

# **RECREATION CENTERS OF SUN CITY WEST**



Arizona's Premier Active Adult Golf Community

## **FINANCIAL REPORT**

**April 2018 and the Ten Months Ended**

**April 30, 2018**

**Recreation Centers of Sun City West, Inc.**  
**Monthly Financial Reports**  
**April 2018 and the Ten Months Ended April 30, 2018**

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**REVENUES OVER/UNDER EXPENSES:** For the month ending April 30, 2018, overall revenues exceeded expenses by \$724,790 which is unfavorable to budget by \$73,987 and prior year by \$263,280. Operating revenues exceeded operating expenses by \$509,042, which is unfavorable to budget by \$94,133 and prior year by \$136,039.

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

**OPERATING REVENUES:** Operating revenues are below budget by \$72,188 and flat compared to prior year. In addition to the revenue variances noted below; Recreation, Sports Pavilion and Ancillary Revenues have immaterial dollar variances when compared to both budget and prior year. Net Merchandise sales are below budget and better than prior year.

**MEMBERSHIP:** Membership revenue is better than both budget and prior year. All revenue categories are better than prior year. April resale fees collected (disclosure and transfer) are the highest so far this year. Single Guest Passes are up 10% over last year with the largest increase at RH Johnson.

**GOLF FEES:** Revenue is below budget and flat compared to prior year. Compared to budget, golf rounds are down 2,852 and below prior year by 410. The budget variance was impacted by the budget spread. Refer to Monthly Golf Statistics for more detail.

**SPECIAL EVENTS:** Revenue is below both budget and prior year. Events held for the 40th anniversary contributed to the variance, in addition, timing of expenses prevented one show from being recorded in April, it will be recorded in May generating approximately \$10,000 in net revenue.

**FOOD & BEVERAGE:** April net revenue, as well as sales, are above both budget and prior year. Last April, inventory adjustments were done at both Pebblebrook and Stardust to true up inventory, this contributed to the favorable variance when comparing month over month.

**OPERATING EXPENSES:** Operating expenses are unfavorable to budget by \$21,945 and prior year by \$153,007. In addition to the expense variances noted below; landscape maintenance, and interest & financial expenses were favorable to budget and prior year, equipment, taxes & insurance, and employee related expenses were favorable to budget and over prior year, and legal & professional was unfavorable to budget and prior year.

**WAGES & BENEFITS:** Payroll expenses are over budget and prior year. The budget variance is due to market adjustments for a majority of the pay grades. The variance to prior year is driven by a combination of the market adjustments and the statutory increase to minimum wage and merit increases. Payroll tax and 401K match expenses are also over prior year as they are wage-based.

**UTILITIES:** Utility expenses are over budget and prior year. The budget variance is virtually all electric expense and mostly attributable to the Golf Maintenance departments. APS price increases contributed to these variances. Compared to prior year, electricity and natural gas expenses were both unfavorable. The electric variance was primarily in the Rec Centers and Golf Maintenance. In addition to rate increases, drier conditions led to increased pump usage for golf course irrigation. The natural gas variance was primarily attributable to the pool at RH Johnson closure during the second half of FY2017.

**REPAIR & MAINTENANCE:** R&M expenses are favorable to budget and flat to prior year. The favorable budget variance was primarily timing differences in grounds repair, top dressing, and structural repair expenses.

**SUPPLIES AND SERVICES:** Expenses are favorable to budget and prior year. The primary drivers of the budget variance are fuel costs for the Golf Maintenance departments and cleaning supplies across all Recreation Centers. The prior year variance is primarily fuel expense, partially offset by unfavorable computer expense.

