

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**February 2022 and the Eight Months Ended**

**02/28/22**

**Recreation Centers of Sun City West, Inc.**  
**Summary of Revenues & Expenses**  
**February 28, 2022**

Current Month					Year-to-Date					
Actual	Budget	Variance Favorable / (Unfavorable)	P/Y Act	Variance Favorable / (Unfavorable)		Actual	Budget	Variance Favorable / (Unfavorable)	P/Y Act	Variance Favorable / (Unfavorable)
Operating Revenues										
1,277,237	1,266,376	10,861	1,239,222	38,015	Membership	10,092,117	10,036,977	55,140	9,685,260	406,857
5,773	12,165	(6,392)	(302)	6,075	Recreation	70,204	78,725	(8,521)	7,341	62,863
1,279,728	1,183,913	95,815	1,231,355	48,373	Golf Fees	5,706,656	5,084,105	622,551	5,351,333	355,323
75,308	63,135	12,173	50,541	24,767	Sports Pavilion	502,145	336,965	165,180	294,792	207,353
28,378	11,770	16,608	(398)	28,776	Special Events	69,275	74,080	(4,805)	(20,938)	90,213
142,727	103,329	39,398	120,706	22,021	Ancillary Revenue	706,834	541,109	165,725	608,619	98,215
17,698	22,818	(5,120)	17,911	(213)	Merchandise Sales (net)	90,082	137,994	(47,912)	67,011	23,071
34,856	25,488	9,368	11,812	23,044	Food and Beverage (net)	253,452	138,866	114,586	75,580	177,872
0	0	0	0	0	Interest Income - Operating	1,824	180	1,644	0	1,824
(55)	560	(615)	370	(425)	Other Income	5,245	2,930	2,315	(24,711)	29,956
2,861,650	2,689,554	172,096	2,671,217	190,433	Operating Revenues Total	17,497,834	16,431,931	1,065,903	16,044,287	1,453,547
Operating Expenses										
1,187,749	1,188,938	1,189	1,126,530	(61,219)	Wages And Benefits	9,795,146	10,129,537	334,391	9,482,595	(312,551)
184,865	182,781	(2,084)	152,461	(32,404)	Utilities	1,605,365	1,743,604	138,239	1,574,678	(30,687)
106,460	85,690	(20,770)	73,189	(33,271)	Repair and Maintenance	993,651	910,560	(83,091)	907,975	(85,676)
84,867	48,770	(36,097)	35,295	(49,572)	Landscape Maintenance	1,632,197	1,238,175	(394,022)	1,157,004	(475,193)
38,090	43,838	5,748	33,183	(4,907)	Supplies and Services	373,404	345,810	(27,594)	302,331	(71,073)
6,717	14,630	7,913	18,607	11,890	Equipment	80,214	134,660	54,446	116,694	36,480
58,545	89,400	30,855	52,221	(6,324)	Taxes and Insurance	480,999	503,240	22,241	418,061	(62,938)
56,587	46,650	(9,937)	56,742	155	Interest & Financial Expense	330,481	266,965	(63,516)	284,771	(45,710)
44,417	50,398	5,981	36,892	(7,525)	Operating Expenses	353,123	325,592	(27,531)	289,304	(63,819)
27,469	34,729	7,260	5,556	(21,913)	Legal and Professional	165,081	294,032	128,951	97,414	(67,667)
7,869	10,881	3,012	14,187	6,318	Employee Related Expenses	84,296	107,183	22,887	107,330	23,034
1,803,635	1,796,705	(6,930)	1,604,863	(198,772)	Operating Expenses Total	15,893,957	15,999,358	105,401	14,738,157	(1,155,800)
1,058,015	892,849	165,166	1,066,354	(8,339)	Operating Cash Inflow/(Outflow)	1,603,877	432,573	1,171,304	1,306,130	297,747
Capital Related										
38,083	31,833	6,250	35,313	2,770	Investment Income - Reserves	332,769	288,664	44,105	591,484	(258,715)
(4,691)	(5,000)	309	(7,871)	3,180	Investment Fees	(52,132)	(40,000)	(12,132)	(22,952)	(29,180)
(2,595)	0	(2,595)	169	(2,764)	Investment - Realized Gain (Loss)	1,306,812	0	1,306,812	3,076,234	(1,769,422)
(370,708)	0	(370,708)	(293,001)	(77,707)	Investment - Unrealized Gain (Loss)	(2,548,530)	0	(2,548,530)	(1,967,968)	(580,562)
0	0	0	875	(875)	Club Contributed Capital	0	0	0	875	(875)
403,100	351,500	51,600	416,500	(13,400)	Asset Preservation Fee	3,453,750	2,701,000	752,750	3,083,500	370,250
11,000	0	11,000	0	11,000	Gain/(Loss) on Asset Disposal	(82,034)	(25,576)	(56,458)	(13,380)	(68,654)
(356,298)	(363,239)	6,941	(339,157)	(17,141)	Depreciation Expense	(2,799,522)	(2,793,382)	(6,140)	(2,580,157)	(219,365)
(282,109)	15,094	(297,203)	(187,172)	(94,937)	Capital Related Total	(388,887)	130,706	(519,593)	2,167,636	(2,556,523)
775,906	907,943	(132,037)	879,182	(103,276)	Revenues Over/(Under) Expenses	1,214,990	563,279	651,711	3,473,766	(2,258,776)

