

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**October 2022 and the Four Months Ended**

**10/31/22**

**Recreation Centers of Sun City West, Inc.**  
**Summary of Revenues & Expenses**  
**October 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)
					Operating Revenues					
1,248,072	1,251,363	(3,291)	1,246,048	2,024	Membership	4,944,204	4,966,221	(22,017)	4,955,652	(11,448)
7,462	6,456	1,006	6,299	1,163	Recreation	29,033	18,542	10,491	26,208	2,825
584,098	582,468	1,630	573,193	10,905	Golf Fees	1,547,685	1,455,568	92,117	1,446,568	101,117
77,067	80,820	(3,753)	73,218	3,849	Sports Pavilion	204,368	189,350	15,018	200,774	3,594
9,436	3,860	5,576	7,978	1,458	Special Events	12,364	4,930	7,434	(1,622)	13,986
74,929	66,767	8,162	96,113	(21,184)	Ancillary Revenue	248,414	217,102	31,312	255,915	(7,501)
9,880	7,583	2,297	10,802	(922)	Merchandise Sales (net)	26,997	22,696	4,301	27,041	(44)
29,141	36,891	(7,750)	31,717	(2,576)	Food and Beverage (net)	103,375	99,489	3,886	96,701	6,674
1,400	0	1,400	0	1,400	Interest Income - Operating	2,226	0	2,226	0	2,226
162	0	162	34	128	Other Income	409	0	409	1,204	(795)
2,041,647	2,036,208	5,439	2,045,402	(3,755)	Operating Revenues Total	7,119,075	6,973,898	145,177	7,008,441	110,634
					Operating Expenses					
1,431,864	1,344,430	(87,434)	1,261,164	(170,700)	Wages And Benefits	5,274,629	5,354,226	79,597	4,837,674	(436,955)
215,063	212,584	(2,479)	195,798	(19,265)	Utilities	935,093	972,616	37,523	871,035	(64,058)
169,317	176,640	7,323	121,557	(47,760)	Repair and Maintenance	696,405	731,839	35,434	610,105	(86,300)
446,398	455,910	9,512	618,178	171,780	Landscape Maintenance	1,260,524	1,325,020	64,496	1,273,960	13,436
70,426	55,230	(15,196)	48,674	(21,752)	Supplies and Services	264,097	199,920	(64,177)	193,285	(70,812)
35,413	12,864	(22,549)	7,793	(27,620)	Equipment	82,562	49,095	(33,467)	25,486	(57,076)
56,906	58,010	1,104	57,431	525	Taxes and Insurance	246,307	240,910	(5,397)	230,274	(16,033)
40,640	45,680	5,040	37,835	(2,805)	Interest & Financial Expense	131,979	126,690	(5,289)	114,594	(17,385)
52,155	46,127	(6,028)	31,527	(20,628)	Operating Expenses	218,766	196,505	(22,261)	142,328	(76,438)
8,357	15,625	7,268	21,205	12,848	Legal and Professional	55,107	107,130	52,023	88,344	(33,237)
13,181	15,679	2,498	7,875	(5,306)	Employee Related Expenses	55,984	57,805	1,821	39,620	(16,364)
2,539,720	2,438,779	(100,941)	2,409,037	(130,683)	Operating Expenses Total	9,221,453	9,361,756	140,303	8,426,705	(794,748)
(498,073)	(402,571)	(95,502)	(363,635)	(134,438)	Operating Cash Inflow/(Outflow)	(2,102,378)	(2,387,858)	285,480	(1,418,264)	(684,114)
					Capital Related					
55,813	43,907	11,906	39,139	16,674	Investment Income - Reserves	197,424	175,626	21,798	120,469	76,955
(5,000)	(6,338)	1,338	(5,000)	0	Investment Fees	(19,250)	(25,353)	6,103	(32,441)	13,191
(35,161)	0	(35,161)	0	(35,161)	Investment - Realized Gain (Loss)	(50,376)	0	(50,376)	1,309,406	(1,359,782)
(70,489)	0	(70,489)	57,868	(128,357)	Investment - Unrealized Gain (Loss)	(1,390,580)	0	(1,390,580)	(1,331,223)	(59,357)
0	0	0	0	0	Club Contributed Capital	14,622	0	14,622	0	14,622
316,100	378,000	(61,900)	428,100	(112,000)	Asset Preservation Fee	1,389,000	1,474,200	(85,200)	1,645,850	(256,850)
7,691	(9,772)	17,463	(93,834)	101,525	Gain/(Loss) on Asset Disposal	37,691	(28,959)	66,650	(93,834)	131,525
(370,429)	(368,739)	(1,690)	(350,763)	(19,666)	Depreciation Expense	(1,477,906)	(1,402,244)	(75,662)	(1,387,412)	(90,494)
(101,475)	37,058	(138,533)	75,510	(176,985)	Capital Related Total	(1,299,375)	193,270	(1,492,645)	230,815	(1,530,190)
(599,548)	(365,513)	(234,035)	(288,125)	(311,423)	Revenues Over/(Under) Expenses	(3,401,753)	(2,194,588)	(1,207,165)	(1,187,449)	(2,214,304)