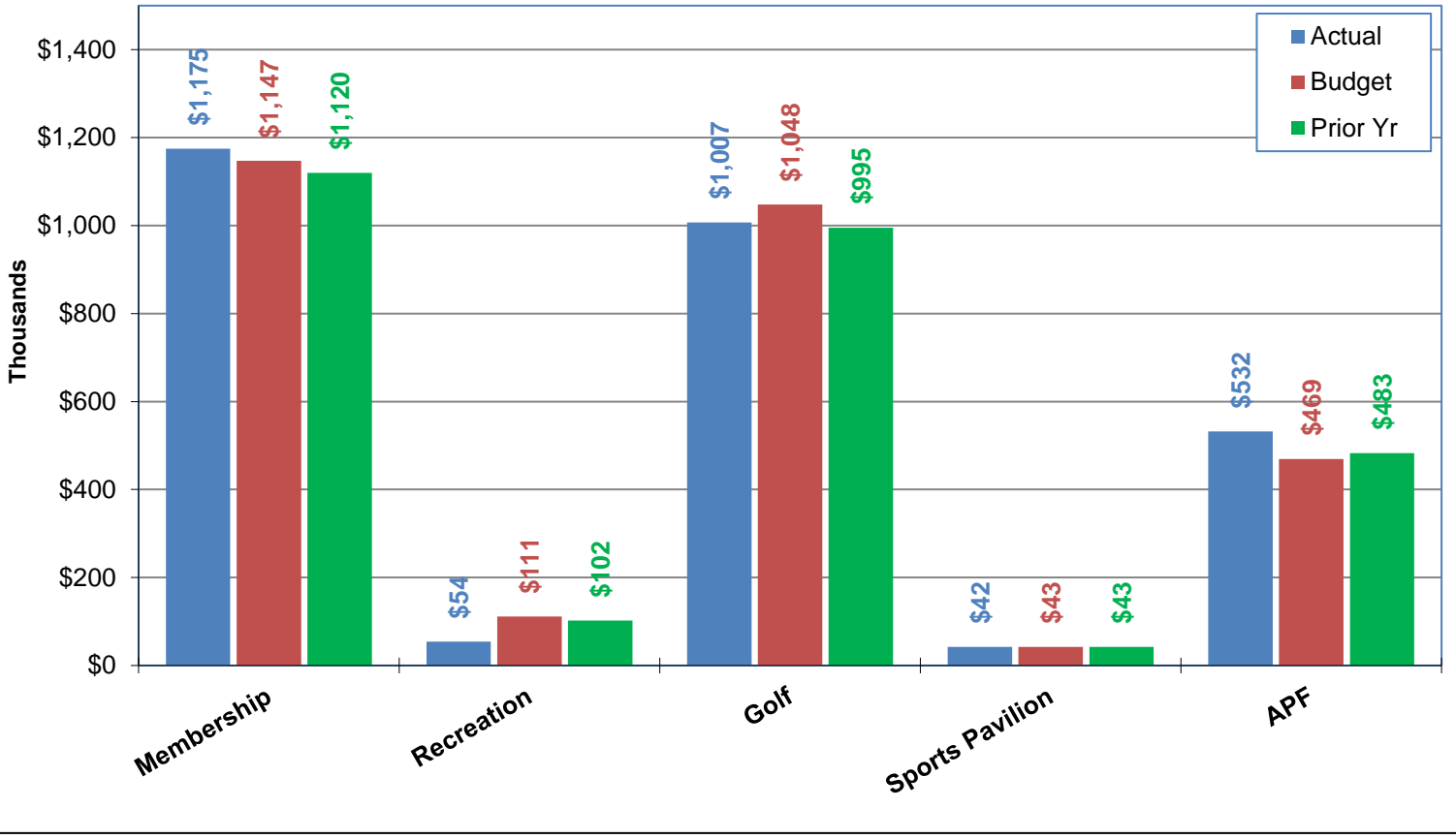
**Recreation Centers of Sun City West, Inc.**

