

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**July 2022 and the One Month Ended**

**07/31/22**

**Recreation Centers of Sun City West, Inc.**  
**Summary of Revenues & Expenses**  
**July 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>					
1,231,864	1,243,097	(11,233)	1,239,919	(8,055)	Membership	1,231,864	1,243,097	(11,233)	1,239,919	(8,055)
1,745	2,310	(565)	580	1,165	Recreation	1,745	2,310	(565)	580	1,165
308,309	283,940	24,369	284,297	24,012	Golf Fees	308,309	283,940	24,369	284,297	24,012
41,461	25,560	15,901	43,669	(2,208)	Sports Pavilion	41,461	25,560	15,901	43,669	(2,208)
(530)	1,960	(2,490)	183	(713)	Special Events	(530)	1,960	(2,490)	183	(713)
45,125	50,139	(5,014)	42,572	2,553	Ancillary Revenue	45,125	50,139	(5,014)	42,572	2,553
5,403	4,553	850	3,143	2,260	Merchandise Sales (net)	5,403	4,553	850	3,143	2,260
26,916	18,659	8,257	21,090	5,826	Food and Beverage (net)	26,916	18,659	8,257	21,090	5,826
0	0	0	0	0	Interest Income - Operating	0	0	0	0	0
79	0	79	1,327	(1,248)	Other Income	79	0	79	1,327	(1,248)
<b>1,660,372</b>	<b>1,630,218</b>	<b>30,154</b>	<b>1,636,780</b>	<b>23,592</b>	<b>Operating Revenues Total</b>	<b>1,660,372</b>	<b>1,630,218</b>	<b>30,154</b>	<b>1,636,780</b>	<b>23,592</b>
					<b>Operating Expenses</b>					
1,302,099	1,359,611	57,512	1,191,947	(110,152)	Wages And Benefits	1,302,099	1,359,611	(57,512)	1,191,947	110,152
258,225	261,884	3,659	238,009	(20,216)	Utilities	258,225	261,884	(3,659)	238,009	20,216
165,819	169,680	3,861	144,810	(21,009)	Repair and Maintenance	165,819	169,680	(3,861)	144,810	21,009
110,222	94,960	(15,262)	82,581	(27,641)	Landscape Maintenance	110,222	94,960	15,262	82,581	27,641
62,953	44,350	(18,603)	37,515	(25,438)	Supplies and Services	62,953	44,350	18,603	37,515	25,438
10,883	4,134	(6,749)	6,145	(4,738)	Equipment	10,883	4,134	6,749	6,145	4,738
62,384	63,850	1,466	59,608	(2,776)	Taxes and Insurance	62,384	63,850	(1,466)	59,608	2,776
29,913	26,920	(2,993)	25,010	(4,903)	Interest & Financial Expense	29,913	26,920	2,993	25,010	4,903
61,809	49,790	(12,019)	37,359	(24,450)	Operating Expenses	61,809	49,790	12,019	37,359	24,450
6,467	23,195	16,728	13,814	7,347	Legal and Professional	6,467	23,195	(16,728)	13,814	(7,347)
15,543	12,169	(3,374)	13,614	(1,929)	Employee Related Expenses	15,543	12,169	3,374	13,614	1,929
<b>2,086,317</b>	<b>2,110,543</b>	<b>24,226</b>	<b>1,850,412</b>	<b>(235,905)</b>	<b>Operating Expenses Total</b>	<b>2,086,317</b>	<b>2,110,543</b>	<b>(24,226)</b>	<b>1,850,412</b>	<b>235,905</b>
<b>(425,945)</b>	<b>(480,325)</b>	<b>54,380</b>	<b>(213,632)</b>	<b>(212,313)</b>	<b>Operating Cash Inflow/(Outflow)</b>	<b>(425,945)</b>	<b>(480,325)</b>	<b>54,380</b>	<b>(213,632)</b>	<b>(212,313)</b>
					<b>Capital Related</b>					
48,063	43,907	4,156	35,274	12,789	Investment Income - Reserves	48,063	43,907	4,156	35,274	12,789
(5,000)	(6,338)	1,338	0	(5,000)	Investment Fees	(5,000)	(6,338)	1,338	0	(5,000)
0	0	0	0	0	Investment - Realized Gain (Loss)	0	0	0	0	0
713,022	0	713,022	243,793	469,229	Investment - Unrealized Gain (Loss)	713,022	0	713,022	243,793	469,229
0	0	0	0	0	Club Contributed Capital	0	0	0	0	0
387,000	407,400	(20,400)	418,500	(31,500)	Asset Preservation Fee	387,000	407,400	(20,400)	418,500	(31,500)
0	0	0	0	0	Gain/(Loss) on Asset Disposal	0	0	0	0	0
(374,620)	(333,327)	(41,293)	(342,216)	(32,404)	Depreciation Expense	(374,620)	(333,327)	(41,293)	(342,216)	(32,404)
<b>768,465</b>	<b>111,642</b>	<b>656,823</b>	<b>355,351</b>	<b>413,114</b>	<b>Capital Related Total</b>	<b>768,465</b>	<b>111,642</b>	<b>656,823</b>	<b>355,351</b>	<b>413,114</b>
<b>342,520</b>	<b>(368,683)</b>	<b>711,203</b>	<b>141,719</b>	<b>200,801</b>	<b>Revenues Over/(Under) Expenses</b>	<b>342,520</b>	<b>(368,683)</b>	<b>711,203</b>	<b>141,719</b>	<b>200,801</b>

