

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**January 2018 and the Seven Months Ended**

**January 31, 2018**

**Recreation Centers of Sun City West, Inc.**  
**Monthly Financial Reports**  
**January 2018 and the Seven Months Ended January 31, 2018**

**TABLE OF CONTENTS**

<b>ITEM</b>	<b>PAGE(S)</b>
Variance Analysis - Current Month	3
Summary Revenues & Expenses Statement - Current Month	4
Graphs - Revenues & Expenses - Current Month	5
Variance Analysis - Year to Date	6
Summary Revenues & Expenses Statement - Year to Date	7
Graphs - Revenues & Expenses - Year to Date	8
Asset Preservation Fee & Capital Expenditure Info	9
Balance Sheet	10
Cash and Investment Balances	11
Statement of Cash Flow	12
Summary of Revenues & Expenses - Current Month and Year to Date	13
Summary Financial Data - Golf	14
Summary Financial Data - Golf & Bowling	15
Summary Financial Data - Resales/APF/New Owners	16

**REVENUES OVER/UNDER EXPENSES:** For the month of ending January 31, 2018, revenues exceeded expenses by \$992,070 which is favorable to budget by \$257,959 and favorable to prior year by \$23,175.

### **Variance Analysis – Month of January 2018**

**OPERATING REVENUES:** Operating revenues are better than budget by \$10,166 and better than prior year by \$181,083. In addition to the revenue variances noted below; Other Income is better than budget and prior year due to the sale of a Sports Pavilion asset. Recreation revenue is below expectations due to tour revenue. Last January we offered a multi-day trip to New Orleans, this year there were no multi-day trips.

**MEMBERSHIP:** Membership revenue is flat compared to budget and slightly better than prior year by 1.53%. Membership dues are the primary driver of the favorable variance \$16,919. Late fees and guest pass revenue also contributed to the positive variance. Fewer home sales in January impacted both disclosure and transfer fee revenue.

**GOLF FEES:** Revenue is flat to budget and above prior year by 16.07%. Golf rounds are up over prior year by 4,883, this includes members, guests and public rounds. Prior year January we experienced colder mornings and several rain days, this January, the weather was unseasonably warm and we had no rain.

**SPECIAL EVENTS:** Revenue is above both budget and prior year. Prior year did not have a large event, The Dutton's Christmas show was held this year netting over \$16,000 in revenue.

**ANCILLARY REVENUE:** January revenue is flat compared to budget and below prior year by \$9,010. Technical support revenue was received last year from Theater West. Commission payments are over this month due to timing. Range ball key sales are helping to offset prior year variance.

**MERCHANDISE SALES:** January net revenue is below budget by \$7,831 and above prior year by \$3,039. Sale of a Sports Pavilion asset was reclassified in January to other income, \$4,000. The Village Store budgeted commissions were estimated based on prior year and are being spread over 12 months. Merchandise sales were flat to budget, and above prior year.

**OPERATING EXPENSES:** Operating expenses are flat to budget and over prior year by 11.58%. In addition to the expense variances noted below; Supplies and Services expense was favorable to budget and prior year while Interest & Financial and Legal/Professional expenses were over both budget and prior year.

**WAGES & BENEFITS:** Payroll expenses are unfavorable to budget and prior year. Increases to minimum wage and merit increases were reflected in the budget. Market adjustments for a majority of our pay grades are responsible for the budget variance and more than half of the prior year variance.

**UTILITIES:** Utility expenses are over budget and prior year. Electricity expenses drove the budget variance, the Recreation Centers and Sports Pavilion were the main drivers. APS price increases contributed to these variances. The variance to prior year was a mix of natural gas and electric expense. The natural gas variance was primarily attributable to the pool at RH Johnson not being open in January last year and larger volume of water. The electric variance was primarily in Golf Maintenance as a result of dry conditions, leading to increased pump usage for irrigation.

**REPAIR & MAINTENANCE:** R&M expenses are favorable to budget and prior year. The favorable budget variance was primarily timing differences in grounds repair, rolling stock maintenance, and HVAC repairs.

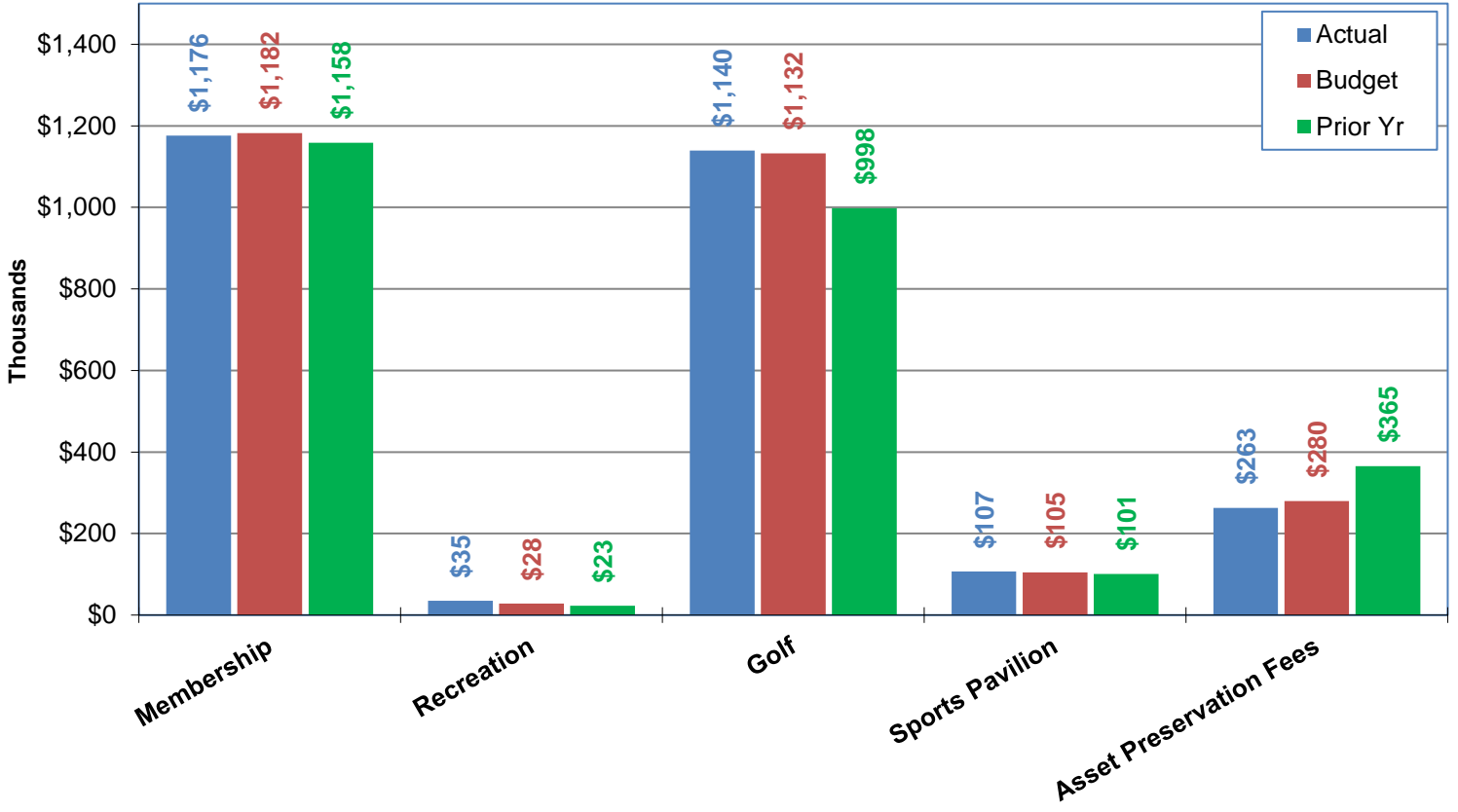
**LANDSCAPE MAINTENANCE:** January expenses are under both budget and prior year. These variances were both driven by favorable tree repair and sprinkler expense. The prior year variance was partially offset by unfavorable chemical & fertilizer expense at Echo Mesa.