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

**EXCESS OF REVENUES OVER/(UNDER) EXPENSES** - October was unfavorable to Budget by \$234K and unfavorable to Prior Year (hereinafter PY) by \$311K. Year to date (hereinafter YTD) was unfavorable to budget by \$1,207K and unfavorable to prior year by \$2,214K.

**NET OPERATING CASH INFLOW/(OUTFLOW)** - October was unfavorable to Budget by \$96K and unfavorable to PY by \$134K. YTD was favorable to Budget by \$285K and unfavorable to PY by \$684K.

**OPERATING REVENUES** - October revenues were favorable to Budget by \$5K and unfavorable to PY by \$4K. YTD was favorable to Budget by \$145K and favorable to PY by \$111K.

**EXPENSES** - October Operating Expenses were unfavorable to budget by \$101K and unfavorable to PY by \$131K. YTD was favorable to Budget by \$140K and unfavorable to PY by \$795K.

Wages & Benefits - October expenses were unfavorable to Budget by \$87K and unfavorable to PY by \$171K. YTD favorable to Budget by \$80K and unfavorable to PY by \$437K.

Supplies and Services - October expenses were unfavorable to Budget and PY by \$15K and \$22K, respectively. YTD expenses are unfavorable to Budget and PY by \$64K and \$71K, respectively.

Equipment - October expenses were unfavorable to Budget and PY by \$23K and \$28K, respectively. YTD expenses are unfavorable to Budget and PY by \$33K and \$57K, respectively. This is mostly due to timing of when items are coming in compared to when budgeted.

**CAPITAL RELATED REVENUES & EXPENSES** - October was unfavorable to Budget by \$139K and unfavorable to PY by \$177K. YTD is unfavorable to Budget by \$1,493K and unfavorable to PY by \$1,530K.

Investment Income - October revenues were favorable to the Budget by \$12K and favorable to PY by \$17K. YTD was favorable to Budget by \$22K and favorable to PY by \$77K.

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 October there were \$106K in realized/unrealized losses, compared to loss of \$164K in PY. YTD total losses are \$1,441K as compared to \$1,419K loss in PY.

APF Fees - October APF fees were unfavorable to Budget by \$62K and unfavorable to PY by \$112K. YTD is unfavorable to Budget by \$85K and unfavorable to PY by \$257K.

# Recreation Centers of Sun City West, Inc.

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

	October-22	June-22
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	11,039,119	13,376,880
Accounts Receivable (net)	140,484	175,396
Notes Receivable	579,864	587,510
Inventories	257,610	196,747
Prepaid and Other Assets	291,340	457,688
<b>Total Current Assets</b>	<b>12,308,417</b>	<b>14,794,221</b>
<b>Board Reserve Funds</b>	<b>26,501,043</b>	<b>27,744,575</b>
<b><u>Fixed Assets</u></b>		
Land & Building	107,735,222	107,412,318
Furniture, Fixtures & Equipment	24,905,998	23,947,599
Vehicles	2,136,214	2,136,214
<b>Fixed Assets</b>	<b>134,777,434</b>	<b>133,496,131</b>
Accumulated Depreciation	(86,378,441)	(85,208,200)
<b>Fixed Assets-Net Book Value</b>	<b>48,398,993</b>	<b>48,287,931</b>
Construction In Progress	1,891,220	949,336
<b>Total Fixed Assets</b>	<b>50,290,213</b>	<b>49,237,267</b>
<b>Total Assets</b>	<b>89,099,673</b>	<b>91,776,063</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	1,577,301	836,847
Payroll Related Liabilities	1,608,969	1,007,175
Association Events & Other Program Payables	323,466	182,233
Charter Clubs Payables	56,243	56,243
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	37,518,090	38,276,208
<b>Total Liabilities</b>	<b>41,084,069</b>	<b>40,358,706</b>
<b><u>Members' Equity</u></b>		
Retained Earnings	51,417,357	50,130,876
Surplus (Deficit)	(3,401,753)	1,286,484
<b>Total Equity</b>	<b>48,015,604</b>	<b>51,417,357</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>89,099,673</b>	<b>91,776,063</b>