**Recreation Centers of Sun City West, Inc.**  
**Financial Statement Notes**  
**February 28, 2022**

**EXCESS OF REVENUES OVER/(UNDER) EXPENSES** - February was unfavorable to Budget by \$132K and unfavorable to Prior Year (hereinafter PY) by \$103K. Year to date (hereinafter YTD) was favorable to budget by \$652K and unfavorable to prior year by \$2,259K.

**NET OPERATING CASH INFLOW/(OUTFLOW)** - February was favorable to Budget by \$165K and unfavorable to PY by \$8K. YTD was favorable to Budget by \$1,171K and favorable to PY by \$298K.

**OPERATING REVENUES** - February revenues were favorable to Budget by \$172K and favorable to PY by \$190K. YTD was favorable to Budget by \$1,066K and favorable to PY by \$1,454K.

Membership - February revenues were favorable to the Budget by \$11K and favorable to PY by \$38K. YTD was favorable to Budget by \$55K and favorable to PY by \$407K.

Golf Fees - February revenues were favorable to Budget by \$96K and favorable to PY by \$48K. YTD was favorable to Budget by \$623K and to PY by \$355K. February rounds were favorable to Budget by 4,148 (+11%) and favorable to PY by 187 (+.5%). YTD was favorable to Budget by 28,278 and favorable to PY by 2,881.

Sports Pavilion - February revenues were favorable to Budget by \$12K and favorable to PY by \$25K. YTD favorable to Budget by \$165K and favorable to PY by \$207K.

Food & Beverage - Favorable increases due to positive response to Lizard Acres Pub.

**EXPENSES** - February Operating Expenses were unfavorable to budget by \$7K and unfavorable to PY by \$199K. YTD was favorable to Budget by \$105K and unfavorable to PY by \$1,156K.

Wages & Benefits - February expenses were favorable to Budget by \$1K and unfavorable to PY by \$61K. YTD favorable to Budget by \$334K and unfavorable to PY by \$313K.

Utilities - February expenses were unfavorable to Budget by \$2K and unfavorable to PY by \$32K. YTD favorable to Budget by \$138K and unfavorable to PY by \$31K.

Repairs & Maintenance - February expenses were unfavorable to Budget by \$21K and unfavorable to PY by \$33K. YTD is unfavorable to Budget by \$83K and unfavorable to PY by \$86K.

Landscape Maintenance - February expenses were unfavorable to Budget by \$36K and unfavorable to PY by \$50K. YTD is unfavorable to Budget by \$394K and unfavorable to PY by \$475K, due to increased cost of seed for golf courses and common areas. Facts and findings presented and approved by the Board for seed increase.

**CAPITAL RELATED REVENUES & EXPENSES** - February was unfavorable to Budget by \$297K and unfavorable to PY by \$95K. YTD is unfavorable to Budget by \$520K and unfavorable to PY by \$2,557K.