**EQUIPMENT:** Equipment expenses are favorable budget and prior year. The budget variance was related to the timing of purchases for the recreation centers and computer services. The prior year variance was due to computer services purchases for new server room and equipment for Member Services and Facilities Maintenance.

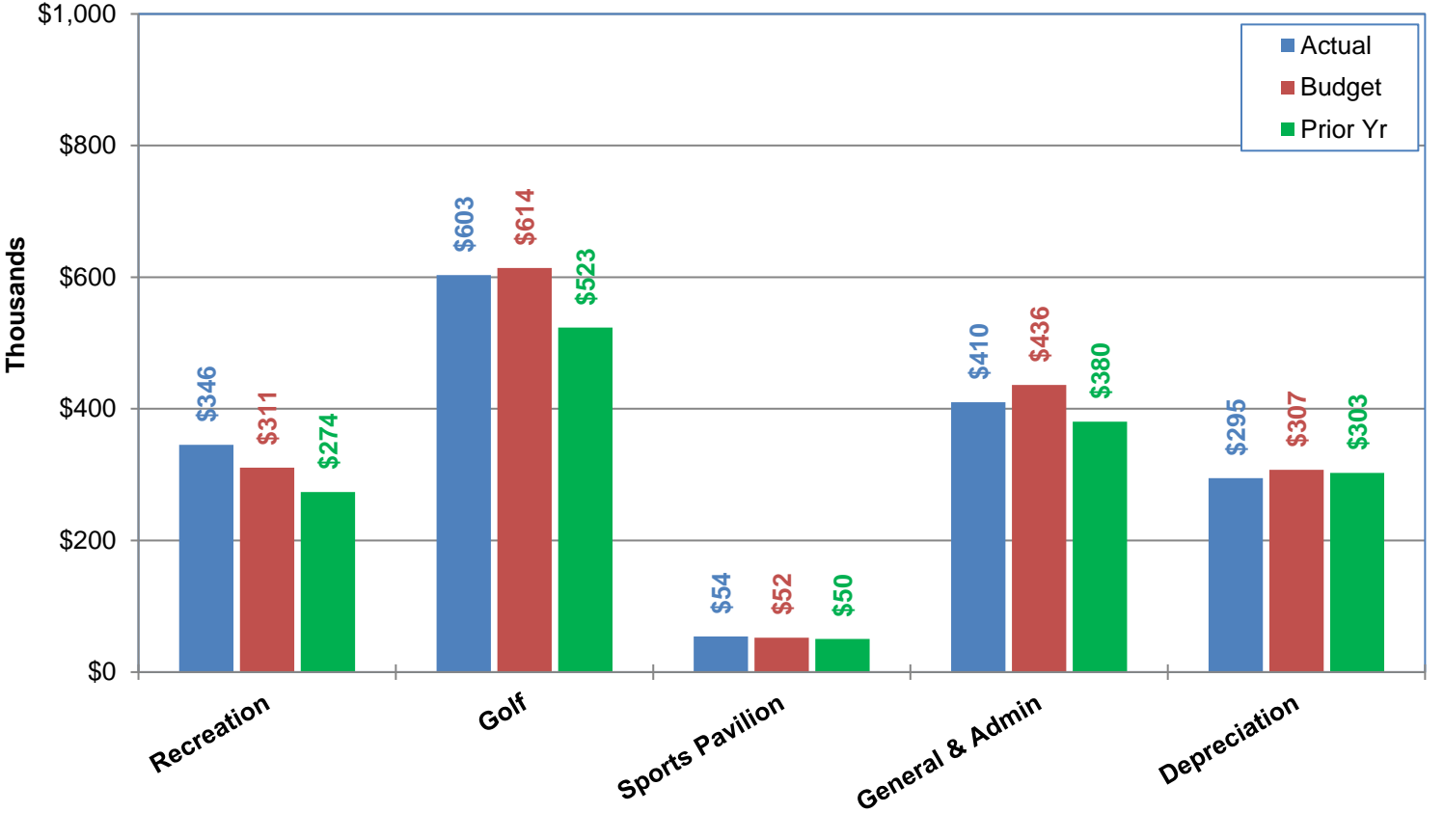
**Recreation Centers of Sun City West, Inc.**  
**January 31, 2018**  
**FY18 Actual vs FY18 Budget and FY18 Actual vs FY17 Actual**

	<u>FY18 Actual vs Budget</u>				<u>FY18 vs FY17 Actual</u>		
	Actual	Budget	\$ Var	% Var	Actual	\$ Var	% Var
<b><u>REVENUES - Operating</u></b>							
<b>Membership</b>	<b>1,175,904</b>	<b>1,181,978</b>	<b>(6,074)</b>	<b>-0.51%</b>	<b>1,158,153</b>	<b>17,752</b>	<b>1.53%</b>
Recreation	8,575	9,694	(1,119)	-11.55%	9,292	(717)	-7.71%
<b>Golf Fees</b>	<b>1,022,872</b>	<b>1,019,934</b>	<b>2,939</b>	<b>0.29%</b>	<b>881,245</b>	<b>141,627</b>	<b>16.07%</b>
Sports Pavilion	94,800	93,110	1,690	1.82%	89,810	4,990	5.56%
<b>Special Events</b>	<b>14,554</b>	<b>2,810</b>	<b>11,744</b>	<b>417.91%</b>	<b>1,642</b>	<b>12,912</b>	<b>786.44%</b>
<b>Ancillary Revenue</b>	<b>82,031</b>	<b>82,227</b>	<b>(196)</b>	<b>-0.24%</b>	<b>91,041</b>	<b>(9,010)</b>	<b>-9.90%</b>
<b>Merchandise Sales (net)</b>	<b>22,256</b>	<b>30,088</b>	<b>(7,831)</b>	<b>-26.03%</b>	<b>19,217</b>	<b>3,039</b>	<b>15.82%</b>
Food and Beverage (net)	32,367	26,711	5,656	21.18%	29,274	3,093	10.56%
Interest Income - Operating	529	1,125	(596)	-53.02%	796	(268)	-33.61%
Other Income	4,371	417	3,954	949.04%	(3,294)	7,665	232.69%
<b>Total Operating Revenue</b>	<b>2,458,260</b>	<b>2,448,093</b>	<b>10,166</b>	<b>0.42%</b>	<b>2,277,176</b>	<b>181,083</b>	<b>7.95%</b>
<b><u>EXPENSES - Operating</u></b>							
<b>Wages &amp; Benefits</b>	<b>1,205,738</b>	<b>1,118,577</b>	<b>87,161</b>	<b>7.79%</b>	<b>1,042,317</b>	<b>163,421</b>	<b>15.68%</b>
<b>Utilities</b>	<b>193,968</b>	<b>176,887</b>	<b>17,082</b>	<b>9.66%</b>	<b>159,089</b>	<b>34,880</b>	<b>21.92%</b>
<b>Repair &amp; Maintenance</b>	<b>76,000</b>	<b>116,018</b>	<b>(40,018)</b>	<b>-34.49%</b>	<b>85,922</b>	<b>(9,921)</b>	<b>-11.55%</b>
Landscape Maintenance	36,576	73,020	(36,444)	-49.91%	59,159	(22,583)	-38.17%
Supplies & Services	38,487	45,454	(6,967)	-15.33%	45,978	(7,491)	-16.29%
<b>Equipment</b>	<b>11,400</b>	<b>43,950</b>	<b>(32,550)</b>	<b>-74.06%</b>	<b>24,710</b>	<b>(13,310)</b>	<b>-53.87%</b>
Taxes & Insurance	44,427	44,887	(460)	-1.02%	38,472	5,955	15.48%
Interest & Financial Expenses	38,044	37,352	692	1.85%	34,997	3,047	8.71%
Operating Expenses	28,588	31,085	(2,497)	-8.03%	17,237	11,350	65.85%
Legal & Professional	24,838	17,286	7,551	43.68%	13,490	11,347	84.11%
Employee Related Expenses	9,233	16,068	(6,835)	-42.54%	8,703	530	6.09%
<b>Total Operating Expenses</b>	<b>1,707,299</b>	<b>1,720,583</b>	<b>(13,285)</b>	<b>-0.77%</b>	<b>1,530,074</b>	<b>177,225</b>	<b>11.58%</b>
<b>Operating Cash Inflow/(Outflow)</b>	<b>750,961</b>	<b>727,510</b>	<b>23,451</b>	<b>3.22%</b>	<b>747,103</b>	<b>3,858</b>	<b>0.52%</b>
<b><u>Capital Related</u></b>							
Investment - Income/Fees (net)	18,137	33,958	(15,821)	-46.59%	13,716	4,421	32.24%
Invest Unrealized Gain (Loss)	255,303	-	255,303	0.00%	145,403	109,900	75.58%
Asset Preservation Fees	262,500	280,000	(17,500)	-6.25%	365,200	(102,700)	-28.12%
Depreciation Expense	(294,831)	(307,357)	(12,526)	4.08%	(302,527)	(7,695)	2.54%
<b>Total Capital Related</b>	<b>241,109</b>	<b>6,601</b>	<b>209,456</b>	<b>3552.46%</b>	<b>221,792</b>	<b>3,926</b>	<b>8.71%</b>
<b>Revenue Over / (Under) Expenses</b>	<b>992,070</b>	<b>734,111</b>	<b>257,959</b>	<b>35.14%</b>	<b>968,895</b>	<b>23,175</b>	<b>2.39%</b>

