7,616)	10,489	(3,398)	(9,298)	(7,760)	5,330	(3,957)	3,134	21,994	(13,205)	14,578	991	(3,040)
Capital Assets													
Other Assets													
Accumulated Depreciation													
Accts Pay. & Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	29,183	(31,992)	(27,933)	87,646	(53,308)	(8,549)	65,252	(57,199)	(5,667)	79,326	(61,653)	(25,584)	87,517
Reserves	1,708	1,409	1,460	3,577	(4,902)	2,782	3,673	(13,462)	2,714	4,176	2,786	3,586	28,755
Prior Yr. Equity	(0)	0	0	39,570	0	0	0	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	23,983	(20,171)	(22,735)	86,293	(71,031)	(5,570)	71,917	(67,216)	13,999	85,042	(15,304)	(18,904)	94,280
Ending Cash Balances	**318,931**	**298,761**	**276,026**	**362,319**	**291,288**	**285,717**	**357,634**	**290,418**	**304,417**	**389,459**	**374,155**	**355,251**	**449,531**
Cash Restricted by:													
- Reserves	(168,855)	(170,264)	(171,724)	(175,301)	(170,399)	(173,181)	(176,854)	(163,391)	(166,105)	(170,281)	(173,067)	(176,652)	(205,407)
- Accts Pay & Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Cash	**150,076**	**128,497**	**104,302**	**187,017**	**120,889**	**112,537**	**180,780**	**127,026**	**138,311**	**219,178**	**201,088**	**178,598**	**244,124**
Unrestricted Cash Prior Yr.	84,966	52,704	11,641	132,542	81,639	74,211	140,674	112,365	127,723	213,744	144,365	127,801	150,076
Cash Position - Better (Worse)	65,110	75,792	92,661	54,475	39,250	38,325	40,106	14,661	10,588	5,434	56,723	50,797	94,048
Budgeted Monthly Spend	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271	41,271

BI Cash Flow Statement

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Beginning Cash Balances	169,334	178,601	176,644	176,886	187,506	187,943	189,842	198,758	196,652	179,180	187,079	184,529	184,580
(Reduced) or Increased by Changes to:													
Current Yr. Surplus/Deficit	(305)	(333)	1,050	1,483	1,256	(147)	659	(964)	(1,360)	(1,122)	(157)	124	(1,090)
Res. Fund Intr. Rec. etc.	(2,108)	(2,108)	(2,108)	10,540	0	0	0	(5,680)	0	0	0	0	0
Current Assets	1,292	384	(184)	(6,114)	394	20	(202)	5,680	20	(222)	(1)	19	(251)
Capital Assets													
Other Assets													
Accumulated Depreciation													
Accts Pay. & Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	8,241	(2,049)	(666)	3,333	(3,289)	(195)	6,238	(3,364)	(18,354)	7,020	(4,602)	(2,264)	9,608
Reserves	2,147	2,148	2,150	2,218	2,076	2,222	2,221	2,223	2,221	2,223	2,211	2,173	2,166
Prior Yr. Equity													
Prior Yr. Surplus/Deficit													
Net Changes to Cash	9,267	(1,957)	242	11,459	436	1,899	8,916	(2,105)	(17,473)	7,899	(2,550)	51	10,434
Ending Cash Balances	**178,601**	**176,644**	**176,886**	**188,345**	**187,943**	**189,842**	**198,758**	**196,653**	**179,180**	**187,079**	**184,529**	**184,580**	**195,014**
Cash Restricted by:													
- Reserves	(139,560)	(141,708)	(143,857)	(146,075)	(148,151)	(150,372)	(152,593)	(154,816)	(157,037)	(159,260)	(161,471)	(163,644)	(165,810)
- Accts Pay & Accrued Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Cash	**39,041**	**34,936**	**33,028**	**42,270**	**39,792**	**39,470**	**46,164**	**41,836**	**22,143**	**27,819**	**23,058**	**20,936**	**29,203**
Unrestricted Cash Prior Yr.	10,637	8,958	3,442	14,863	13,326	17,543	27,183	25,461	26,496	34,043	31,685	31,921	39,041
Cash Position - Better (Worse)	28,404	25,978	29,587	27,407	26,467	21,927	18,981	16,376	(4,353)	(6,224)	(8,627)	(10,985)	(9,838)
Budgeted Monthly Spend	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422