

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**September 2021 and the Three Months Ended**

**09/30/21**

**Recreation Centers of Sun City West, Inc.**  
**Summary of Revenues & Expenses**  
**September 30, 2021**

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)
<b><u>Operating Revenues</u></b>										
1,236,374	1,237,948	(1,574)	1,210,322	26,052	Membership	3,709,604	3,725,071	(15,467)	3,593,023	116,581
15,522	4,740	10,782	(332)	15,853	Recreation	19,908	18,790	1,118	921	18,987
309,888	267,650	42,238	300,299	9,589	Golf Fees	873,375	730,512	142,863	831,766	41,609
55,091	41,068	14,023	40,649	14,442	Sports Pavilion	127,556	76,768	50,788	65,381	62,175
(6,409)	2,750	(9,159)	(2,712)	(3,697)	Special Events	(9,601)	8,220	(17,821)	(80)	(9,521)
52,479	41,243	11,236	68,883	(16,404)	Ancillary Revenue	159,801	127,820	31,981	148,580	11,221
2,722	6,909	(4,187)	5,105	(2,384)	Merchandise Sales (net)	15,633	20,008	(4,375)	10,378	5,255
25,516	11,764	13,752	6,797	18,720	Food and Beverage (net)	64,982	28,320	36,662	14,384	50,598
-	90	(90)	-	-	Interest Income - Operating	-	90	(90)	-	-
16	270	(254)	(26,711)	26,727	Other Income	1,775	670	1,105	(26,324)	28,099
<b>1,691,198</b>	<b>1,614,432</b>	<b>76,765</b>	<b>1,602,300</b>	<b>88,898</b>	<b>Operating Revenues Total</b>	<b>4,963,032</b>	<b>4,736,269</b>	<b>226,763</b>	<b>4,638,028</b>	<b>325,004</b>
<b><u>Operating Expenses</u></b>										
1,220,694	1,246,744	26,050	1,131,483	(89,212)	Wages And Benefits	3,576,508	3,751,350	174,842	3,423,120	(153,388)
222,548	256,760	34,212	215,788	(6,761)	Utilities	675,236	795,414	120,178	699,864	24,628
166,100	129,500	(36,600)	140,820	(25,280)	Repair and Maintenance	488,547	437,130	(51,417)	430,010	(58,537)
527,033	420,970	(106,063)	532,719	5,686	Landscape Maintenance	655,786	686,485	30,699	696,500	40,714
61,731	48,248	(13,483)	47,820	(13,911)	Supplies and Services	144,615	133,043	(11,573)	126,763	(17,852)
5,452	25,060	19,608	14,762	9,310	Equipment	17,693	58,860	41,167	50,440	32,747
56,250	56,110	(140)	49,542	(6,708)	Taxes and Insurance	172,844	176,810	3,966	155,045	(17,799)
28,574	20,620	(7,954)	23,747	(4,827)	Interest & Financial Expense	76,763	58,350	(18,413)	67,900	(8,863)
34,695	36,187	1,492	28,767	(5,928)	Operating Expenses	110,800	106,083	(4,717)	100,544	(10,256)
6,553	31,289	24,736	11,063	4,510	Legal and Professional	67,138	130,157	63,019	62,098	(5,040)
7,840	11,696	3,856	12,967	5,127	Employee Related Expenses	31,747	38,028	6,281	40,198	8,451
<b>2,337,470</b>	<b>2,283,183</b>	<b>(54,287)</b>	<b>2,209,478</b>	<b>(127,992)</b>	<b>Operating Expenses Total</b>	<b>6,017,677</b>	<b>6,371,709</b>	<b>354,032</b>	<b>5,852,482</b>	<b>(165,195)</b>
<b>(646,272)</b>	<b>(668,751)</b>	<b>22,479</b>	<b>(607,178)</b>	<b>(39,094)</b>	<b>Operating Cash Inflow/(Outflow)</b>	<b>(1,054,645)</b>	<b>(1,635,440)</b>	<b>580,796</b>	<b>(1,214,454)</b>	<b>159,810</b>
<b><u>Capital Related</u></b>										
10,382	48,833	(38,451)	73,258	(62,876)	Investment Income - Reserves	81,330	112,499	(31,169)	131,121	(49,792)
(9,560)	(5,000)	(4,560)	-	(9,560)	Investment Fees	(27,441)	(15,000)	(12,441)	(7,448)	(19,993)
1,309,267	-	1,309,267	-	1,309,267	Investment - Realized Gain (Loss)	1,309,406	-	1,309,406	224	1,309,182
(1,624,787)	-	(1,624,787)	(391,208)	(1,233,578)	Investment - UNREALIZED Gain (Loss)	(1,389,091)	-	(1,389,091)	804,213	(2,193,305)
405,050	333,000	72,050	367,500	37,550	Asset Preservation Fee	1,217,750	999,000	218,750	1,053,500	164,250
-	-	-	(22,700)	22,700	Gain/(Loss) on Asset Disposal	-	-	-	(22,700)	22,700
(350,900)	(351,569)	668	(318,676)	(32,225)	Depreciation Expense	(1,036,650)	(993,419)	(43,231)	(915,368)	(121,282)
<b>(260,549)</b>	<b>25,264</b>	<b>(285,813)</b>	<b>(291,826)</b>	<b>31,277</b>	<b>Capital Related Total</b>	<b>155,303</b>	<b>103,080</b>	<b>52,223</b>	<b>1,043,542</b>	<b>(888,239)</b>
<b>(906,821)</b>	<b>(643,487)</b>	<b>(263,334)</b>	<b>(899,004)</b>	<b>(7,817)</b>	<b>Revenues Over/(Under) Expenses</b>	<b>(899,341)</b>	<b>(1,532,360)</b>	<b>633,019</b>	<b>(170,912)</b>	<b>(728,429)</b>