## REVENUES - MONTH



## EXPENSES - MONTH



**REVENUES OVER/UNDER EXPENSES:** For the seven months ending January 31, 2018, revenues exceeded expenses by \$1,465,883 which is favorable to budget by \$1,394,079 and favorable to prior year by \$816,786.

### **Variance Analysis – YTD January 2018**

**OPERATING REVENUES:** Operating revenues are better than budget by \$61,940 and better than prior year by \$468,829. Prior year Other income contained assets that were sold. Recreation revenue is still below expectations due to tour commission paid based on the number of trips.

**MEMBERSHIP:** Membership revenue is better than budget by 2.24% and prior year by 4.69%. Member dues is the primary driver of the favorable variance. Additionally, Administrative Fees, Late Fees, Guest Pass revenue, and Transfer Fees are better than budget and prior year. Process changes related to improving accounts receivable collections have increased late fee & lien fee revenue. Note: year-to-date guest volume is up by 19% with a large percentage of the visits at RH Johnson.

**GOLF:** Golf revenues are slightly below budget by 2.16% and above prior year by 4.26%. Total Member rounds are better than prior year by 6,468, while Public Play continues to trend down. Average Golf fees per round of \$25.93 is tracking better than the \$25.67 from prior year.

**SPORTS PAVILION:** Revenue is above budget by \$18,432 and prior year by \$23,630. Although slightly down in January, year-to-date games bowled are above prior year and budget. Promotional bowling, Close Neighborhood play (CNP) and League revenues are all ahead of both budget and prior year.

**ANCILLARY REVENUE:** Ancillary revenue is flat to budget and below prior year by \$31,807. Prior year contained a software rebate of \$18,045. Additionally, driving range activity is below prior year by \$11,437. YTD range ball key sales are 10 below prior years sales of 750.

**MERCHANDISE SALES:** January net revenue is below budget by \$24,066 and above prior year by \$6,745. Both sales and Village Store commissions are below budget. Most of the budget variance is higher cost of goods at Grandview.

**OPERATING EXPENSES:** Expenses are favorable to budget and unfavorable to prior year. The budget variance was driven by favorable payroll, operating, and equipment expenses, these were partially offset by unfavorable R&M and utility expenses. The prior year variance was driven by unfavorable payroll, R&M, and utility expense, these were partially offset by favorable variances in operating, landscaping, and equipment expenses.

**WAGES & BENEFITS:** Expenses are below budget and over prior year. Total wages are favorable to budget by \$84,428 and unfavorable to prior year by \$339,794. The budget variance is influenced by open positions, the prior year variance is a combination of minimum wage, merit, and market adjustment increases.

**UTILITIES:** Electricity expense is the primary driver of the unfavorable budget and prior year variances. The budget variance is mostly rate increase driven, while the prior year variance was also affected by increased irrigation at the golf courses due to dryer conditions. Water & Sewer and Trash are also unfavorable to budget and prior year again influenced by rate increases and storm clean up earlier in the year.

**REPAIR & MAINTENANCE:** Expenses are above both budget and prior year. The budget variance is generally attributable to the timing of repairs, as the budget is spread evenly. Building repairs, grounds repairs at Grandview and Landscaping, parking lot repairs at Beardsley and lake treatments at all golf courses drove the budget variance. The prior year variance is driven by the building repairs, parking lot repairs, lake treatments, and golf maintenance equipment (rolling stock) maintenance at the golf courses.

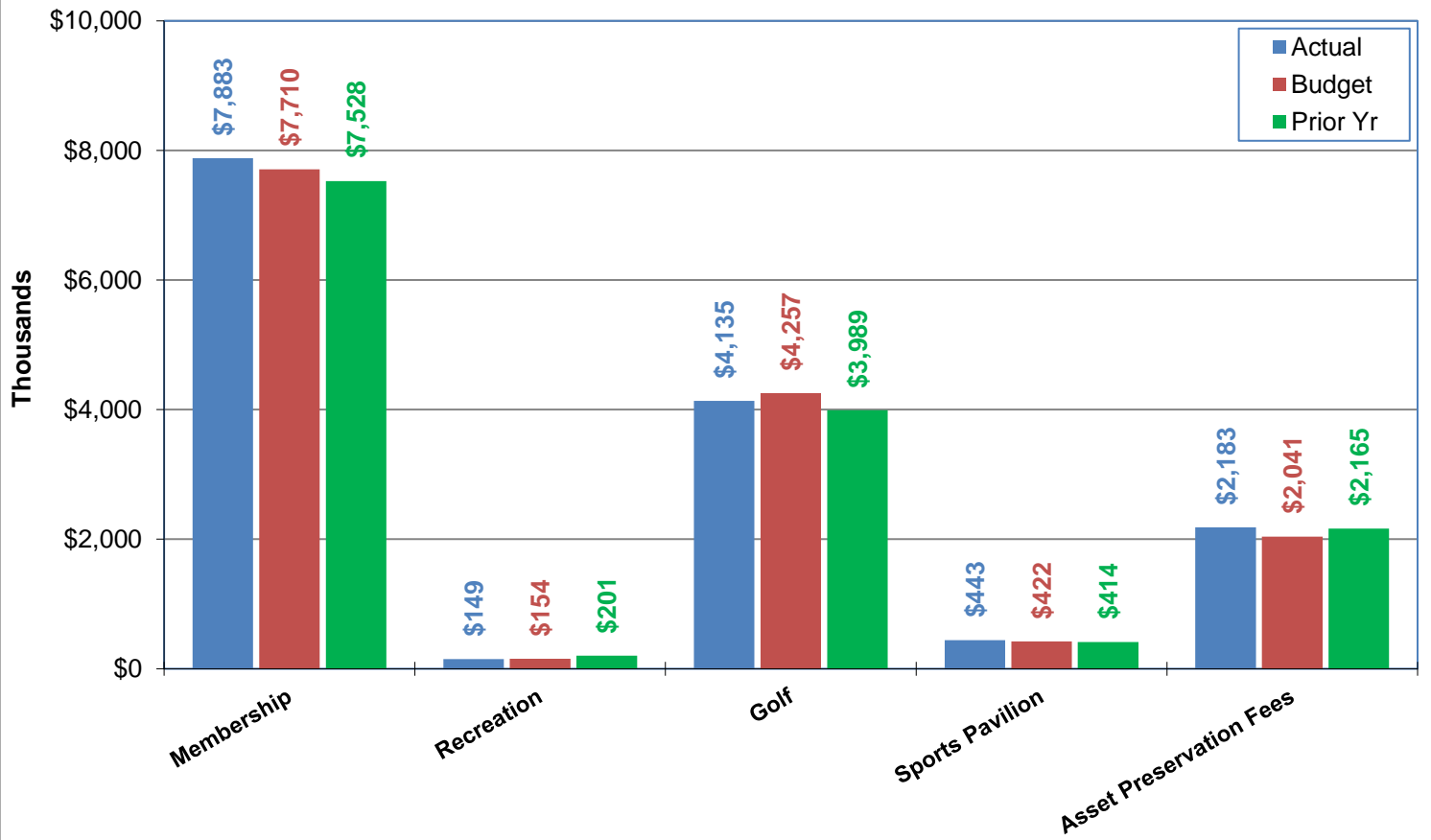
**EQUIPMENT:** Expenses are under budget and prior year. The budget variance is primarily timing of equipment purchases for Beardsley recreation center. Computer services equipment expense is also favorable to budget, which was partially offset by irrigation controllers at Stardust. Prior year variance was the timing of prior year purchases of fitness equipment at the RH Johnson recreation center.

