

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**August 2022 and the Two Months Ended**

**08/31/22**

**Recreation Centers of Sun City West, Inc.**  
**Summary of Revenues & Expenses**  
**August 31, 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)
					<b>Operating Revenues</b>					
1,235,937	1,232,640	3,297	1,233,310	2,627	Membership	2,467,802	2,475,737	(7,935)	2,473,230	(5,428)
4,896	3,752	1,144	3,806	1,090	Recreation	6,640	6,062	578	4,386	2,254
306,833	279,795	27,038	279,189	27,644	Golf Fees	615,141	563,735	51,406	563,487	51,654
19,735	20,780	(1,045)	28,796	(9,061)	Sports Pavilion	61,196	46,340	14,856	72,465	(11,269)
529	(2,210)	2,739	(3,374)	3,903	Special Events	(2)	(250)	248	(3,191)	3,189
50,571	47,447	3,124	64,750	(14,179)	Ancillary Revenue	95,696	97,586	(1,890)	107,321	(11,625)
4,651	5,307	(656)	10,147	(5,496)	Merchandise Sales (net)	10,052	9,860	192	13,288	(3,236)
18,473	16,508	1,965	18,375	98	Food and Beverage (net)	45,390	35,165	10,225	39,466	5,924
826	0	826	0	826	Interest Income - Operating	826	0	826	0	826
72	0	72	55	17	Other Income	150	0	150	1,382	(1,232)
<b>1,642,523</b>	<b>1,604,019</b>	<b>38,504</b>	<b>1,635,054</b>	<b>7,469</b>	<b>Operating Revenues Total</b>	<b>3,302,891</b>	<b>3,234,235</b>	<b>68,656</b>	<b>3,271,834</b>	<b>31,057</b>
					<b>Operating Expenses</b>					
1,267,364	1,344,404	77,040	1,163,864	(103,500)	Wages And Benefits	2,569,461	2,704,018	134,557	2,355,818	(213,643)
221,784	250,204	28,420	214,680	(7,104)	Utilities	480,007	512,088	32,081	452,688	(27,319)
182,886	194,730	11,844	177,642	(5,244)	Repair and Maintenance	348,703	364,409	15,706	322,448	(26,255)
76,721	106,710	29,989	46,169	(30,552)	Landscape Maintenance	186,942	201,670	14,728	128,753	(58,189)
58,221	46,385	(11,836)	45,366	(12,855)	Supplies and Services	121,173	90,735	(30,438)	82,885	(38,288)
20,615	14,234	(6,381)	6,094	(14,521)	Equipment	31,500	18,368	(13,132)	12,240	(19,260)
66,041	59,980	(6,061)	56,986	(9,055)	Taxes and Insurance	128,424	123,830	(4,594)	116,594	(11,830)
29,541	24,900	(4,641)	23,179	(6,362)	Interest & Financial Expense	59,450	51,820	(7,630)	48,190	(11,260)
43,608	43,611	3	38,745	(4,863)	Operating Expenses	105,415	93,401	(12,014)	76,106	(29,309)
31,956	52,635	20,679	46,771	14,815	Legal and Professional	38,422	75,830	37,408	60,585	22,163
18,472	16,519	(1,953)	10,291	(8,181)	Employee Related Expenses	34,012	28,688	(5,324)	23,906	(10,106)
<b>2,017,209</b>	<b>2,154,312</b>	<b>137,103</b>	<b>1,829,787</b>	<b>(187,422)</b>	<b>Operating Expenses Total</b>	<b>4,103,509</b>	<b>4,264,857</b>	<b>161,348</b>	<b>3,680,213</b>	<b>(423,296)</b>
<b>(374,686)</b>	<b>(550,293)</b>	<b>175,607</b>	<b>(194,733)</b>	<b>(179,953)</b>	<b>Operating Cash Inflow/(Outflow)</b>	<b>(800,618)</b>	<b>(1,030,622)</b>	<b>230,004</b>	<b>(408,379)</b>	<b>(392,239)</b>
					<b>Capital Related</b>					
45,863	43,907	1,956	35,674	10,189	Investment Income - Reserves	93,925	87,813	6,112	70,948	22,977
(4,250)	(6,338)	2,088	(17,881)	13,631	Investment Fees	(9,250)	(12,677)	3,427	(17,881)	8,631
0	0	0	140	(140)	Investment - Realized Gain (Loss)	0	0	0	140	(140)
(821,538)	0	(821,538)	(8,097)	(813,441)	Investment - Unrealized Gain (Loss)	(108,516)	0	(108,516)	235,695	(344,211)
14,622	0	14,622	0	14,622	Club Contributed Capital	14,622	0	14,622	0	14,622
354,800	327,600	27,200	394,200	(39,400)	Asset Preservation Fee	741,800	735,000	6,800	812,700	(70,900)
30,000	(4,187)	34,187	0	30,000	Gain/(Loss) on Asset Disposal	30,000	(4,187)	34,187	0	30,000
(369,290)	(335,371)	(33,919)	(343,534)	(25,756)	Depreciation Expense	(743,910)	(668,699)	(75,211)	(685,750)	(58,160)
<b>(749,793)</b>	<b>25,611</b>	<b>(775,404)</b>	<b>60,502</b>	<b>(810,295)</b>	<b>Capital Related Total</b>	<b>18,671</b>	<b>137,250</b>	<b>(118,579)</b>	<b>415,852</b>	<b>(397,181)</b>
<b>(1,124,479)</b>	<b>(524,682)</b>	<b>(599,797)</b>	<b>(134,231)</b>	<b>(990,248)</b>	<b>Revenues Over/(Under) Expenses</b>	<b>(781,947)</b>	<b>(893,372)</b>	<b>111,425</b>	<b>7,473</b>	<b>(789,420)</b>