**Recreation Centers of Sun City West, Inc.**  
**Financial Statement Notes**  
**#REF!**

**EXCESS OF REVENUES OVER/(UNDER) EXPENSES - September was unfavorable to Budget by \$263K and unfavorable to Prior Year (hereinafter PY) by \$8K. Year to date (hereinafter YTD) was favorable to budget by \$633K and unfavorable to prior year by \$728K.**

**NET OPERATING CASH INFLOW/(OUTFLOW) - September was favorable to Budget by \$22K and unfavorable to PY by \$39K. YTD was favorable to Budget by \$581K and PY by \$160K**

**OPERATING REVENUES - September revenues were favorable to Budget by \$77K and favorable to PY by \$89K. YTD was favorable to Budget by \$227K and favorable to PY by \$325K.**

Membership - September revenues were unfavorable to the Budget by \$2K and favorable to PY by \$26K. YTD was unfavorable to Budget by \$15K and favorable to PY by \$117K.

Golf Fees - September revenues were favorable to Budget by \$42K and favorable to PY by \$10K. YTD was favorable to Budget by \$143K and to PY by \$42K. September rounds were favorable to Budget by 2,240 (16%) and unfavorable to PY by 955 (-6%). YTD was favorable to Budget by 6,661 (18%) and unfavorable to PY by 1,793 (-4%).

Sports Pavilion - September revenues were favorable to Budget by \$14K and favorable to PY by \$14K. YTD favorable to Budget by \$51K and favorable to PY by \$62K. Sports Pavilion was negatively impacted in PY due to COVID social distancing measures.

Special Events - Negative revenue due to cancelled event resulted in forfeiture of deposit.

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

**EXPENSES - September Operating Expenses were unfavorable to budget by \$54K and unfavorable to PY by \$128K. YTD was favorable to Budget by \$354K and unfavorable to PY by \$165K.**

Wages & Benefits - September expenses were favorable to Budget by \$26K and unfavorable to PY by \$89K. YTD favorable to Budget by \$175K and unfavorable to PY by \$153K. Primarily due to openings in golf maintenance.