**OPERATING EXPENSES:** Expenses are well below both budget (-35.5%) and prior year (-22.3%). Service Contracts and Advertising & Promotion are main contributors to the budget and prior year variances. Significant service contracts are now being amortized over the contract period instead of being expensed when paid. Equipment rental and printing expenses are also favorable to budget and prior year.

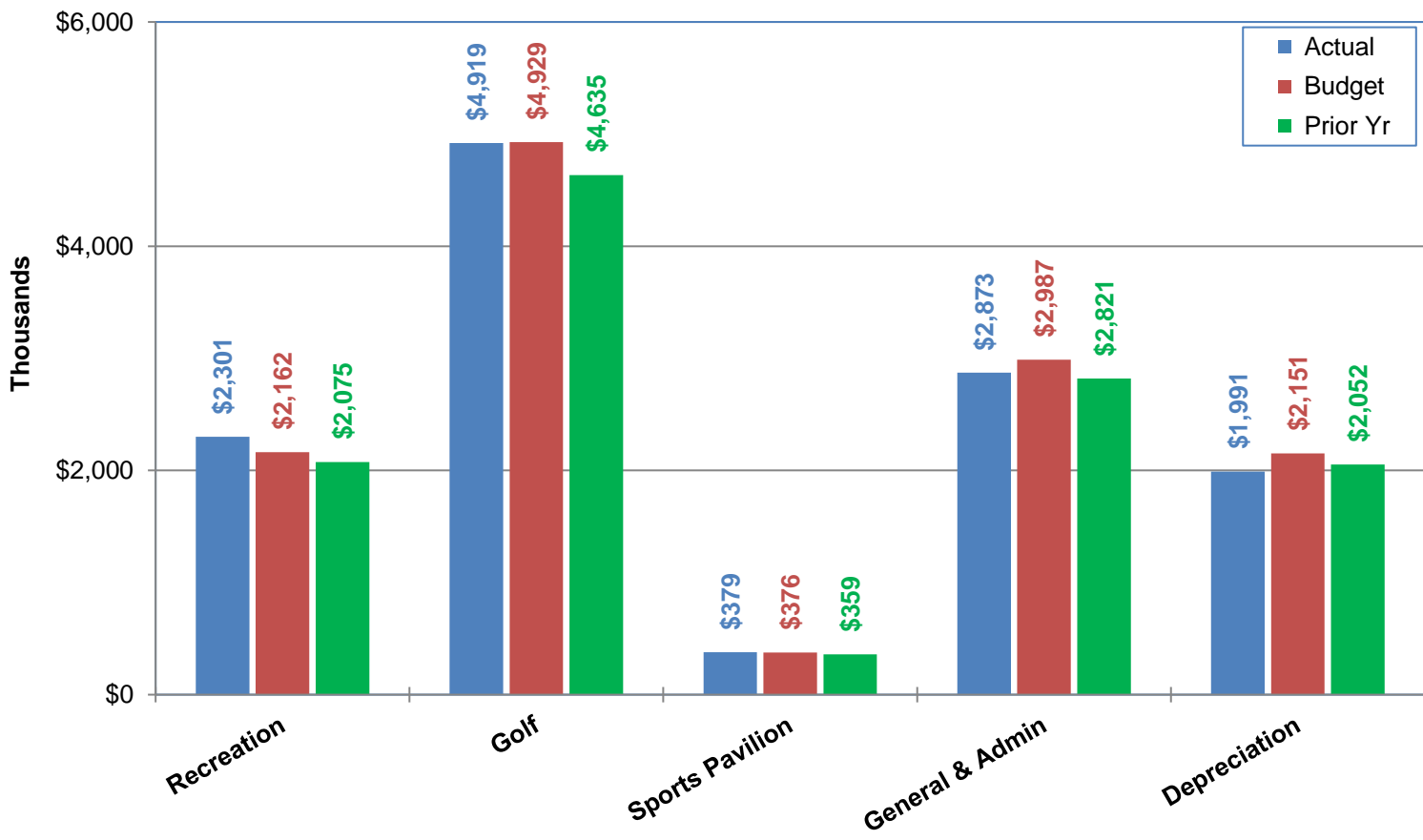
**Recreation Centers of Sun City West, Inc.**  
**For the Seven Months Ended January 31, 2018**  
**FY18 Actual vs FY18 Budget and FY18 Actual vs FY17 Actual**