**Recreation Centers of Sun City West, Inc.**  
**Financial Statement Notes**  
**August 31, 2022**

**EXCESS OF REVENUES OVER/(UNDER) EXPENSES - August was unfavorable to Budget by \$600K and unfavorable to Prior Year (hereinafter PY) by \$990K. Year to date (hereinafter YTD) was favorable to budget by \$111K and unfavorable to prior year by \$789K.**

**NET OPERATING CASH INFLOW/(OUTFLOW) - August was favorable to Budget by \$176K and unfavorable to PY by \$180K. YTD was favorable to Budget by \$230K and unfavorable to PY by \$392K.**

**OPERATING REVENUES - August revenues were favorable to Budget by \$39K and favorable to PY by \$7K. YTD was favorable to Budget by \$67K and favorable to PY by \$31K.**

Golf Fees - August revenues were favorable to Budget by \$27K and favorable to PY by \$28K. YTD was favorable to Budget by \$51K and to PY by \$52K. August rounds were favorable to Budget by 1,027(+7%) and favorable to PY by 592 (+4%). YTD rounds were favorable to Budget by 1,891 and favorable to PY by 975.

**EXPENSES - August Operating Expenses were favorable to budget by \$137K and unfavorable to PY by \$187K. YTD was favorable to Budget by \$161K and unfavorable to PY by \$423K.**

Wages & Benefits - August expenses were favorable to Budget by \$77K and unfavorable to PY by \$104K. YTD favorable to Budget by \$134K and unfavorable to PY by \$214K.

Utilities - August expenses were favorable to Budget by \$28K and unfavorable to PY by \$7K. YTD favorable to Budget by \$32K and unfavorable to PY by \$27K.

Repairs & Maintenance - August expenses were favorable to Budget by \$12K and unfavorable to PY by \$5K. YTD is favorable to Budget by \$16K and unfavorable to PY by \$26K.

Landscape Maintenance - August expenses were favorable to Budget by \$30K and unfavorable to PY by \$31K. YTD is favorable to Budget by \$15K and unfavorable to PY by \$58K.

Supplies and Services - August expenses were unfavorable to Budget and PY by \$12K and \$13K, respectively. YTD expenses are unfavorable to Budget and PY by \$30K and \$38K, respectively.

Legal & Professional - August expenses were favorable to Budget and PY by \$21K and \$15K, respectively. YTD expenses are favorable to Budget by \$37K and favorable to PY by \$22K.

**CAPITAL RELATED REVENUES & EXPENSES - August was unfavorable to Budget by \$775K and unfavorable to PY by \$810K. YTD is unfavorable to Budget by \$119K and unfavorable to PY by \$397K.**

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 August there were \$822K in realized/unrealized losses, compared to loss of \$8K in PY. YTD total losses are \$109K as compared to \$236K gain in PY.