**April 30, 2018**

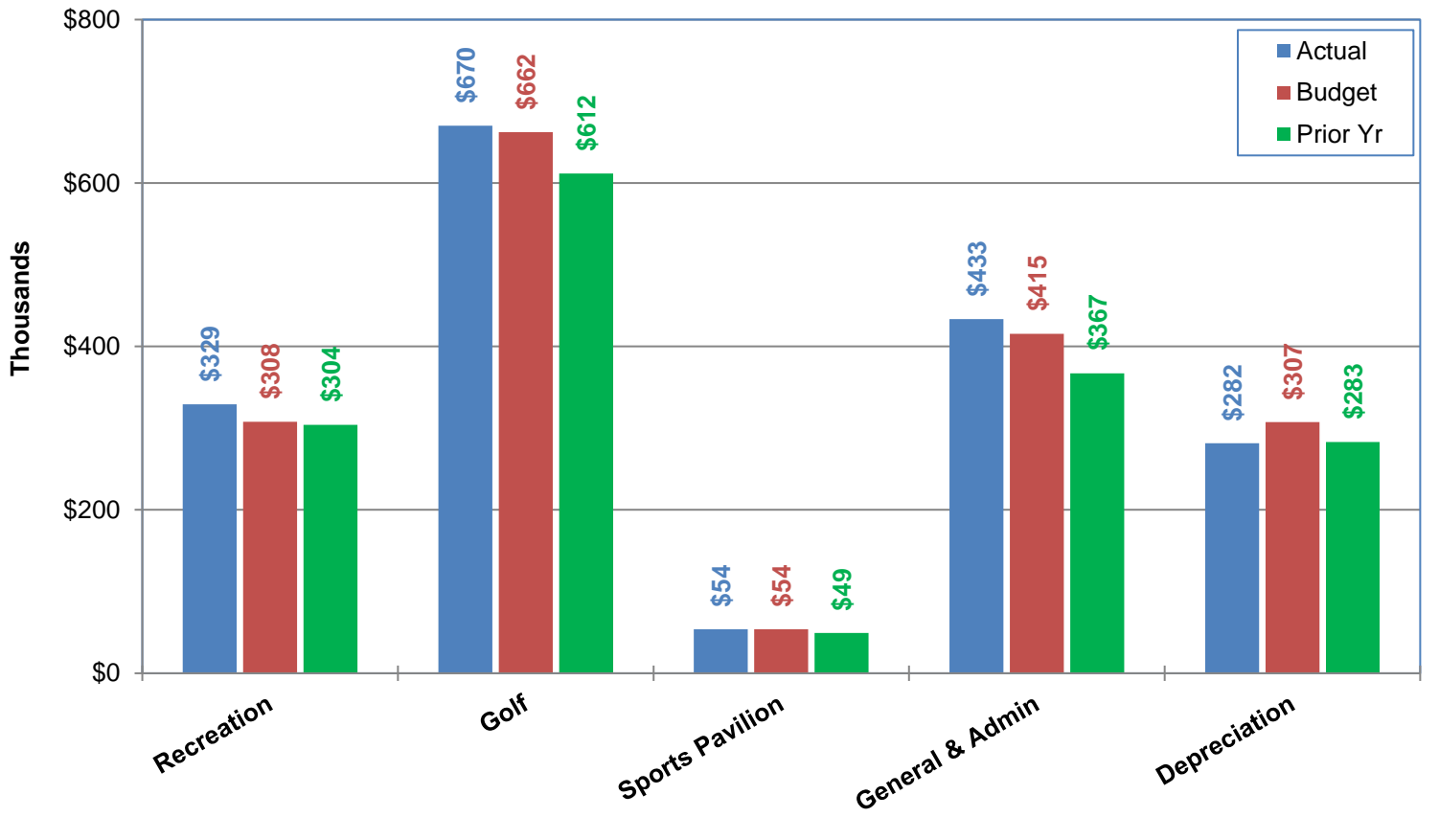
**FY18 Actual vs FY18 Budget and FY18 Actual vs FY17 Actual**