# Recreation Centers of Sun City West, Inc.

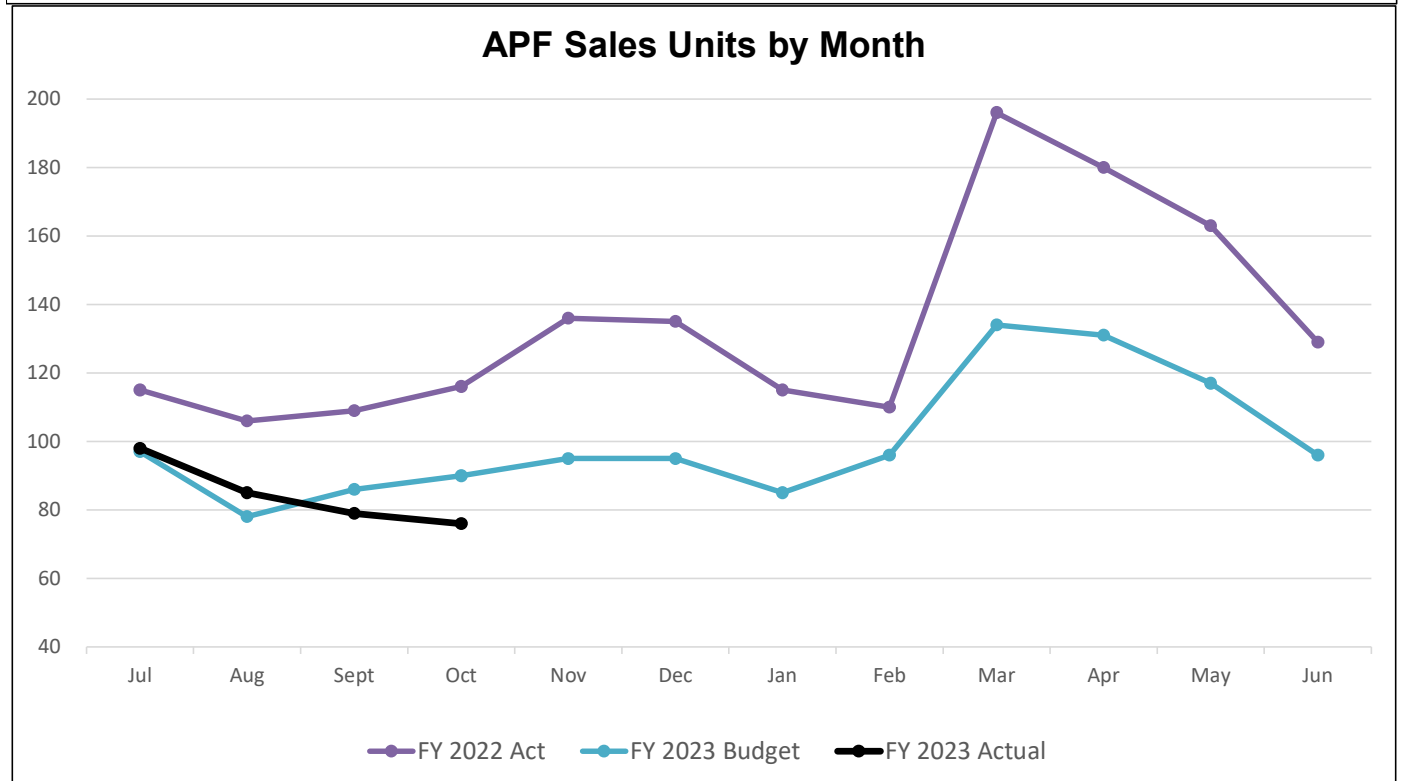