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

**EXCESS OF REVENUES OVER/(UNDER) EXPENSES - July was favorable to Budget by \$711K and favorable to Prior Year (hereinafter PY) by \$201K.**

**NET OPERATING CASH INFLOW/(OUTFLOW) - July was favorable to Budget by \$54K and unfavorable to PY by \$212K.**

**OPERATING REVENUES - July revenues were favorable to Budget by \$30K and favorable to PY by \$24K.**

Membership - July revenues were unfavorable to the Budget by \$11K and unfavorable to PY by \$8K.

Golf Fees - July revenues were favorable to Budget by \$24K and favorable to PY by \$24K. July rounds were favorable to Budget by 864(+6%) and favorable to PY by 383 (+3%).

Sports Pavilion - July revenues were favorable to Budget by \$16K and unfavorable to PY by \$2K.

Food & Beverage - July revenues were favorable to Budget by \$8K and unfavorable to PY by \$6K.

**EXPENSES - July Operating Expenses were favorable to budget by \$24K and unfavorable to PY by \$236K.**

Wages & Benefits - July expenses were favorable to Budget by \$58K and unfavorable to PY by \$110K.

Repairs & Maintenance - July expenses were favorable to Budget by \$4K and unfavorable to PY by \$21K.

Landscape Maintenance - July expenses were unfavorable to Budget by \$15K and unfavorable to PY by \$28K.

Supplies and Services - July expenses were unfavorable to Budget and PY by \$19 and \$25K, respectively.

Operating Expense - Other - July expenses were unfavorable to Budget and PY by \$12K and \$24K, respectively. .

Legal & Professional - July expenses were favorable to Budget and PY by \$17K and \$7K, respectively.

**CAPITAL RELATED REVENUES & EXPENSES - July was favorable to Budget by \$657K and favorable to PY by \$413K.**

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 July there were \$713K in realized/unrealized gains, compared to gain of \$244K in PY.

APF Fees - July APF fees were unfavorable to Budget by \$20K and unfavorable to PY by \$32K.

## Recreation Centers of Sun City West, Inc.

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

	July-22	June-22
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	12,596,725	13,376,880
Accounts Receivable (net)	184,127	175,396
Notes Receivable	581,209	587,510
Inventories	200,747	196,747
Prepaid and Other Assets	395,960	457,688
<b>Total Current Assets</b>	<b>13,958,768</b>	<b>14,794,221</b>
<b>Board Reserve Funds</b>	<b>28,505,660</b>	<b>27,744,575</b>
<b><u>Fixed Assets</u></b>		
Land & Building	107,419,257	107,412,318
Furniture, Fixtures & Equipment	24,266,368	23,947,599
Vehicles	2,136,214	2,136,214
<b>Fixed Assets</b>	<b>133,821,839</b>	<b>133,496,131</b>
Accumulated Depreciation	(85,582,820)	(85,208,200)
<b>Fixed Assets-Net Book Value</b>	<b>48,239,019</b>	<b>48,287,931</b>
Construction In Progress	1,064,705	949,336
<b>Total Fixed Assets</b>	<b>49,303,724</b>	<b>49,237,267</b>
<b>Total Assets</b>	<b>91,768,152</b>	<b>91,776,063</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	566,647	836,847
Payroll Related Liabilities	1,270,502	1,007,175
Association Events & Other Program Payables	168,976	182,233
Charter Clubs Payables	76,243	56,243
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	37,925,907	38,276,208
<b>Total Liabilities</b>	<b>40,008,275</b>	<b>40,358,706</b>
<b><u>Members' Equity</u></b>		
Retained Earnings	51,417,357	50,130,873
Surplus (Deficit)	342,520	1,286,484
<b>Total Equity</b>	<b>51,759,877</b>	<b>51,417,357</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,768,152</b>	<b>91,776,063</b>