Investment Gains and Losses - Due to the unpredictable nature of the market, we do not assign a Budget to this line item. For the month of February there were \$373K in realized/unrealized losses, compared to loss of \$293K in PY. YTD total losses are \$1,242K as compared to \$1,108K gain in PY.

APF Fees - February APF fees were favorable to Budget by \$52K and unfavorable to PY by \$13K. YTD is favorable to Budget by \$753K and favorable to PY by \$370K.

# Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending February 28, 2022 and June 30, 2021

	February 2022	June 2021
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$11,603,004	\$ 12,067,821
Accounts Receivable (net)	160,993	204,677
Notes Receivable	674,088	726,923
Inventories	224,874	183,209
Prepaid and Other Assets	160,058	439,680
<b>Total Current Assets</b>	<b>12,823,017</b>	<b>13,622,310</b>
<b>Board Reserve Funds</b>	<b>29,832,828</b>	<b>28,766,992</b>
<b><u>Fixed Assets</u></b>		
Land & Building	105,812,578	104,770,462
Furniture, Fixtures & Equipment	22,998,673	22,231,095
Vehicles	2,136,214	1,947,956
<b>Fixed Assets</b>	<b>130,947,465</b>	<b>128,949,513</b>
Accumulated Depreciation	(83,739,346)	(81,378,227)
<b>Fixed Assets-Net Book Value</b>	<b>47,208,119</b>	<b>47,571,286</b>
Construction In Progress	1,369,316	614,061
<b>Total Fixed Assets</b>	<b>48,577,435</b>	<b>48,185,347</b>
<b>Total Assets</b>	<b>91,233,280</b>	<b>90,574,647</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	692,360	\$ 745,350
Payroll Related Liabilities	1,202,954	1,433,646
Association Events & Other Program Payables	439,551	196,660
Charter Clubs Payables	66,268	54,543
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	37,486,281	38,013,572
<b>Total Liabilities</b>	<b>39,887,414</b>	<b>40,443,771</b>
<b><u>Members' Equity</u></b>		
Retained Earnings	50,130,876	47,653,289
Retained Earnings - Encumbrance	-	-
Retained Earnings - Repair & Replacement Rqmt	-	-
Retained Earnings - Future Capital Requirements	-	-
Surplus (Deficit)	1,214,990	2,477,587
<b>Total Equity</b>	<b>51,345,866</b>	<b>50,130,876</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,233,280</b>	<b>90,574,647</b>