Utilities - September expenses were favorable to Budget by \$34K and unfavorable to PY by \$7K. YTD favorable to Budget by \$120K and favorable to PY by \$25K. The favorable variance was mainly due to cooler temperatures and rainfall resulting in less irrigation pumping costs.

Repairs & Maintenance - September expenses were unfavorable to Budget by \$37K and unfavorable to PY by \$25K. YTD is unfavorable to Budget by \$51K and unfavorable to PY by \$59K.

Landscape Maintenance - September expenses were unfavorable to Budget by \$106K and favorable to PY by \$6K. YTD is favorable to Budget by \$31K and favorable to PY by \$41K.

**CAPITAL RELATED REVENUES & EXPENSES - September was unfavorable to Budget by \$286K and favorable to PY by \$31K. YTD is favorable to Budget by \$52K and unfavorable to PY by \$888K.**

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 September there were \$316K in realized/unrealized losses, compared to losses of \$391K in PY. YTD total losses are \$80K as compared to \$804K gains in PY.

APF Fees - September APF fees were favorable to Budget by \$72K and favorable to PY by \$38K. YTD is favorable to Budget by \$219K and favorable to PY by \$164K.

## Recreation Centers of Sun City West, Inc.

Balance Sheets for months ending September, 2021 and June 30, 2021

	September 2021	June 2021
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 10,823,712	\$ 12,067,821
Accounts Receivable (net)	164,246	204,677
Notes Receivable	720,472	726,923
Inventories	207,447	183,209
Prepaid and Other Assets	304,737	439,680
<b>Total Current Assets</b>	<b>12,220,614</b>	<b>13,622,309</b>
<b>Board Reserve Funds</b>	<b>28,755,359</b>	<b>28,766,992</b>
<b><u>Fixed Assets</u></b>		
Land & Building	105,601,169	104,770,462
Furniture, Fixtures & Equipment	22,456,323	22,231,095
Vehicles	2,078,173	1,947,956
<b>Fixed Assets</b>	<b>130,135,665</b>	<b>128,949,513</b>
Accumulated Depreciation	(82,414,878)	(81,378,227)
<b>Fixed Assets-Net Book Value</b>	<b>47,720,788</b>	<b>47,571,285</b>
Construction In Progress	798,565	614,061
<b>Total Fixed Assets</b>	<b>48,519,353</b>	<b>48,185,347</b>
<b>Total Assets</b>	<b>89,495,326</b>	<b>90,574,647</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	\$ 1,416,116	\$ 745,350
Payroll Related Liabilities	1,348,478	1,433,646
Association Events & Other Program Payables	283,375	196,660
Charter Clubs Payables	63,731	54,543
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	37,152,091	38,013,572
<b>Total Liabilities</b>	<b>40,263,791</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)	(899,341)	2,477,587
<b>Total Equity</b>	<b>49,231,535</b>	<b>50,130,876</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>89,495,326</b>	<b>90,574,647</b>