APF Fees - August APF fees were favorable to Budget by \$27K and unfavorable to PY by \$39K. YTD is favorable to Budget by \$7K and unfavorable to PY by \$71K.

## Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending August 31, 2022 and June 30, 2022

	August-22	June-22
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	12,331,381	13,376,880
Accounts Receivable (net)	155,162	175,396
Notes Receivable	578,378	587,510
Inventories	196,296	196,747
Prepaid and Other Assets	369,015	457,688
<b>Total Current Assets</b>	<b>13,630,232</b>	<b>14,794,221</b>
<b>Board Reserve Funds</b>	<b>27,729,985</b>	<b>27,744,575</b>
<b><u>Fixed Assets</u></b>		
Land & Building	107,598,110	107,412,318
Furniture, Fixtures & Equipment	24,281,297	23,947,599
Vehicles	2,136,214	2,136,214
<b>Fixed Assets</b>	<b>134,015,621</b>	<b>133,496,131</b>
Accumulated Depreciation	(85,922,910)	(85,208,200)
<b>Fixed Assets-Net Book Value</b>	<b>48,092,711</b>	<b>48,287,931</b>
Construction In Progress	1,077,388	949,336
<b>Total Fixed Assets</b>	<b>49,170,099</b>	<b>49,237,267</b>
<b>Total Assets</b>	<b>90,530,316</b>	<b>91,776,063</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	706,585	836,847
Payroll Related Liabilities	1,275,305	1,007,175
Association Events & Other Program Payables	183,902	182,233
Charter Clubs Payables	61,621	56,243
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	37,667,493	38,276,208
<b>Total Liabilities</b>	<b>39,894,906</b>	<b>40,358,706</b>
<b><u>Members' Equity</u></b>		
Retained Earnings	51,417,357	50,130,876
Surplus (Deficit)	(781,947)	1,286,484
<b>Total Equity</b>	<b>50,635,410</b>	<b>51,417,357</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>90,530,316</b>	<b>91,776,063</b>