	<u>FY18 Actual vs Budget</u>				<u>FY18 vs FY17 Actual</u>		
	Actual	Budget	\$ Var	% Var	Actual	\$ Var	% Var
<b><u>REVENUES - Operating</u></b>							
<b>Membership</b>	<b>7,882,920</b>	<b>7,710,360</b>	<b>172,560</b>	<b>2.24%</b>	<b>7,529,466</b>	<b>353,454</b>	<b>4.69%</b>
Recreation	60,593	81,889	(21,296)	-26.01%	78,566	(17,974)	-22.88%
<b>Golf Fees</b>	<b>3,616,335</b>	<b>3,696,198</b>	<b>(79,864)</b>	<b>-2.16%</b>	<b>3,468,676</b>	<b>147,659</b>	<b>4.26%</b>
<b>Sports Pavilion</b>	<b>374,571</b>	<b>356,139</b>	<b>18,432</b>	<b>5.18%</b>	<b>350,941</b>	<b>23,630</b>	<b>6.73%</b>
Special Events	24,087	17,103	6,984	40.84%	23,817	269	1.13%
<b>Ancillary Revenue</b>	<b>403,206</b>	<b>401,041</b>	<b>2,164</b>	<b>0.54%</b>	<b>435,013</b>	<b>(31,807)</b>	<b>-7.31%</b>
<b>Merchandise Sales (net)</b>	<b>107,304</b>	<b>131,370</b>	<b>(24,066)</b>	<b>-18.32%</b>	<b>100,559</b>	<b>6,745</b>	<b>6.71%</b>
Food and Beverage (net)	133,226	145,969	(12,743)	-8.73%	122,399	10,827	8.85%
Interest Income - Operating	6,935	7,875	(940)	-11.94%	8,542	(1,607)	-18.82%
Other Income	3,627	2,917	710	24.34%	25,994	(22,368)	-86.05%
<b>Total Operating Revenue</b>	<b>12,612,802</b>	<b>12,550,862</b>	<b>61,940</b>	<b>0.49%</b>	<b>12,143,973</b>	<b>468,829</b>	<b>3.86%</b>
<b><u>EXPENSES - Operating</u></b>							
<b>Wages &amp; Benefits</b>	<b>7,687,902</b>	<b>7,780,209</b>	<b>(92,307)</b>	<b>-1.19%</b>	<b>7,333,928</b>	<b>353,974</b>	<b>4.83%</b>
<b>Utilities</b>	<b>1,557,034</b>	<b>1,485,872</b>	<b>71,162</b>	<b>4.79%</b>	<b>1,463,117</b>	<b>93,917</b>	<b>6.42%</b>
<b>Repair &amp; Maintenance</b>	<b>938,618</b>	<b>812,126</b>	<b>126,492</b>	<b>15.58%</b>	<b>830,158</b>	<b>108,460</b>	<b>13.07%</b>
Landscape Maintenance	858,785	869,829	(11,043)	-1.27%	900,082	(41,296)	-4.59%
Supplies & Services	354,371	399,076	(44,705)	-11.20%	337,208	17,163	5.09%
<b>Equipment</b>	<b>194,850</b>	<b>307,650</b>	<b>(112,800)</b>	<b>-36.66%</b>	<b>216,644</b>	<b>(21,794)</b>	<b>-10.06%</b>
Taxes & Insurance	326,875	314,207	12,668	4.03%	276,615	50,260	18.17%
Interest & Financial Expenses	172,381	185,721	(13,340)	-7.18%	188,273	(15,891)	-8.44%
<b>Operating Expenses</b>	<b>140,310</b>	<b>217,595</b>	<b>(77,284)</b>	<b>-35.52%</b>	<b>180,636</b>	<b>(40,326)</b>	<b>-22.32%</b>
Legal & Professional	128,878	121,005	7,874	6.51%	113,963	14,915	13.09%
Employee Related Expenses	102,917	112,477	(9,560)	-8.50%	102,676	241	0.23%
<b>Total Operating Expenses</b>	<b>12,462,924</b>	<b>12,605,767</b>	<b>(142,843)</b>	<b>-1.13%</b>	<b>11,943,301</b>	<b>519,623</b>	<b>4.35%</b>
<b>Operating Cash Inflow / (Outflow)</b>	<b>149,878</b>	<b>(54,905)</b>	<b>204,783</b>	<b>372.98%</b>	<b>200,672</b>	<b>(50,794)</b>	<b>-25.31%</b>
<b><u>Capital Related</u></b>							
Investment - Income/Fees (net)	242,578	237,708	4,870	2.0%	205,727	36,851	17.91%
Invest Unrealized Gain (Loss)	881,051	-	881,051	-	130,135	750,916	577.03%
Asset Preservation Fees	2,183,000	2,040,500	142,500	7.0%	2,164,800	18,200	0.84%
Depreciation Expense	(1,990,624)	(2,151,499)	(160,875)	7.5%	(2,052,237)	61,613	-3.00%
<b>Total Capital Related</b>	<b>1,316,005</b>	<b>126,709</b>	<b>867,545</b>	<b>938.60%</b>	<b>448,425</b>	<b>867,580</b>	<b>193.47%</b>
<b>Revenues Over (Under) Expenses</b>	<b>1,465,883</b>	<b>71,804</b>	<b>1,394,079</b>	<b>1941.50%</b>	<b>649,097</b>	<b>816,786</b>	<b>125.83%</b>

## REVENUES - YTD



## EXPENSES - YTD

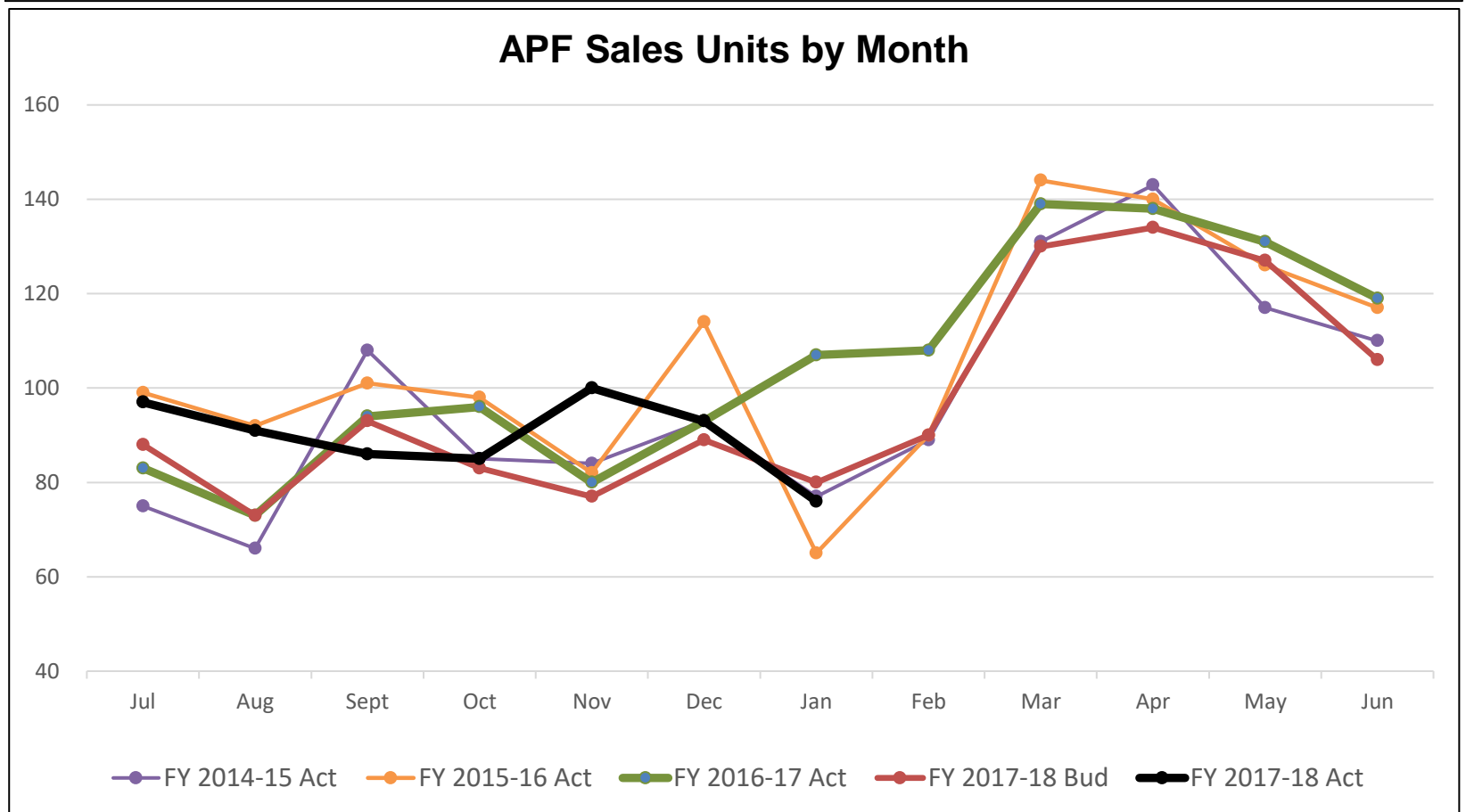
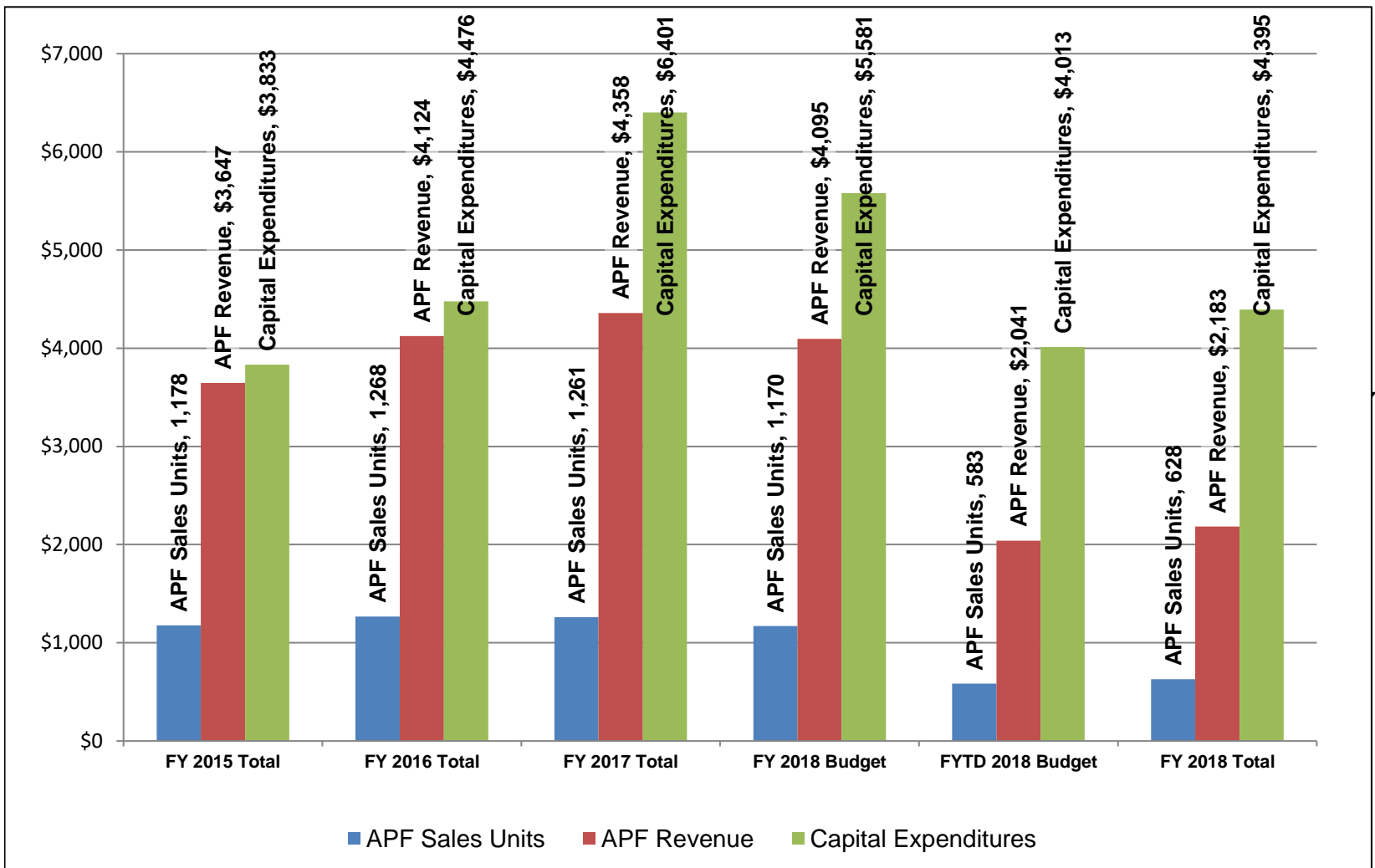