# Recreation Centers of Sun City West, Inc.

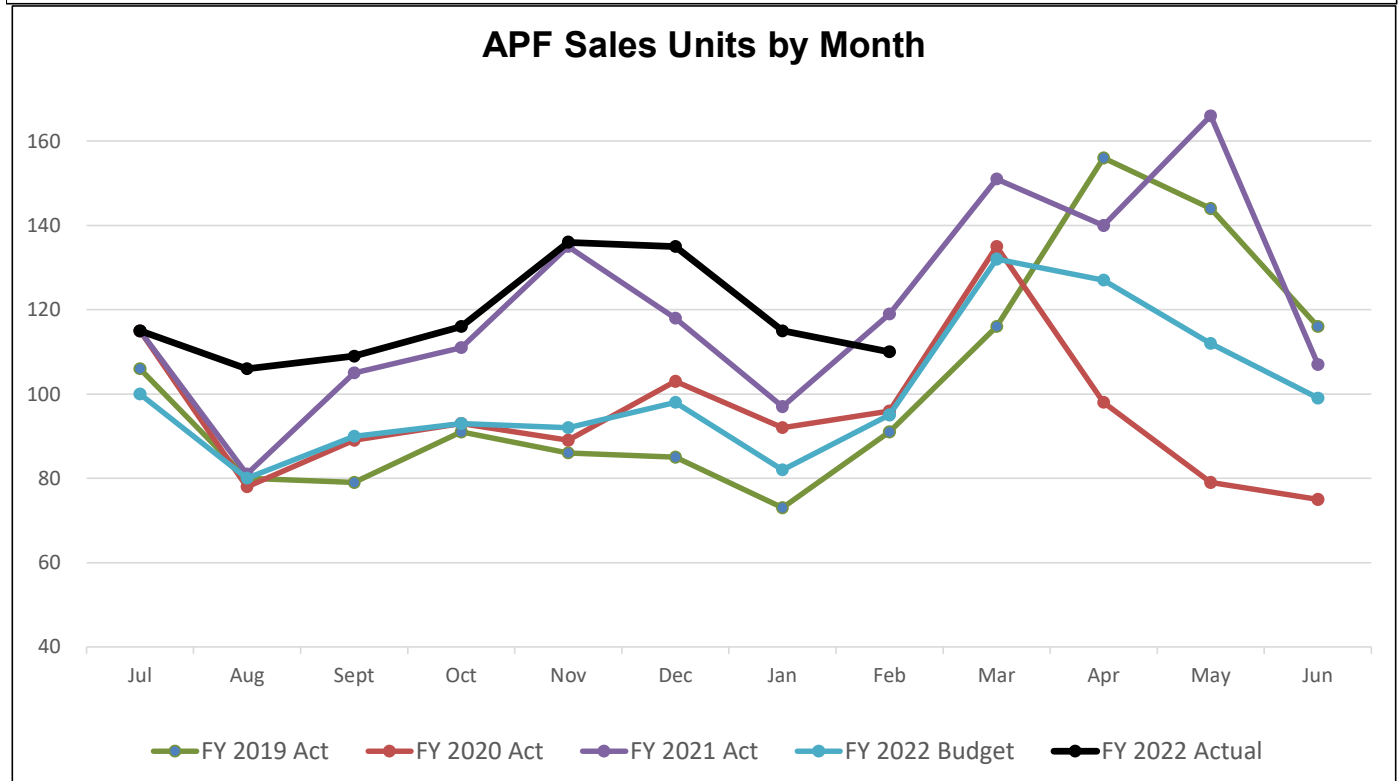
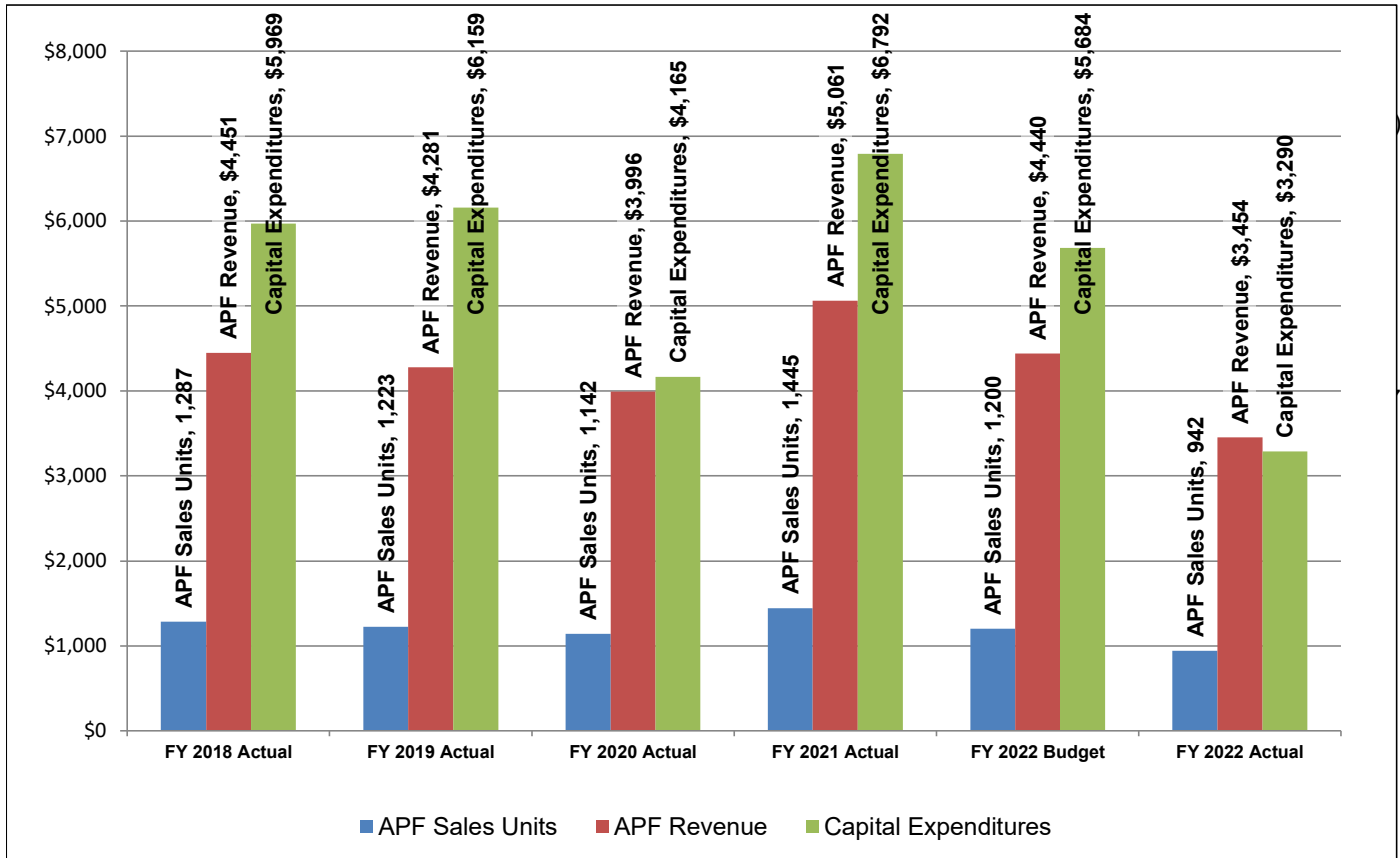
## Statement of Cash Flows