	<u>FY18 Actual vs Budget</u>				<u>FY18 vs FY17 Actual</u>		
	<b>Actual</b>	<b>Budget</b>	<b>\$ Var</b>	<b>% Var</b>	<b>Actual</b>	<b>\$ Var</b>	<b>% Var</b>
<b><u>REVENUES - Operating</u></b>							
<b>Membership</b>	<b>1,175,095</b>	<b>1,147,217</b>	<b>27,878</b>	<b>2.43%</b>	<b>1,119,942</b>	<b>55,152</b>	<b>4.92%</b>
Recreation	11,717	9,777	1,940	19.85%	10,244	1,473	14.38%
<b>Golf Fees</b>	<b>894,516</b>	<b>930,090</b>	<b>(35,573)</b>	<b>-3.82%</b>	<b>899,582</b>	<b>(5,066)</b>	<b>-0.56%</b>
Sports Pavilion	34,177	35,157	(980)	-2.79%	34,346	(169)	-0.49%
<b>Special Events</b>	<b>42,803</b>	<b>92,339</b>	<b>(49,536)</b>	<b>-53.65%</b>	<b>82,767</b>	<b>(39,964)</b>	<b>-48.29%</b>
Ancillary Revenue	73,183	73,779	(597)	-0.81%	76,082	(2,900)	-3.81%
Merchandise Sales (net)	25,889	32,561	(6,672)	-20.49%	21,570	4,319	20.02%
<b>Food and Beverage (net)</b>	<b>32,166</b>	<b>27,410</b>	<b>4,757</b>	<b>17.35%</b>	<b>14,863</b>	<b>17,303</b>	<b>116.41%</b>
Interest Income - Operating	-	1,125	(1,125)	-100.00%	736	(736)	-100.00%
Other Income	(11,864)	417	(12,280)	-2947.25%	580	(12,444)	-2144.54%
<b>Total Operating Revenue</b>	<b>2,277,682</b>	<b>2,349,871</b>	<b>(72,188)</b>	<b>-3.07%</b>	<b>2,260,714</b>	<b>16,968</b>	<b>0.75%</b>
<b><u>EXPENSES - Operating</u></b>							
<b>Wages &amp; Benefits</b>	<b>1,139,110</b>	<b>1,095,409</b>	<b>43,701</b>	<b>3.99%</b>	<b>1,057,750</b>	<b>81,361</b>	<b>7.69%</b>
<b>Utilities</b>	<b>219,801</b>	<b>203,319</b>	<b>16,482</b>	<b>8.11%</b>	<b>196,470</b>	<b>23,331</b>	<b>11.88%</b>
<b>Repair &amp; Maintenance</b>	<b>98,482</b>	<b>116,018</b>	<b>(17,536)</b>	<b>-15.12%</b>	<b>98,698</b>	<b>(216)</b>	<b>-0.22%</b>
Landscape Maintenance	75,043	84,366	(9,322)	-11.05%	80,138	(5,095)	-6.36%
<b>Supplies &amp; Services</b>	<b>44,232</b>	<b>56,955</b>	<b>(12,723)</b>	<b>-22.34%</b>	<b>47,428</b>	<b>(3,196)</b>	<b>-6.74%</b>
Equipment	42,694	43,950	(1,256)	-2.86%	26,313	16,382	62.26%
Taxes & Insurance	44,552	44,887	(335)	-0.75%	40,070	4,482	11.19%
Interest & Financial Expenses	35,306	37,352	(2,046)	-5.48%	35,631	(324)	-0.91%
Operating Expenses	39,870	31,085	8,785	28.26%	18,395	21,475	116.74%
Legal & Professional	18,568	17,286	1,282	7.41%	6,850	11,718	171.07%
Employee Related Expenses	10,981	16,068	(5,087)	-31.66%	7,891	3,090	39.16%
<b>Total Operating Expenses</b>	<b>1,768,640</b>	<b>1,746,695</b>	<b>21,945</b>	<b>1.26%</b>	<b>1,615,633</b>	<b>153,007</b>	<b>9.47%</b>
<b>Operating Cash Inflow/(Outflow)</b>	<b>509,042</b>	<b>603,176</b>	<b>(94,133)</b>	<b>-15.61%</b>	<b>645,081</b>	<b>(136,039)</b>	<b>-21.09%</b>
<b><u>Capital Related</u></b>							
<b>Investment - Income/Fees (net)</b>	<b>30,358</b>	<b>33,958</b>	<b>(3,601)</b>	<b>-10.60%</b>	<b>17,877</b>	<b>12,481</b>	<b>69.81%</b>
<b>Invest Unrealized Gain (Loss)</b>	<b>(65,041)</b>	<b>-</b>	<b>(65,041)</b>	<b>0.00%</b>	<b>125,287</b>	<b>(190,328)</b>	<b>-151.91%</b>
Club Funded Capital	-	-	-	0.00%	-	-	0.00%
Asset Preservation Fees	532,000	469,000	63,000	13.43%	483,000	49,000	10.14%
Depreciation Expense	(281,569)	(307,357)	(25,788)	8.39%	(283,176)	(1,607)	0.57%
<b>Total Capital Related</b>	<b>215,748</b>	<b>195,601</b>	<b>(31,429)</b>	<b>10.30%</b>	<b>342,988</b>	<b>(130,455)</b>	<b>-37.10%</b>
<b>Revenue Over / (Under) Expenses</b>	<b>724,790</b>	<b>798,777</b>	<b>(73,987)</b>	<b>-9.26%</b>	<b>988,070</b>	<b>(263,280)</b>	<b>-26.65%</b>