# Asset Preservation Fees & Capital Expenditures

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

January			Year to Date		
Actual	Budget	Var over (under)	Actual	Budget	Var over (under)
76	80	(4)	628	583	45
\$263	\$280	(\$18)	\$2,183	\$2,041	\$143
\$33	\$103	(\$70)	\$4,395	\$4,013	\$382



## Recreation Centers of Sun City West, Inc.

Balance Sheets for months ending January 31, 2018 and June 30, 2017

	January 2018	June 2017
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 6,821,458	\$ 10,434,984
Accounts Receivable (net)	643,779	693,453
Notes Receivable-Clubs & Other	744,633	823,775
Inventories	291,347	273,475
Prepaid and Other Assets	13,243	265,072
<b>Total Current Assets</b>	<b>8,514,459</b>	<b>12,490,759</b>
<b>Board Reserve Funds</b>	<b>23,046,544</b>	<b>20,650,639</b>
<b><u>Fixed Assets</u></b>		
Land & Building	94,133,465	92,777,736
Furniture, Fixtures & Equipment	18,013,133	17,717,747
Vehicles	1,537,010	1,574,051
<b>Fixed Assets</b>	<b>113,683,608</b>	<b>112,069,535</b>
Accumulated Depreciation	(75,454,436)	(74,375,060)
<b>Fixed Assets-Net Book Value</b>	<b>38,229,172</b>	<b>37,694,475</b>
Construction in Progress	4,760,400	2,890,459
<b>Total Fixed Assets</b>	<b>42,989,572</b>	<b>40,584,934</b>
<b>Total Assets</b>	<b>\$ 74,550,575</b>	<b>\$ 73,726,331</b>

### **LIABILITIES AND EQUITY**

<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	\$ 568,949	\$ 1,269,906
Payroll Related Liabilities	1,407,098	1,043,704
Association Events & Other Program Payables	422,553	299,190
Charter Clubs Payables	53,305	86,919
Deferred Membership Dues/Fees & Golf Revenues	6,255,875	6,649,698
<b>Total Liabilities</b>	<b>8,707,779</b>	<b>9,349,417</b>
<b><u>Members' Equity</u></b>		
Retained Earnings	39,856,028	36,940,986
Retained Earnings - Encumbrance	2,597,972	854,076
Retained Earnings - Repair & Replacement Rqmt	20,276,178	17,082,893
Retained Earnings - Future Capital Requirements	1,646,736	4,627,406
Surplus (Deficit)	1,465,883	4,871,553
<b>Total Equity</b>	<b>65,842,797</b>	<b>64,376,914</b>
<b>Total Liabilities and Equity</b>	<b>\$ 74,550,575</b>	<b>\$ 73,726,331</b>

## Recreation Centers of Sun City West, Inc.

### Cash and Investment Balances

<u>Account</u>	<u>January 2018</u>	<u>% Total</u>	<u>June 2017</u>	<u>% Total</u>	<u>Change</u>	
<b>General Fund</b>						
Petty Cash/Change Funds	9,350	0.14%	9,550	0.09%	(200)	
Checking and Sweep Account	6,812,108	99.86%	10,425,434	99.91%	(3,613,326)	
Total Cash and Cash Equivalents	<u>6,821,458</u>	<u>100.00%</u>	<u>10,434,984</u>	<u>100.00%</u>	<u>(3,613,526)</u>	
<b>Reserve Fund</b>						
<u>JP Morgan Investments</u>						
Money Market	4,337,079	18.82%	4,250,148	20.58%	86,931	
Certificates of Deposit	-	0.00%	-	0.00%	-	
Mortgageback Securities	-	0.00%	-	0.00%	-	
Total JP Morgan Investments	<u>4,337,079</u>	<u>18.82%</u>	<u>4,250,148</u>	<u>20.58%</u>	<u>86,931</u>	
<u>Vanguard Investments</u>						
Cash (Vanguard Prime MM Fund)	3,038	0.01%	4,128	0.02%	(1,090)	
Total Bond Market Index Fund Admiral	VBTLX	2,671,565	11.59%	2,462,044	11.92%	209,521
Intermediate-Term Bond Index Fund Adm	VBILX	2,658,676	11.54%	2,450,050	11.86%	208,626
Intermediate-Term Inv Grade Bonds Adm	VFIDX	2,672,510	11.60%	2,480,622	12.01%	191,888
Short-Term Inv Grade Bonds Admiral	VFSUX	2,686,919	11.66%	2,466,406	11.94%	220,513
Extended Market Index Fund Admiral	VEXAX	1,775,632	7.70%	1,433,519	6.94%	342,113
500 Index Fund Admiral	VFIAX	3,845,492	16.69%	3,177,683	15.39%	667,809
Total International Stock Index Admiral	VTIAX	2,395,633	10.39%	1,926,039	9.33%	469,594
Total Vanguard Investments	<u>18,709,465</u>	<u>81.18%</u>	<u>16,400,491</u>	<u>79.42%</u>	<u>2,308,974</u>	
Total Reserve Funds	<u>23,046,544</u>	<u>100.00%</u>	<u>20,650,639</u>	<u>100.00%</u>	<u>2,395,905</u>	
<b>TOTAL FUNDS</b>	<u><u>29,868,002</u></u>		<u><u>31,085,623</u></u>		<u><u>(1,217,621)</u></u>	