	Eight Months Ended February 2022	Fiscal Year Ended June 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,214,990	\$ 2,477,587
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	2,799,522	3,949,075
(Gain) / Loss on Disposals of Fixed Assets	82,034	16,319
Net (Gains) / Loss on Investments	1,241,718	(1,405,832)
Asset Preservation & Facility Investment Fees	(3,453,750)	(1,552,722)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	96,519	240,960
Inventories	(41,665)	39,423
Prepaid expenses and other assets	279,622	(88,762)
Accounts payable and accrued expenses	(29,066)	(2,407,071)
Deferred income	(527,291)	3,825,003
Net cash provided by (used in) operating activities	1,662,633	5,093,981
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(3,289,523)	(6,792,483)
Proceeds from Disposal of Fixed Assets	15,878	1,700
Asset Preservation & Facility Investment Fees	3,453,750	1,552,722
Cash Flow Funding Transfer (to) / from Reserves (Net)	1,988,062	657,217
Net (purchase) redemption of investments	(4,295,616)	(771,601)
Net cash provided by (used in) investing activities	(2,127,448)	(5,352,445)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(464,815)	(258,464)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	12,067,821	12,326,285
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 11,603,006	\$ 12,067,821

# **Recreation Centers of Sun City West, Inc.** Asset Preservation Fees & Capital Expenditures

APF Sales Units  
APF Revenue (000's)  
Capital Expend. (000's)

February			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
110	95	15	942	730	212
\$ 403	\$ 352	\$ 52	\$ 3,454	\$ 2,701	\$ 753
\$ 449	\$ 233	\$ 216	\$ 3,290	\$ 4,611	\$ (1,321)