## Recreation Centers of Sun City West, Inc.

### Statement of Cash Flows

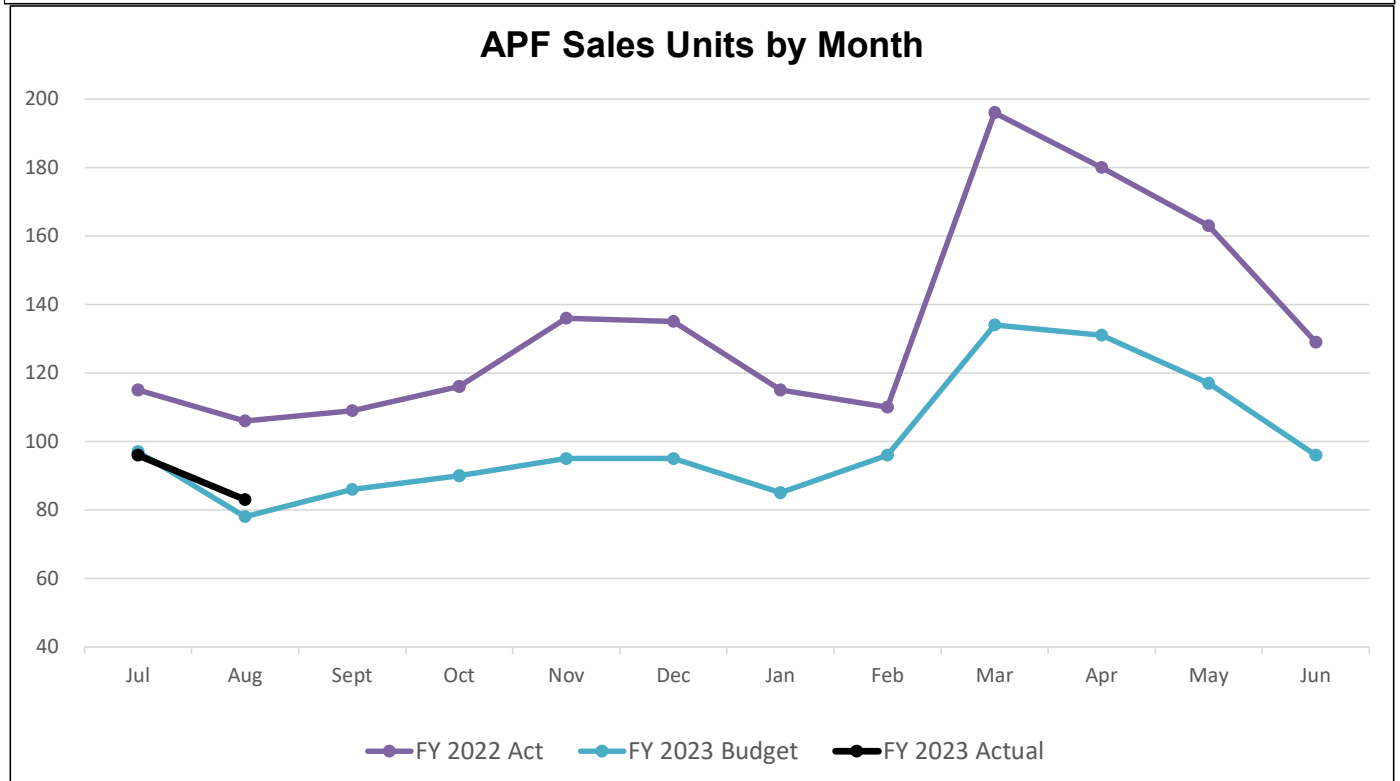
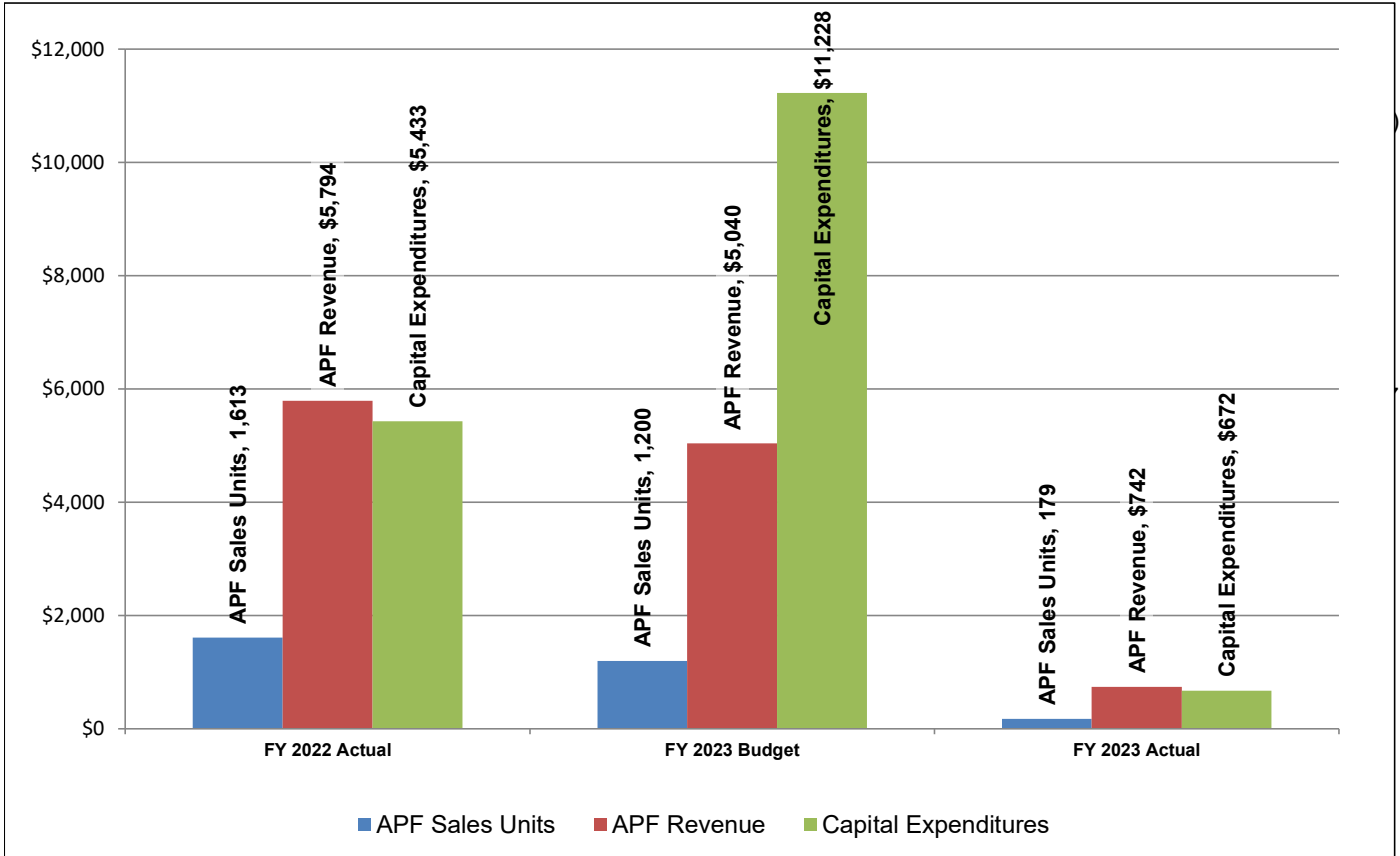
	Two Months Ended August 2022	Fiscal Year Ended June 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ (781,947)	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	743,910	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	(30,000)	83,671
Net (Gains) / Loss on Investments	108,516	3,493,585
Asset Preservation & Facility Investment Fees	(741,800)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	29,366	168,694
Inventories	451	(13,538)
Prepaid expenses and other assets	88,673	(18,008)
Accounts payable and accrued expenses	144,915	(347,708)
Deferred income	(608,715)	37,375
	<b>(1,046,631)</b>	<b>3,403,810</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land improvements, buildings and equipment	(676,742)	(5,433,307)
Proceeds from Disposal of Fixed Assets	30,000	15,878
Asset Preservation & Facility Investment Fees	741,800	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	1,988,062
Net (purchase) redemption of investments	(93,926)	(4,459,230)
	<b>1,132</b>	<b>(2,094,749)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,045,499)</b>	<b>1,309,061</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>13,376,882</b>	<b>12,067,821</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 12,331,383</b>	<b>\$ 13,376,882</b>