## Recreation Centers of Sun City West, Inc.

### Statement of Cash Flows

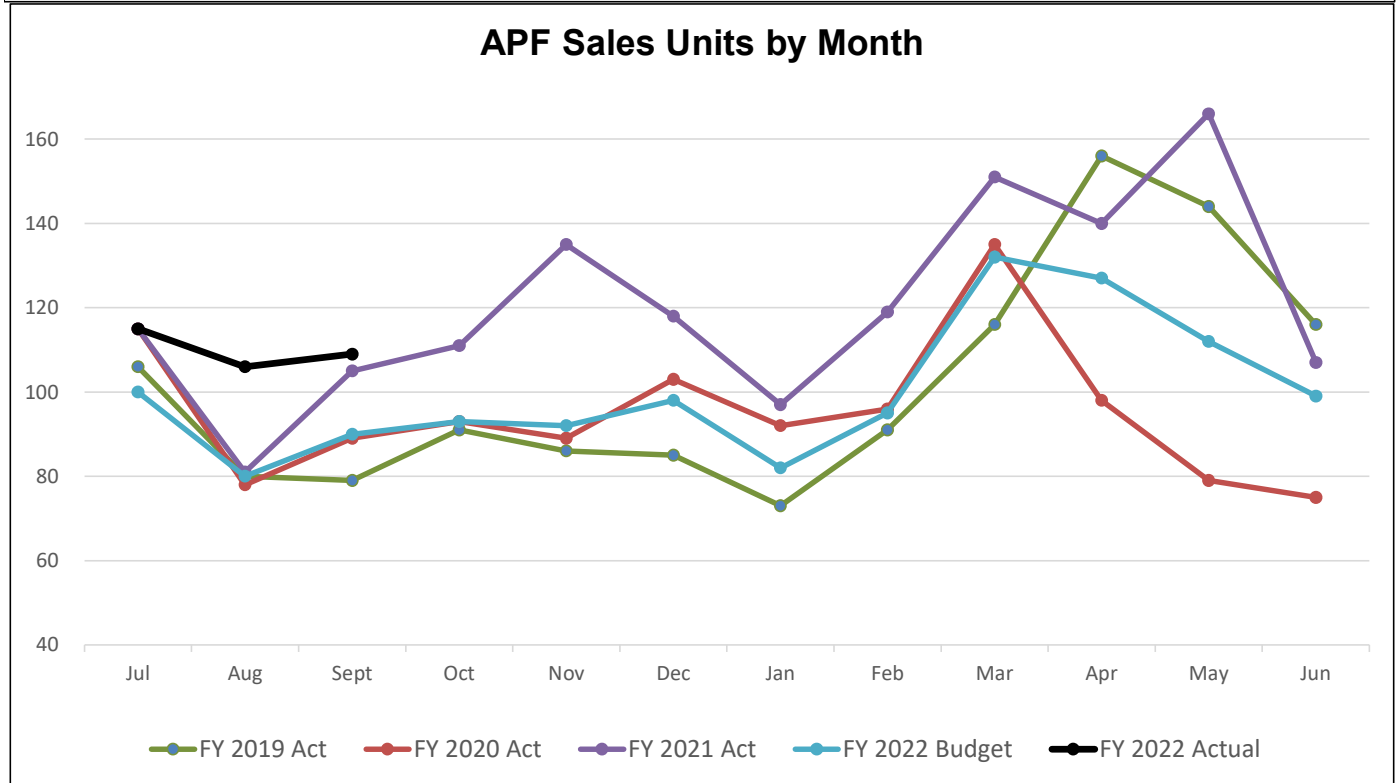
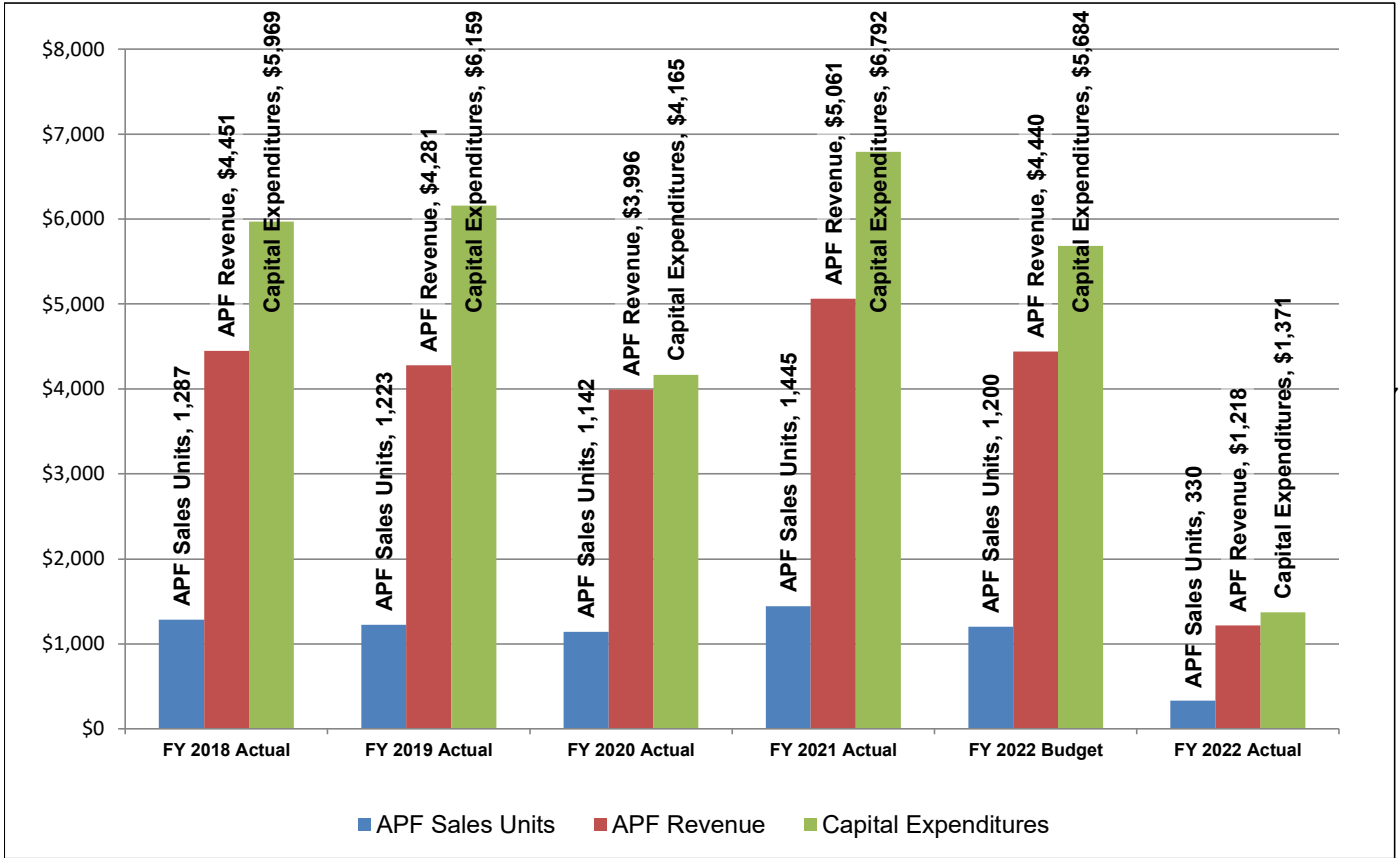
	Months Ended September 2021	Fiscal Year Ended June 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ (899,341)	\$ 2,477,587
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,036,650	3,949,075
(Gain) / Loss on Disposals of Fixed Assets	-	16,319
Net (Gains) / Loss on Investments	79,685	(1,405,832)
Asset Preservation & Facility Investment Fees	(1,217,750)	(1,552,722)
Reserve for Uncollectible Accounts	-	-
 Increase (decrease) in cash resulting from changes in		
Receivables (net)	46,882	240,960
Inventories	(24,238)	39,423
Prepaid expenses and other assets	134,943	(88,762)
Accounts payable and accrued expenses	681,501	(2,407,071)
Deferred income	(861,481)	3,825,003
Net cash provided by (used in) operating activities	(1,023,149)	5,093,981
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land improvements, buildings and equipment	(1,370,656)	(6,792,483)
Proceeds from Disposal of Fixed Assets	-	1,700
Asset Preservation & Facility Investment Fees	1,217,750	1,552,722
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	657,217
Net (purchase) redemption of investments	(68,052)	(771,601)
Net cash provided by (used in) investing activities	(220,958)	(5,352,445)
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,244,107)	(258,464)
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	12,067,821	12,326,285
 <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 10,823,714	\$ 12,067,821