<u>Vanguard Investment Activity</u>	<u>FY2017-18</u>	<u>FY2016-17</u>	<u>Inception</u>
Beginning Balance	16,400,491	13,686,240	-
Investment Transfers-In	1,200,000	1,800,000	16,250,000
Investment Earnings	244,077	355,860	873,543
Advisor Fees	(16,154)	(33,295)	(64,804)
Realized Gains (Losses)	-	55	(10,131)
Un-Realized Gains (Losses) ***	881,051	591,630	1,660,856
Ending Balance	<u>18,709,465</u>	<u>16,400,491</u>	<u>18,709,464</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 (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.

### Statement of Cash Flows

	Seven Months Ended January 2018	Fiscal Year Ended June 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 1,465,883	\$ 4,871,553
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,990,624	3,485,970
Loss/(Gain) on Disposals of Fixed Assets	-	(20,850)
Unrealized Losses/(Gains) on Investments	(881,051)	(591,631)
Asset Preservation & Facility Investment Fees	(2,183,000)	(4,358,396)
Reserve for Uncollectible Accounts Increase		
Increase (decrease) in cash resulting from changes in		
Receivables (net)	128,817	(321,218)
Inventories	(17,872)	(24,300)
Prepaid expenses and other assets	251,829	(780)
Accounts payable and accrued expenses	(247,815)	256,027
Deferred income	(393,823)	190,853
Net cash provided by (used) operating activities	113,591	3,487,228
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land improvements, buildings and equipment	(4,395,263)	(6,401,010)
Proceeds from Disposal of Fixed Assets	-	20,850
Asset Preservation & Facility Investment Fees	2,183,000	4,358,396
Cash Flow Funding Transfer to Reserves (Net)	(1,272,276)	(844,761)
Net (purchase) redemption of investments	(242,578)	(348,709)
Net cash used in investing activities	(3,727,117)	(3,215,233)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,613,526)	271,995
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	10,434,984	10,162,989
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 6,821,458	\$ 10,434,984

**Recreation Centers of Sun City West, Inc.**  
**Summary of All Revenues & Expenses**  
**January 2018 and the Seven Months Ended January 31, 2018**

Current Month					Year-to-Date					
Actual	Budget	Variance	P/Y Act	P/Y Var		Actual	Budget	Variance	P/Y Act	P/Y Var
					<b>Operating Revenues</b>					
1,175,904	1,181,978	(6,074)	1,158,153	17,752	Membership	7,882,920	7,710,360	172,560	7,529,466	353,454
8,575	9,694	(1,119)	9,292	(717)	Recreation	60,593	81,889	(21,296)	78,566	(17,974)
1,022,872	1,019,934	2,939	881,245	141,627	Golf Fees	3,616,335	3,696,198	(79,864)	3,468,676	147,659
94,800	93,110	1,690	89,810	4,990	Sports Pavilion	374,571	356,139	18,432	350,941	23,630
14,554	2,810	11,744	1,642	12,912	Special Events	24,087	17,103	6,984	23,817	269
82,031	82,227	(196)	91,041	(9,010)	Ancillary Revenue	403,206	401,041	2,164	435,013	(31,807)
22,256	30,088	(7,831)	19,217	3,039	Merchandise Sales (net)	107,304	131,370	(24,066)	100,559	6,745
32,367	26,711	5,656	29,274	3,093	Food and Beverage (net)	133,226	145,969	(12,743)	122,399	10,827
529	1,125	(596)	796	(268)	Interest Income - Operating	6,935	7,875	(940)	8,542	(1,607)
4,371	417	3,954	(3,294)	7,665	Other Income	3,627	2,917	710	25,994	(22,368)
<b>2,458,260</b>	<b>2,448,093</b>	<b>10,166</b>	<b>2,277,176</b>	<b>181,083</b>	<b>Operating Revenues Total</b>	<b>12,612,802</b>	<b>12,550,862</b>	<b>61,940</b>	<b>12,143,973</b>	<b>468,829</b>
					<b>Operating Expenses</b>					
1,205,738	1,118,577	87,161	1,042,317	163,421	Wages & Benefits	7,687,902	7,780,209	(92,307)	7,333,928	353,974
193,968	176,887	17,082	159,089	34,880	Utilities	1,557,034	1,485,872	71,162	1,463,117	93,917
76,000	116,018	(40,018)	85,922	(9,921)	Repairs & Maintenance	938,618	812,126	126,492	830,158	108,460
36,576	73,020	(36,444)	59,159	(22,583)	Landscape Maintenance	858,785	869,829	(11,043)	900,082	(41,296)
38,487	45,454	(6,967)	45,978	(7,491)	Supplies & Services	354,371	399,076	(44,705)	337,208	17,163
11,400	43,950	(32,550)	24,710	(13,310)	Equipment	194,850	307,650	(112,800)	216,644	(21,794)
44,427	44,887	(460)	38,472	5,955	Taxes & Insurance	326,875	314,207	12,668	276,615	50,260
38,044	37,352	692	34,997	3,047	Interest & Financial Expense	172,381	185,721	(13,340)	188,273	(15,891)
28,588	31,085	(2,497)	17,237	11,350	Operating Expenses	140,310	217,595	(77,284)	180,636	(40,326)
24,838	17,286	7,551	13,490	11,347	Legal & Professional	128,878	121,005	7,874	113,963	14,915
9,233	16,068	(6,835)	8,703	530	Employee Related Expenses	102,917	112,477	(9,560)	102,676	241
<b>1,707,299</b>	<b>1,720,583</b>	<b>(13,285)</b>	<b>1,530,074</b>	<b>177,225</b>	<b>Operating Expenses Total</b>	<b>12,462,924</b>	<b>12,605,767</b>	<b>(142,843)</b>	<b>11,943,301</b>	<b>519,623</b>
<b>750,961</b>	<b>727,510</b>	<b>23,451</b>	<b>747,103</b>	<b>3,858</b>	<b>Operating Cash Inflow/(Outflow)</b>	<b>149,878</b>	<b>(54,905)</b>	<b>204,783</b>	<b>200,672</b>	<b>(50,794)</b>
					<b>Capital Related</b>					
26,292	36,458	(10,166)	20,155	6,137	Investment Income - Reserves	258,732	255,208	3,524	224,976	33,756
(8,155)	(2,500)	(5,655)	(6,439)	(1,716)	Investment Fees	(16,154)	(17,500)	1,346	(19,304)	3,150
-	-	-	-	-	Investments-Realized - Gain/Loss)	-	-	-	55	(55)
255,303	-	255,303	145,403	109,900	Investments Unrealized - Gain/ (Loss)	881,051	-	881,051	130,135	750,916
262,500	280,000	(17,500)	365,200	(102,700)	Asset Preservation Fee	2,183,000	2,040,500	142,500	2,164,800	18,200
(294,831)	(307,357)	12,526	(302,527)	7,695	Depreciation Expense	(1,990,624)	(2,151,499)	160,875	(2,052,237)	61,613
<b>241,109</b>	<b>6,601</b>	<b>234,508</b>	<b>221,792</b>	<b>19,317</b>	<b>Capital Related Total</b>	<b>1,316,005</b>	<b>126,709</b>	<b>1,189,296</b>	<b>448,425</b>	<b>867,580</b>
<b>992,070</b>	<b>734,111</b>	<b>257,959</b>	<b>968,895</b>	<b>23,175</b>	<b>Revenues Over (Under) Expenses</b>	<b>1,465,883</b>	<b>71,804</b>	<b>1,394,079</b>	<b>649,097</b>	<b>816,786</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>Golf - Unlimited Card Sales</b>																
FY 2015-16	\$ 2,950	2	3	11	29	22	15	14	11	10	5	7	7	136	96	71%
FY 2016-17	\$ 3,025	5	2	12	25	19	18	12	7	10	5	8	6	129	93	72%
FY 2017-18 Bud	\$ 3,125	4	3	12	29	22	17	15	10	11	7	8	7	145	102	70%
FY 2017-18	\$ 3,125	3	3	11	28	20	7	13						85	85	100%
															% of Budget YTD	83%
															% of Prior Year YTD	91%
<b>Kachina Golf Card Sales</b>																
FY 2015-16	\$ 1,015	11	20	43	87	63	34	41	26	22	11	11	4	373	299	80%
FY 2016-17	\$ 895	18	21	54	88	82	44	50	30	26	15	20	7	455	357	78%
FY 2017-18 Bud	\$ 895	13	22	57	105	73	44	49	32	28	14	15	8	460	363	79%
FY 2017-18	\$ 895	11	18	49	120	69	58	67						392	392	100%
															% of Budget YTD	108%
															% of Prior Year YTD	110%
<b>Coyote Golf Card Sales</b>																
FY 2015-16	\$ 300	6	7	29	151	180	77	82	38	38	17	3	3	631	532	84%
FY 2016-17	\$ 310	4	16	25	155	192	70	94	36	35	16	5	3	651	556	85%
FY 2017-18 Bud	\$ 325	5	11	28	159	191	74	92	40	36	18	5	3	662	560	85%
FY 2017-18	\$ 325	4	14	23	135	190	66	94						526	526	100%
															% of Budget YTD	94%
															% of Prior Year YTD	95%
<b>CNP Frequent Play Card Sales</b>																
FY 2015-16	\$ 1,400	0	1	1	1	1	0	1	0	0	0	0	0	5	5	100%
FY 2016-17	\$ 1,400	0	1	1	0	1	0	1	0	0	0	0	0	4	4	100%
FY 2017-18 Bud	\$ 1,400	0	1	1	1	1	0	1	0	0	0	0	0	5	5	100%
FY 2017-18	\$ 1,400	0	1	1	0	0	0	0						2	2	100%
															% of Budget YTD	40%
															% of Prior Year YTD	50%
<b>Twilight Golf Card Sales</b>																
FY 2017-18 Bud	\$ 1,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
FY 2017-18	\$ 1,200	0	0	1	9	6	1	1						18	18	100%
															% of Budget YTD	
<b>Range Ball Key Sales</b>																
FY 2016-17	\$ 90	0	0	0	310	186	115	139	121	121	93	60	29	1,174	750	64%
FY 2017-18 Bud	\$ 90	22	45	55	150	190	155	140	122	120	94	65	30	1,188	757	64%
FY 2017-18	\$ 90	27	45	49	148	176	114	181						740	740	100%
															% of Budget YTD	98%
															% of Prior Year YTD	99%