## Recreation Centers of Sun City West, Inc.

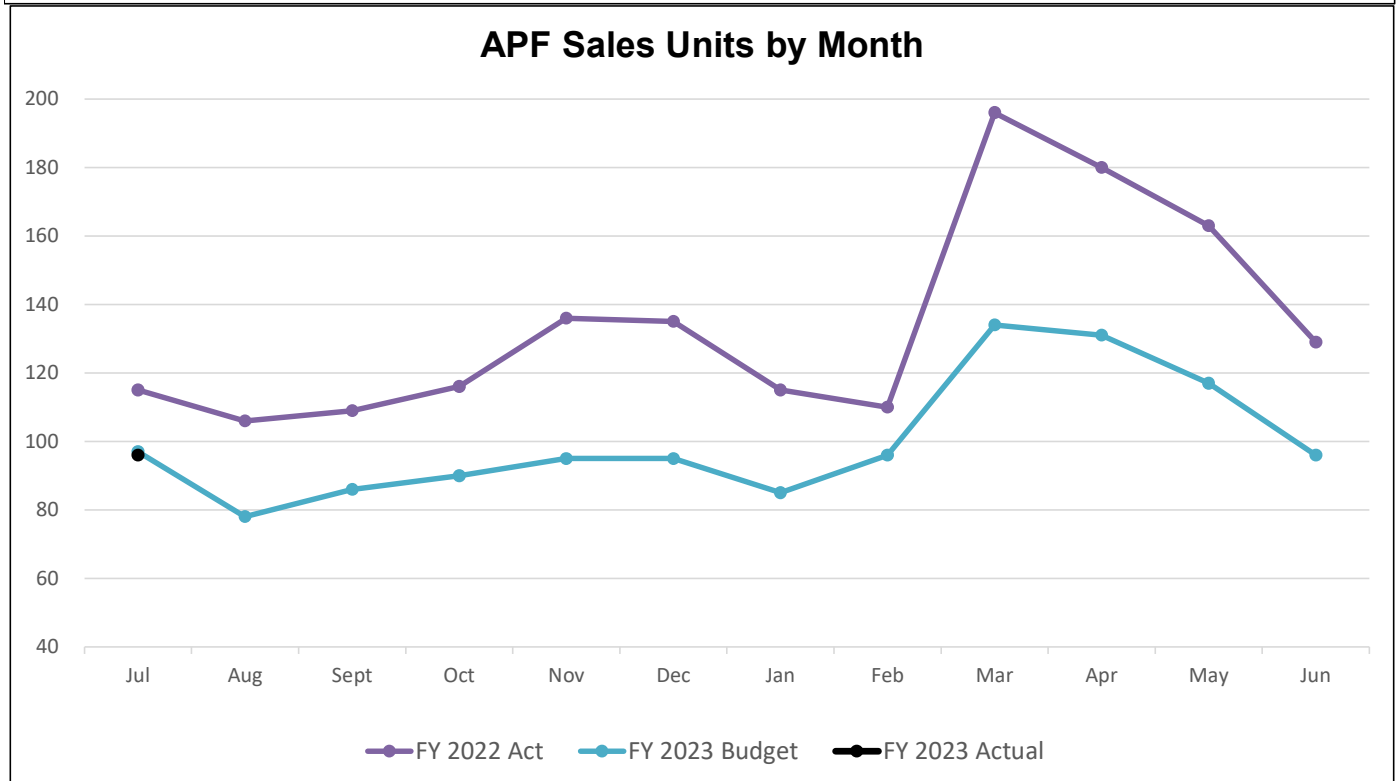