## Recreation Centers of Sun City West, Inc.

### Asset Preservation Fees & Capital Expenditures

September			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
109	90	19	330	270	60
\$ 405	\$ 333	\$ 72	\$ 1,218	\$ 999	\$ 219
\$ 498	\$ 850	\$ (352)	\$ 1,371	\$ 3,090	\$ (1,719)

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



## Recreation Centers of Sun City West, Inc.

### Cash and Investment Balances

<u>Account</u>	<u>September</u>				
	<u>2021</u>	<u>% Total</u>	<u>June 2021</u>	<u>% Total</u>	<u>Change</u>
<b>General Fund</b>					
Petty Cash/Change Funds	13,480	0.12%	13,330	0.11%	150
Checking and Sweep Account	10,810,232	99.88%	12,054,491	99.89%	(1,244,259)
Total Cash and Cash Equivalents	10,823,712	100.00%	12,067,821	100.00%	(1,244,109)
<b>Reserve Fund</b>					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	3,109,998	10.81%	(3,109,998)
CapTrust	146,571	0.51%	-	0.00%	146,571
Total Cash Investments	146,571	0.51%	3,109,998	10.81%	(2,963,427)
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	22,527,519	10.88%	(22,527,519)
Equities	-	0.00%	3,129,475	78.31%	(3,129,475)
CapTrust					
Fixed	25,803,061	89.73%	-	0.00%	25,803,061
Equities	2,805,727	9.76%	-	0.00%	2,805,727
Total Fund Investments	28,608,788	99.49%	25,656,994	89.19%	2,951,794
Total Reserve Funds	28,755,359	100.00%	28,766,992	100.00%	(11,632)
TOTAL FUNDS	39,579,072		40,834,813		(1,255,741)

<u>Investment Activity</u>	<u>FY2021-22 YTD</u>	<u>FY2020-21</u>	<u>Inception (FY15)</u>
Beginning Balance	25,656,993	23,491,345	-
Investment Transfers-In	3,110,262	-	21,360,262
Realized Gains (Losses)	1,309,406	3,076,373	4,653,367
Un-Realized Gains (Losses) ***	(1,389,091)	(1,670,540)	(180,239)
Ending Balance	28,755,359	25,656,993	28,755,359