# Recreation Centers of Sun City West, Inc.

## Cash and Investment Balances

<u>Account</u>	<u>February 2022</u>	<u>% Total</u>	<u>June 2021</u>	<u>% Total</u>	<u>Change</u>
<b>General Fund</b>					
Petty Cash/Change Funds	13,780	0.12%	13,330	0.11%	450
Checking and Sweep Account	11,589,224	99.88%	12,054,491	99.89%	(465,267)
Total Cash and Cash Equivalents	11,603,004	100.00%	12,067,821	100.00%	(464,817)
<b>Reserve Fund</b>					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	3,109,998	10.81%	(3,109,998)
CapTrust	150,351	0.50%	-	0.00%	150,351
Total Cash Investments	150,351	0.50%	3,109,998	10.81%	(2,959,647)
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	22,527,519	78.31%	(22,527,519)
Equities	-	0.00%	3,129,475	10.88%	(3,129,475)
CapTrust					
Fixed	26,786,830	89.79%	-	0.00%	26,786,830
Equities	2,895,647	9.71%	-	0.00%	2,895,647
Total Fund Investments	29,682,477	99.50%	25,656,994	89.19%	4,025,483
Total Reserve Funds	29,832,828	100.00%	28,766,992	100.00%	1,065,836
TOTAL FUNDS	41,435,832		40,834,813		601,019

<u>Investment Activity</u>	<u>FY2021-22 YTD</u>	<u>FY2020-21</u>	<u>Inception (FY15)</u>
Beginning Balance	25,656,994	23,491,345	-
Investment Transfers-In	5,098,324	-	23,348,324
Realized Gains (Losses)	1,306,812	3,076,373	4,650,773
Un-Realized Gains (Losses) ***	(2,548,530)	(1,670,540)	(1,339,677)
Ending Balance	29,832,828	25,656,993	29,832,828

\*\*\* Unrealized Gains (Losses) are the difference between the basis (cost) of Investments & the market value at any point in time. Reserves Funds are invested based on a long-term investment strategy (Fi12) and over time Unrealized Gains (Losses) have historically fluctuated both up and down depending on the time period measured (e.g. monthly, annually, since inception).

Unrealized Gains (Losses) are recorded due to accounting rules which produce "Paper" gains/(losses), Realized Gains/(losses) occur at the time investments are sold.

# Recreation Centers of Sun City West, Inc.

## Summary Item Purchases and Counts of Various Products

Fiscal Year	Rate	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD	% YTD
Golf - Unlimited Card Sales																
FY 2019-20	\$ 3,125	6	4	17	25	18	15	12	12	10	2	6	11	138	109	79%
FY 2020-21	\$ 3,350	4	9	6	23	21	17	21	10	13	12	7	14	157	111	71%
FY 2021-22 Bud	\$ 3,350	5	3	13	27	17	11	12	9	11	3	7	7	125	97	78%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11					128	128	100%
														% of Budget YTD		132%
														% of Prior Year YTD		115%
Kachina Golf Card Sales																
FY 2019-20	\$ 895	13	23	48	123	82	62	66	42	24	5	12	25	525	459	87%
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	483	79%
FY 2021-22 Bud	\$ 895	12	21	51	123	79	57	68	37	28	14	16	15	521	448	86%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60					548	548	100%
														% of Budget YTD		122%
														% of Prior Year YTD		113%
Coyote Golf Card Sales																
FY 2019-20	\$ 325	4	11	23	130	156	95	114	31	25	3	13	20	625	564	90%
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	563	83%
FY 2021-22 Bud	\$ 325	4	12	23	139	169	78	107	30	29	16	12	11	630	562	89%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68					613	613	100%
														% of Budget YTD		109%
														% of Prior Year YTD		109%
CNP Frequent Play Card Sales																
FY 2019-20	\$ 1,400	0	0	1	2	0	0	1	0	0	0	0	0	4	4	100%
FY 2020-21	\$ 1,400	0	1	0	0	3	2	3	1	0	0	0	1	11	10	91%
FY 2021-22 Bud	\$ 1,400	4	4	4	4	4	4	4	4	4	4	4	4	48	32	67%
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2					14	14	100%
														% of Budget YTD		44%
														% of Prior Year YTD		140%
Twilight Golf Card Sales																
FY 2019-20	\$ 1,200	0	1	3	8	10	3	4	0	0	0	3	4	36	29	81%
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	40	85%
FY 2021-22 Bud	\$ 1,250	0	0	2	9	7	1	3	0	1	3	3	1	29	23	78%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4					50	50	100%
														% of Budget YTD		219%
														% of Prior Year YTD		125%