## Recreation Centers of Sun City West, Inc.

### Asset Preservation Fees & Capital Expenditures

August			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
83	78	5	179	175	4
\$ 355	\$ 328	\$ 27	\$ 742	\$ 735	\$ 7
\$ 231	\$ 449	\$ (218)	\$ 672	\$ 561	\$ 111

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>August 2022</u>	<u>% Total</u>	<u>June 2022</u>	<u>% Total</u>	<u>Change</u>
<b>General Fund</b>					
Petty Cash/Change Funds	11,145	0.09%	11,145	0.08%	-
Checking and Sweep Account	12,320,236	99.91%	13,365,735	99.92%	(1,045,499)
Total Cash and Cash Equivalents	<u>12,331,381</u>	<u>100.00%</u>	<u>13,376,880</u>	<u>100.00%</u>	<u>(1,045,499)</u>
<b>Reserve Fund</b>					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	273,123	0.98%	228,900	0.83%	44,223
Total Cash Investments	<u>273,123</u>	<u>0.98%</u>	<u>228,900</u>	<u>0.83%</u>	<u>44,223</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,874,486	89.70%	25,015,093	90.16%	(140,607)
Equities	2,582,376	9.31%	2,500,583	9.01%	81,793
Total Fund Investments	<u>27,456,861</u>	<u>99.02%</u>	<u>27,515,675</u>	<u>99.17%</u>	<u>(58,814)</u>
Total Reserve Funds	<u>27,729,985</u>	<u>100.00%</u>	<u>27,744,575</u>	<u>100.00%</u>	<u>(14,591)</u>
TOTAL FUNDS	<u><u>40,061,366</u></u>		<u><u>41,121,455</u></u>		<u><u>(1,060,089)</u></u>

<u>Investment Activity</u>	<u>FY2022-23 YTD</u>	<u>FY2021-22 YTD</u>	<u>Inception (FY15)</u>
Beginning Balance	27,744,575	25,656,994	-
Investment Transfers-In	-	5,098,324	23,348,324
Investment Earnings	93,925	496,120	3,518,038
Advisor Fees	-	(13,277)	(181,015)
Realized Gains (Losses)	-	1,306,812	4,650,773
Un-Realized Gains (Losses) ***	(108,516)	(4,800,397)	(3,591,544)
Ending Balance	<u>27,729,985</u>	<u>27,744,575</u>	<u>27,744,576</u>