\*\*\* Unrealized Gains (Losses) are the difference between the basis (cost) of Investments & the market value at any point in time. Reserve 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
<b>Golf - Unlimited Card Sales</b>																
FY 2019-20	\$ 3,125	6	4	17	25	18	15	12	12	10	2	6	11	138	27	20%
FY 2020-21	\$ 3,350	4	9	6	23	21	17	21	10	13	12	7	14	157	19	12%
FY 2021-22 Bud	\$ 3,350	5	3	13	27	17	11	12	9	11	3	7	7	125	21	17%
FY 2021-22	\$ 3,350	6	8	11										25	25	100%
														<b>% of Budget YTD</b>	<b>119%</b>	
														<b>% of Prior Year YTD</b>	<b>132%</b>	
<b>Kachina Golf Card Sales</b>																
FY 2019-20	\$ 895	13	23	48	123	82	62	66	42	24	5	12	25	525	84	16%
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	70	12%
FY 2021-22 Bud	\$ 895	12	21	51	123	79	57	68	37	28	14	16	15	521	84	16%
FY 2021-22	\$ 895	11	21	49										81	81	100%
														<b>% of Budget YTD</b>	<b>96%</b>	
														<b>% of Prior Year YTD</b>	<b>116%</b>	
<b>Coyote Golf Card Sales</b>																
FY 2019-20	\$ 325	4	11	23	130	156	95	114	31	25	3	13	20	625	38	6%
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	35	5%
FY 2021-22 Bud	\$ 325	4	12	23	139	169	78	107	30	29	16	12	11	630	39	6%
FY 2021-22	\$ 325	15	7	22										44	44	100%
														<b>% of Budget YTD</b>	<b>113%</b>	
														<b>% of Prior Year YTD</b>	<b>126%</b>	
<b>CNP Frequent Play Card Sales</b>																
FY 2019-20	\$ 1,400	0	0	1	2	0	0	1	0	0	0	0	0	4	1	25%
FY 2020-21	\$ 1,400	0	1	0	0	3	2	3	1	0	0	0	1	11	1	9%
FY 2021-22 Bud	\$ 1,400	4	4	4	4	4	4	4	4	4	4	4	4	48	12	25%
FY 2021-22	\$ 1,400	0	1	0										1	1	100%
														<b>% of Budget YTD</b>	<b>8%</b>	
														<b>% of Prior Year YTD</b>	<b>100%</b>	
<b>Twilight Golf Card Sales</b>																
FY 2019-20	\$ 1,200	0	1	3	8	10	3	4	0	0	0	3	4	36	4	11%
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	6	13%
FY 2021-22 Bud	\$ 1,250	0	0	2	9	7	1	3	0	1	3	3	1	29	2	8%
FY 2021-22	\$ 1,250	3	5	3										11	11	100%
														<b>% of Budget YTD</b>	<b>471%</b>	
														<b>% of Prior Year YTD</b>	<b>183%</b>	



## 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	175	10%
FY 2020-21	\$90/\$99	98	100	136	173	213	229	231	244	238	202	129	105	2,098	334	16%
FY 2021-22 Bud	\$90/\$99	42	47	69	145	182	148	189	171	168	113	107	82	1,463	158	11%
FY 2021-22	\$90/\$99	84	102	22										208	208	100%
														<b>% of Budget YTD</b>	<b>132%</b>	

<b>Members (with No Golf Card)</b>														<b>Average</b>
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											31,349

<b>Unlimited Golf Card Holders</b>														<b>Average</b>
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											149

<b>Kachina Golf Card Holders</b>														<b>Average</b>
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											588

<b>Coyote Golf Card Holders</b>														<b>Average</b>
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											671

<b>CNP Freq Play Card Holders</b>														<b>Average</b>
FY 2019-20	5	5	5	4	4	4	4	4	4	4	4	4		4
FY 2020-21	4	5	5	5	7	9	12	12	12	12	12	12		9
FY 2021-22	12	12	12											12

<b>Twilight Golf Card Holders</b>														<b>Average</b>
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											50

## 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>Bowling Lineage</b>																
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	39,473	20%
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	24,383	15%
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	18,484	21%
FY 2021-22		18,340	13,191	21,842										53,373	53,373	100%
														% of Budget YTD	289%	
														% of Prior Year YTD	219%	
<b>Transfer Fee (Home Sale)</b>																
FY 2019-20	\$ 250	135	105	117	127	114	140	132	122	166	119	98	112	1,487	357	24%
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	385	23%
FY 2021-22 Bud	\$ 275	133	109	112	123	125	125	110	128	165	176	152	131	1,589	354	22%
FY 2021-22	\$ 275	126	124	121										371	371	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	96%	
<b>Asset Preservation Fees</b>																
FY 2019-20	\$ 3,500	115	78	89	93	89	103	92	96	135	98	79	75	1,142	193	17%
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	196	14%
FY 2021-22 Bud	\$ 3,700	100	80	90	93	92	98	82	95	132	127	112	99	1,200	180	15%
FY 2021-22	\$ 3,700	115	106	109										330	221	67%
														% of Budget YTD	123%	
														% of Prior Year YTD	113%	