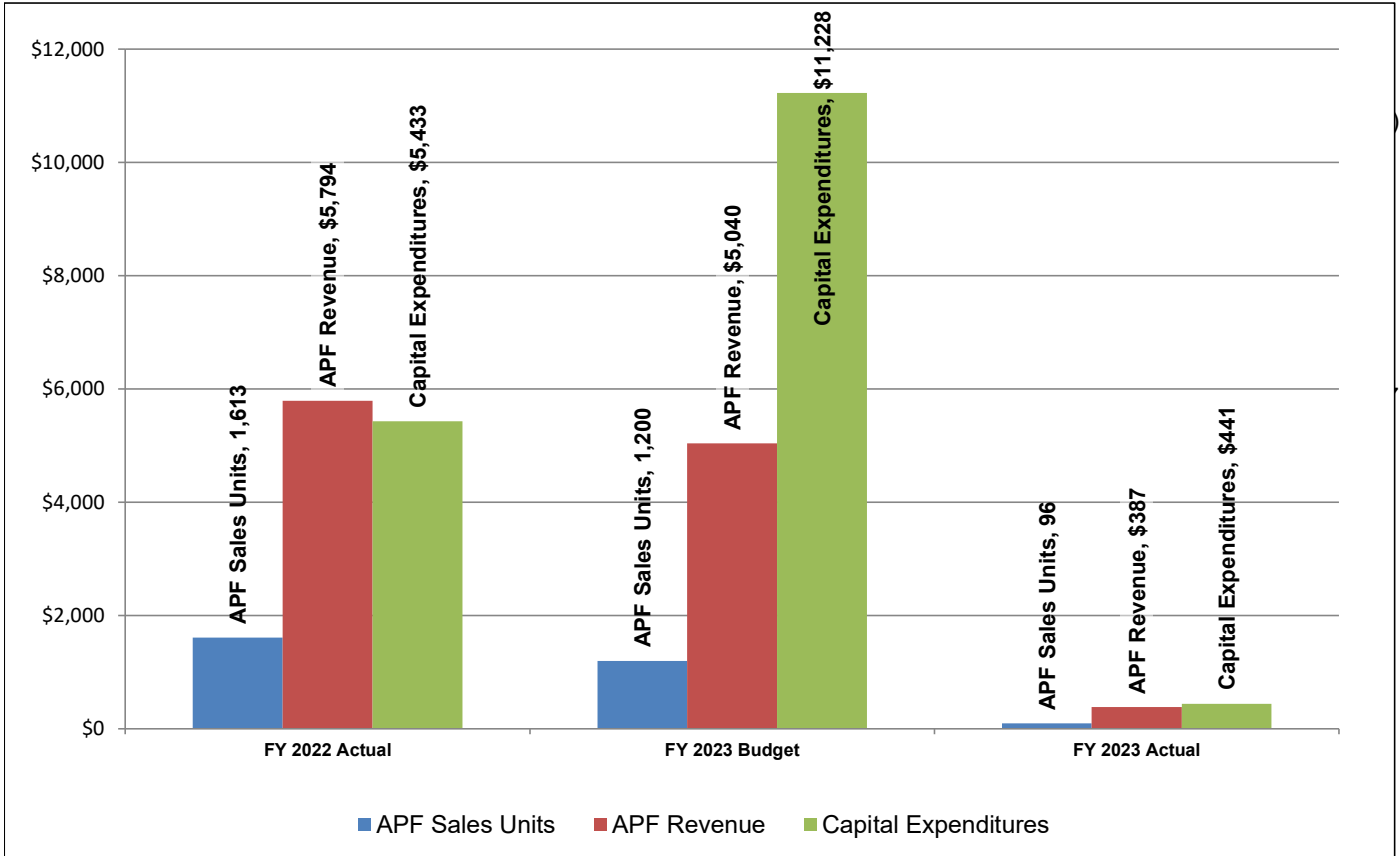
### Statement of Cash Flows