\*\*\* 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 (F112) 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 2020-21	\$ 3,350	4	9	6	23	21	17	21	10	13	12	7	14	157	13	8%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	14	8%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	14	8%
FY 2022-23	\$ 3,500	8	7											15	15	100%
														<b>% of Budget YTD</b>	<b>107%</b>	
														<b>% of Prior Year YTD</b>	<b>107%</b>	
<b>Kachina Golf Card Sales</b>																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	30	5%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	32	5%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	32	5%
FY 2022-23	\$ 895	15	14											29	29	100%
														<b>% of Budget YTD</b>	<b>91%</b>	
														<b>% of Prior Year YTD</b>	<b>91%</b>	
<b>Coyote Golf Card Sales</b>																
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	18	3%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	22	3%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	22	3%
FY 2022-23	\$ 325	8	11											19	19	100%
														<b>% of Budget YTD</b>	<b>86%</b>	
														<b>% of Prior Year YTD</b>	<b>86%</b>	
<b>CNP Frequent Play Card Sales</b>																
FY 2020-21	\$ 1,400	0	1	0	0	3	2	3	1	0	0	0	1	11	1	9%
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	1	7%
FY 2022-23 Bud	\$ 1,500	0	1	0	2	4	1	4	2	0	1	0	0	15	1	7%
FY 2022-23	\$ 1,500	0	0											0	0	
														<b>% of Budget YTD</b>	<b>0%</b>	
														<b>% of Prior Year YTD</b>	<b>0%</b>	
<b>Twilight Golf Card Sales</b>																
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	5	11%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	8	14%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	8	13%
FY 2022-23	\$ 1,300	1	5											6	6	100%
														<b>% of Budget YTD</b>	<b>75%</b>	
														<b>% of Prior Year YTD</b>	<b>75%</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 2020-21	\$90/\$99	98	100	136	173	213	229	231	244	238	202	129	105	2,098	198	9%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	186	8%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	186	7%
FY 2022-23	\$90/\$99	90	122											212	212	100%
														% of Budget YTD		114%
														% of Prior Year YTD		114%

<b>Members (with No Golf Card)</b>														<b>Average</b>
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	31,730	31,485	31,662	31,533	31,453
FY 2022-23		31,590	31,503											31,547

<b>Unlimited Golf Card Holders</b>														<b>Average</b>
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	161	164	164	166	158
FY 2022-23		168	167											168

<b>Kachina Golf Card Holders</b>														<b>Average</b>
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	669	678	674	666	641
FY 2022-23		669	668											669

<b>Coyote Golf Card Holders</b>														<b>Average</b>
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	718	721	733	733	708
FY 2022-23		731	726											729

<b>CNP Freq Play Card Holders</b>														<b>Average</b>
FY 2020-21		4	5	5	5	7	9	12	12	12	12	12	12	9
FY 2021-22		12	12	12	12	13	13	14	15	15	15	15	14	14
FY 2022-23		14	13											14

<b>Twilight Golf Card Holders</b>														<b>Average</b>
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	59	59	61	61	56
FY 2022-23		60	59											60

**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 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	11,691	7%
FY 2021-22		18,340	13,191	21,842	28,362	27,664	25,721	32,454	30,408	34,699	17,313	19,806	20,610	290,409	31,531	11%
FY 2022-23 Bud		15,038	10,817	17,910	23,257	22,684	21,091	26,612	24,936	28,453	14,197	16,241	16,900	238,136	25,855	11%
FY 2022-23		18,916	7,410											26,326	26,326	100%
														% of Budget YTD	102%	
														% of Prior Year YTD	83%	
<b>Transfer Fee (Home Sale)</b>																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	251	15%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	250	15%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	239	15%
FY 2022-23	\$ 275	95	88											183	183	100%
														% of Budget YTD	77%	
														% of Prior Year YTD	73%	
<b>Asset Preservation Fees</b>																
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	196	14%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	221	14%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	175	15%
FY 2022-23	\$ 4,200	96	83											179	179	100%
														% of Budget YTD	102%	
														% of Prior Year YTD	81%	