# 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
-------------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------	-----	-------

Unlimited Golf Card Holders

**Average**

FY 2014-15		110	109	109	111	120	122	124	129	132	133	134	130	122		
FY 2015-16		131	131	131	131	133	136	133	131	127	124	125	127	130		
FY 2016-17		131	130	131	127	124	126	127	129	130	129	129	127	128		
FY 2017-18 Bud		131	131	131	129	129	131	130	130	129	127	127	127	129		
FY 2017-18		126	127	125	131	131	125	122						127		

Kachina Golf Card Holders

**Average**

FY 2014-15		503	511	507	480	468	461	460	457	452	447	445	437	469		
FY 2015-16		433	435	428	428	399	394	393	387	380	374	378	376	400		
FY 2016-17		377	375	382	396	412	420	427	431	430	435	435	436	413		
FY 2017-18 Bud		405	405	405	412	406	407	410	409	405	405	407	406	407		
FY 2017-18		434	434	428	443	449	467	479						448		

Coyote Golf Card Holders

**Average**

FY 2014-15		630	627	622	607	630	608	609	619	629	629	627	622	622		
FY 2015-16		623	623	626	626	625	624	627	624	631	623	618	616	624		
FY 2016-17		612	619	613	620	638	639	643	644	642	640	640	645	633		
FY 2017-18 Bud		618	621	620	623	632	632	635	634	637	632	629	631	628		
FY 2017-18		643	638	635	621	609	606	615						624		

Twilight Golf Card Holders

FY 2017-18 Bud		0	0	0	0	0										
FY 2017-18		0	0	1	10	16	17	18								

# 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>														<b>Total</b>	<b>YTD</b>	<b>% YTD</b>
FY 2013-14		8,737	6,612	18,422	25,291	23,985	21,040	29,558	28,502	30,053	17,393	10,579	10,385	230,557	133,645	58%
FY 2014-15		8,693	5,920	18,160	24,471	23,100	22,377	28,777	27,980	30,092	18,441	12,110	11,474	231,593	131,497	57%
FY 2015-16		9,421	5,631	18,345	24,858	24,556	22,487	30,737	29,696	30,288	15,500	12,029	11,623	235,171	136,035	58%
FY 2016-17		11,044	5,748	18,644	24,155	23,211	22,222	30,549	27,876	30,982	14,894	11,917	12,642	233,884	135,573	58%
FY 2017-18 Bud		10,233	5,690	18,495	24,507	23,884	22,355	30,643	28,786	30,635	15,197	11,973	12,132	234,527	135,804	58%
FY 2017-18		12,127	6,791	19,215	27,700	25,424	21,843	30,074						143,174	143,174	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	106%	
<b>Transfer Fee (Home Sale)</b>																
FY 2011-12	\$ 225	60	81	71	64	72	93	77	67	188	156	160	113	1,202	518	43%
FY 2013-14	\$ 235	117	71	101	79	94	106	82	100	135	153	158	106	1,302	650	50%
FY 2014-15	\$ 240	77	73	116	92	90	116	93	104	169	162	138	124	1,354	657	49%
FY 2015-16	\$ 240	123	109	123	105	95	125	83	82	169	158	153	127	1,452	763	53%
FY 2016-17	\$ 250	97	99	114	112	110	131	143	130	182	172	167	148	1,605	806	50%
FY 2017-18 Bud	\$ 250	94	97	112	111	109	130	140	129	179	169	165	145	1,580	793	50%
FY 2017-18	\$ 250	126	120	111	116	131	118	76						798	798	100%
														% of Budget YTD	101%	
														% of Prior Year YTD	99%	
<b>Asset Preservation Fees</b>																
FY 2011-12	\$ 2,300	55	83	79	61	68	93	71	69	173	155	149	105	1,161	510	44%
FY 2013-14	\$ 3,000	106	71	110	76	80	80	81	91	117	126	143	101	1,182	604	51%
FY 2014-15	\$ 3,100	75	66	108	85	84	93	77	89	131	143	117	110	1,178	588	50%
FY 2015-16	\$ 3,300	99	92	101	98	82	114	65	90	144	140	126	117	1,268	651	51%
FY 2016-17	\$ 3,500	83	73	94	96	80	93	107	108	139	138	131	119	1,261	626	50%
FY 2017-18 Bud	\$ 3,500	88	73	93	83	77	89	80	90	130	134	127	106	1,170	583	50%
FY 2017-18	\$ 3,500	97	91	86	85	100	93	76						628	628	100%
														% of Budget YTD	108%	
														% of Prior Year YTD	100%	