	One Month Ended July 2022	Fiscal Year Ended June 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 342,520	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	374,620	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	-	83,671
Net (Gains) / Loss on Investments	(713,022)	3,493,585
Asset Preservation & Facility Investment Fees	(387,000)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	(2,430)	168,694
Inventories	(4,000)	(13,538)
Prepaid expenses and other assets	61,728	(18,008)
Accounts payable and accrued expenses	(130)	(347,708)
Deferred income	(350,301)	37,375
	<b>(678,015)</b>	<b>3,403,810</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land improvements, buildings and equipment	(441,078)	(5,433,307)
Proceeds from Disposal of Fixed Assets	-	15,878
Asset Preservation & Facility Investment Fees	387,000	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	1,988,062
Net (purchase) redemption of investments	(48,063)	(4,459,230)
	<b>(102,141)</b>	<b>(2,094,749)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(780,156)</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>\$ 12,596,726</b>	<b>\$ 13,376,882</b>

## Recreation Centers of Sun City West, Inc.

### Asset Preservation Fees & Capital Expenditures

	July			Year to Date		
	Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
APF Sales Units	96	97	(1)	96	97	(1)
APF Revenue (000's)	\$ 387	\$ 407	\$ (20)	\$ 387	\$ 407	\$ (20)
Capital Expend. (000's)	\$ 441	\$ 112	\$ 329	\$ 441	\$ 112	\$ 329



## Recreation Centers of Sun City West, Inc.

### Cash and Investment Balances

<u>Account</u>	<u>July 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	12,585,580	99.91%	13,365,735	99.92%	(780,154)
Total Cash and Cash Equivalents	<u>12,596,725</u>	<u>100.00%</u>	<u>13,376,880</u>	<u>100.00%</u>	<u>(780,154)</u>
<b>Reserve Fund</b>					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	250,493	0.88%	228,900	0.83%	21,593
Total Cash Investments	<u>250,493</u>	<u>0.88%</u>	<u>228,900</u>	<u>0.83%</u>	<u>21,593</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	25,567,390	89.69%	25,015,093	90.16%	552,297
Equities	2,687,778	9.43%	2,500,583	9.01%	187,195
Total Fund Investments	<u>28,255,167</u>	<u>99.12%</u>	<u>27,515,675</u>	<u>99.17%</u>	<u>739,492</u>
Total Reserve Funds	<u>28,505,660</u>	<u>100.00%</u>	<u>27,744,575</u>	<u>100.00%</u>	<u>761,085</u>
<b>TOTAL FUNDS</b>	<u><u>41,102,385</u></u>		<u><u>41,121,455</u></u>		<u><u>(19,070)</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	48,063	496,120	3,518,038
Advisor Fees	-	(13,277)	(181,015)
Realized Gains (Losses)	-	1,306,812	4,650,773
Un-Realized Gains (Losses) ***	713,022	(4,800,397)	(3,591,544)
Ending Balance	<u>28,505,660</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. Reserve 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	4	3%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	6	4%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	6	4%
FY 2022-23	\$ 3,500	8												8	8	100%
														<b>% of Budget YTD</b>		<b>133%</b>
														<b>% of Prior Year YTD</b>		<b>133%</b>
<b>Kachina Golf Card Sales</b>																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	11	2%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	11	2%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	11	2%
FY 2022-23	\$ 895	15												15	15	100%
														<b>% of Budget YTD</b>		<b>136%</b>
														<b>% of Prior Year YTD</b>		<b>136%</b>
<b>Coyote Golf Card Sales</b>																
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	13	2%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	15	2%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	15	2%
FY 2022-23	\$ 325	8												8	8	100%
														<b>% of Budget YTD</b>		<b>53%</b>
														<b>% of Prior Year YTD</b>		<b>53%</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	0	0%
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	0	0%
FY 2022-23 Bud	\$ 1,500	0	1	0	2	4	1	4	2	0	1	0	0	15	0	0%
FY 2022-23	\$ 1,500	0												0	0	
														<b>% of Budget YTD</b>		
														<b>% of Prior Year YTD</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	2	4%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	3	5%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	3	5%
FY 2022-23	\$ 1,300	1												1	1	100%
														<b>% of Budget YTD</b>		<b>33%</b>
														<b>% of Prior Year YTD</b>		<b>33%</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	98	5%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	84	4%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	84	3%
FY 2022-23	\$90/\$99	90												90	90	100%
														% of Budget YTD		107%
														% of Prior Year YTD		107%

<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												31,590

<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												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												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												731

<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												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												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	5,309	3%
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	18,340	6%
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	15,038	6%
FY 2022-23		18,916												18,916	18,916	100%
														% of Budget YTD	126%	
														% of Prior Year YTD	103%	
<b>Transfer Fee (Home Sale)</b>																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	147	9%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	126	7%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	131	8%
FY 2022-23	\$ 275	95												95	95	100%
														% of Budget YTD	73%	
														% of Prior Year YTD	75%	
<b>Asset Preservation Fees</b>																
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	115	8%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	115	7%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	97	8%
FY 2022-23	\$ 4,200	96												96	96	100%
														% of Budget YTD	99%	
														% of Prior Year YTD	83%	