# Recreation Centers of Sun City West, Inc.

## Summary Item Purchases and Counts of Various Products

Fiscal Year	Rate	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD	% YTD
<b>Range Ball Key Sales</b>																
FY 2019-20	\$ 90	47	54	74	145	185	178	254	221	192	100	164	116	1,730	1,158	67%
FY 2020-21	\$90/\$99	98	100	136	173	213	229	231	244	238	202	129	105	2,098	1,424	68%
FY 2021-22 Bud	\$90/\$99	42	47	69	145	182	148	189	171	168	113	107	82	1,463	993	68%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263					1,556	1,556	100%
														<b>% of Budget YTD</b>		<b>157%</b>

Members (with No Golf Card)													Average
FY 2019-20	31,028	30,077	30,082	30,337	30,501	30,585	30,801	30,872	31,127	31,299	31,211	31,163	30,757
FY 2020-21	31,317	31,021	31,043	31,044	31,257	31,230	31,446	31,714	32,025	32,233	31,463	31,662	31,455
FY 2021-22	31,531	31,257	31,259	31,217	31,288	31,441	31,465	31,568					31,378

Unlimited Golf Card Holders													Average
FY 2019-20	118	119	128	128	130	133	134	137	137	137	139	140	132
FY 2020-21	141	141	142	143	144	144	150	148	148	150	150	149	146
FY 2021-22	149	147	152	153	154	160	163	163					155

Kachina Golf Card Holders													Average
FY 2019-20	523	523	521	518	519	521	524	530	528	521	525	523	523
FY 2020-21	523	533	547	572	583	570	576	584	586	587	589	592	570
FY 2021-22	591	586	588	617	652	642	664	666					626

Coyote Golf Card Holders													Average
FY 2019-20	632	629	625	621	599	610	625	628	630	621	620	628	622
FY 2020-21	631	631	636	671	677	656	670	653	659	673	675	665	658
FY 2021-22	666	670	677	698	733	711	721	718					699

CNP Freq Play Card Holders													Average
FY 2019-20	5	5	5	4	4	4	4	4	4	4	4	4	
FY 2020-21	4	5	5	5	7	9	12	12	12	12	12	9	
FY 2021-22	12	12	12	12	13	13	14	15				13	

Twilight Golf Card Holders													Average
FY 2019-20	31	32	33	32	34	37	36	36	36	36	36	38	35
FY 2020-21	37	40	38	40	40	40	43	47	49	49	49	48	43
FY 2021-22	49	50	52	55	56	57	59	57					54

# Recreation Centers of Sun City West, Inc.

## Summary Item Purchases and Counts of Various Products

Fiscal Year	Rate	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD	% YTD
Bowling Lineage																
FY 2019-20		12,406	7,300	19,767	26,711	26,007	24,179	31,125	30,106	11,919	0	0	3,291	192,811	177,601	92%
FY 2020-21		5,309	6,381	12,692	17,802	16,486	14,040	18,097	17,767	20,614	12,536	8,023	14,846	164,594	108,575	66%
FY 2021-22 Bud		4,437	5,370	8,677	8,842	7,401	6,655	9,968	9,877	9,309	7,131	5,601	4,517	87,786	61,228	70%
FY 2021-22		18,340	13,191	21,842	28,362	27,664	25,721	32,454	30,408					197,981	197,981	100%
														% of Budget YTD		323%
														% of Prior Year YTD		182%
Transfer Fee (Home Sale)																
FY 2019-20	\$ 250	135	105	117	127	114	140	132	122	166	119	98	112	1,487	992	67%
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	1,040	62%
FY 2021-22 Bud	\$ 275	133	109	112	123	125	125	110	128	165	176	152	131	1,589	965	61%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116					1,020	1,020	100%
														% of Budget YTD		106%
														% of Prior Year YTD		98%
Asset Preservation Fees																
FY 2019-20	\$ 3,500	115	78	89	93	89	103	92	96	135	98	79	75	1,142	755	66%
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	881	61%
FY 2021-22 Bud	\$ 3,700	100	80	90	93	92	98	82	95	132	127	112	99	1,200	730	61%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110					945	945	100%
														% of Budget YTD		129%
														% of Prior Year YTD		107%