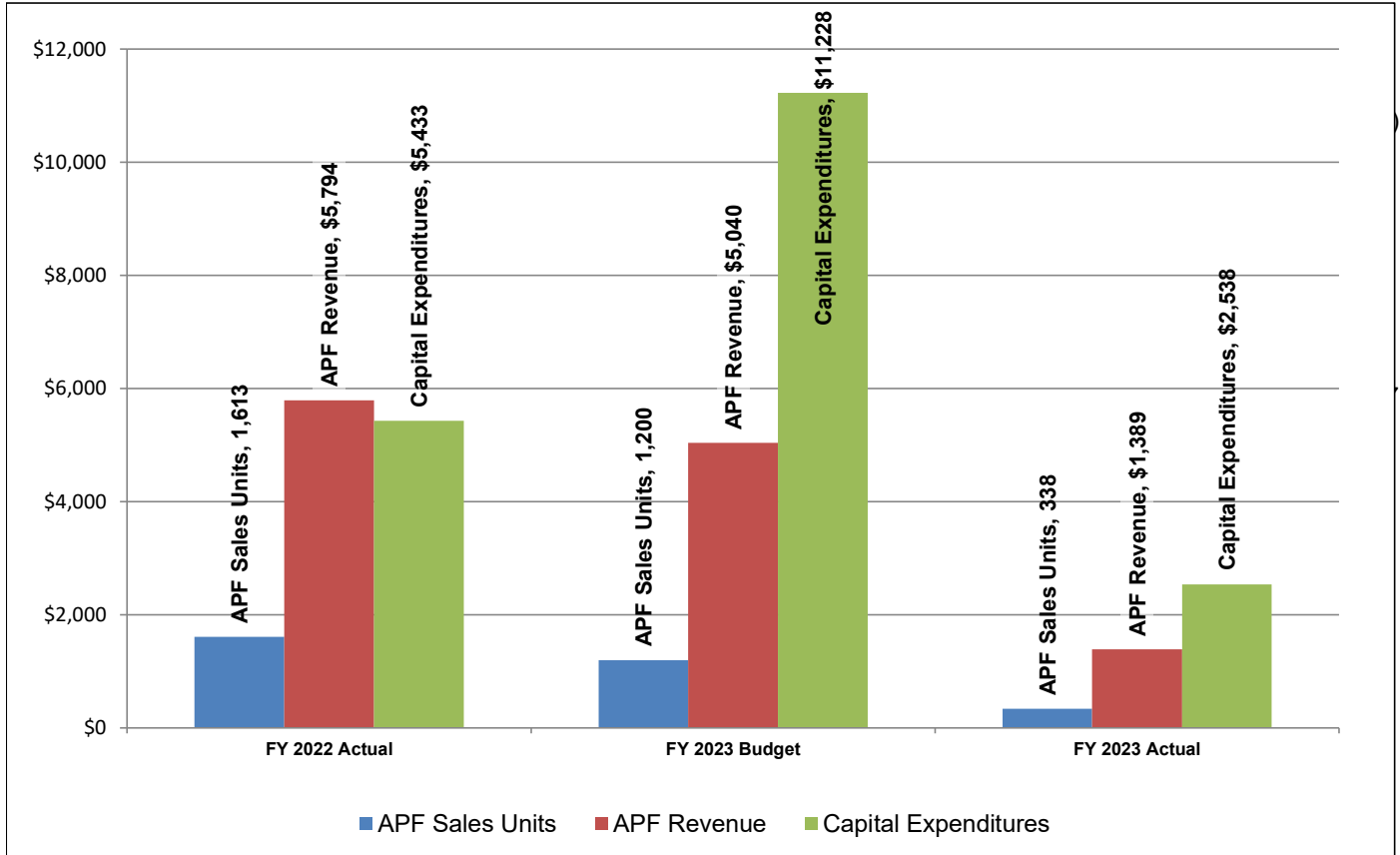
## Statement of Cash Flows

	Four Months Ended October 2022	Fiscal Year Ended June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (3,401,753)	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,477,906	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	(37,691)	83,671
Net (Gains) / Loss on Investments	1,440,956	3,493,585
Asset Preservation & Facility Investment Fees	(1,389,000)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	42,558	168,694
Inventories	(60,863)	(13,538)
Prepaid expenses and other assets	166,348	(18,008)
Accounts payable and accrued expenses	1,483,481	(347,708)
Deferred income	(758,118)	37,375
Net cash provided by (used in) operating activities	(1,036,176)	3,403,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(2,538,162)	(5,433,307)
Proceeds from Disposal of Fixed Assets	45,000	15,878
Asset Preservation & Facility Investment Fees	1,389,000	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	1,988,062
Net (purchase) redemption of investments	(197,424)	(4,459,230)
Net cash provided by (used in) investing activities	(1,301,586)	(2,094,749)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,337,762)	1,309,061
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,376,882	12,067,821
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 11,039,120	\$ 13,376,882

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

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

October			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
76	90	(14)	338	351	(13)
\$ 316	\$ 378	\$ (62)	\$ 1,389	\$ 1,474	\$ (85)
\$ 539	\$ 1,123	\$ (584)	\$ 2,538	\$ 2,807	\$ (269)



# Recreation Centers of Sun City West, Inc.

## Cash and Investment Balances

<u>Account</u>	<u>October 2022</u>	<u>% Total</u>	<u>June 2022</u>	<u>% Total</u>	<u>Change</u>
<b>General Fund</b>					
Petty Cash/Change Funds	13,580	0.12%	11,145	0.08%	2,435
Checking and Sweep Account	11,025,539	99.88%	13,365,735	99.92%	(2,340,196)
Total Cash and Cash Equivalents	11,039,119	100.00%	13,376,880	100.00%	(2,337,761)
<b>Reserve Fund</b>					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	277,813	1.05%	228,900	0.83%	48,913
Total Cash Investments	277,813	1.05%	228,900	0.83%	48,913
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	23,683,077	89.37%	25,015,093	90.16%	(1,332,015)
Equities	2,540,153	9.59%	2,500,583	9.01%	39,571
Total Fund Investments	26,223,231	98.95%	27,515,675	99.17%	(1,292,444)
Total Reserve Funds	26,501,043	100.00%	27,744,575	100.00%	(1,243,532)
TOTAL FUNDS	37,540,162		41,121,455		(3,581,293)

<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	197,424	496,120	3,518,038
Advisor Fees	-	(13,277)	(181,015)
Realized Gains (Losses)	(50,376)	1,306,812	4,650,773
Un-Realized Gains (Losses) ***	(1,390,580)	(4,800,397)	(3,591,544)
Ending Balance	26,501,043	27,744,575	27,744,576

\*\*\* 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
Golf - Unlimited Card Sales																
FY 2020-21	\$ 3,350	4	9	6	23	21	17	21	10	13	12	7	14	157	42	27%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	50	30%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	50	30%
FY 2022-23	\$ 3,500	8	7	21	28									64	64	100%
														% of Budget YTD	128%	
														% of Prior Year YTD	128%	
Kachina Golf Card Sales																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	156	26%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	180	27%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	180	27%
FY 2022-23	\$ 895	15	14	63	94									186	186	100%
														% of Budget YTD	103%	
														% of Prior Year YTD	103%	
Coyote Golf Card Sales																
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	110	16%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	150	20%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	150	20%
FY 2022-23	\$ 325	8	11	37	123									179	179	100%
														% of Budget YTD	119%	
														% of Prior Year YTD	119%	
CNP Frequent Play Card Sales																
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	3	20%
FY 2022-23 Bud	\$ 1,500	0	1	0	2	4	1	4	2	0	1	0	0	15	3	20%
FY 2022-23	\$ 1,500	0	0	0	1									1	1	100%
														% of Budget YTD	33%	
														% of Prior Year YTD	33%	
Twilight Golf Card Sales																
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	9	19%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	19	32%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	19	30%
FY 2022-23	\$ 1,300	1	5	4	11									21	21	100%
														% of Budget YTD	111%	
														% of Prior Year YTD	111%	



# 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	507	24%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	512	22%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	512	21%
FY 2022-23	\$90/\$99	90	122	122	250									584	584	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	31,394	31,429									31,479	

<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	170	178									171	

<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	680	676									673	

<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	725	753									734	

<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	15									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	65									61	

# 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 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	42,185	26%
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	81,735	28%
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	67,022	28%
FY 2022-23		18,916	7,410	22,531	29,729									78,586	78,586	100%
														% of Budget YTD	117%	
														% of Prior Year YTD	96%	
Transfer Fee (Home Sale)																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	517	31%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	490	29%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	472	30%
FY 2022-23	\$ 275	95	88	82	80									345	345	100%
														% of Budget YTD	73%	
														% of Prior Year YTD	70%	
Asset Preservation Fees																
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	412	29%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	446	28%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	351	29%
FY 2022-23	\$ 4,200	98	85	79	76									338	338	100%
														% of Budget YTD	96%	
														% of Prior Year YTD	76%	