## REVENUES - MONTH



## EXPENSES - MONTH



**REVENUES OVER/UNDER EXPENSES:** For the ten months ending April 30, 2018, overall revenues exceeded expenses by \$3,781,020 which is favorable to budget by \$499,718 and unfavorable to prior year by \$529,773. Operating revenues exceeded expenses by \$2,428,585, which is unfavorable to budget by \$307,204 and prior year by \$504,855.

### **Variance Analysis – YTD through April 30, 2018**

**OPERATING REVENUES:** Operating revenues are below budget by \$329,354 and better than prior year by \$589,410. Sports Pavilion and Ancillary Revenue have immaterial variances compared to budget and prior year. Prior year Other Income contained assets that were sold and a true-up of two liability accounts. 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 2.01% and prior year by 4.47%. 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. The only area below budget and prior year is Tenant Card Fees. Note: year-to-date guest volume is up by 16% with a large percentage of the visits at RH Johnson.

**GOLF:** Golf revenues are below budget by 6.81% and above prior year by 1.99%. Golf rounds are below budget by 6,086 and above prior year by 2,811. Member rounds are better than prior year by 7,216, while discounted/promotional Public Play is trending down. Average Golf fees per round are tracking better than prior year. Refer to Monthly Golf Statistics for more detail.

**SPECIAL EVENTS:** Revenue is below both budget and prior year. Contributing to the variance are security officer costs and the expense of the 40th Anniversary events.

**FOOD & BEVERAGE:** Net revenue is flat compared to budget and above prior year by \$32,345. Course closures impact the prior year variance, Grandview golf course, which is closed this year, does not generate F&B revenue. YTD sales are above both budget and prior year. When compared to budget, although sales were better than budget, higher costs resulted in lower margins.

**OPERATING EXPENSES:** Expenses are favorable to budget and unfavorable to prior year. In addition to the variances listed below; landscape maintenance and interest & financial expenses were favorable to budget and prior year, supplies & services, employee related, and legal & professional were favorable to budget but over prior year, and taxes & insurance were unfavorable to budget and prior year.

**WAGES & BENEFITS:** YTD payroll & benefit expenses are unfavorable to budget by 0.86% and prior year by 6.17%. Total wages are unfavorable to prior year by \$575,587 driven by minimum wage, merit, and market adjustment increases. Overtime is unfavorable to budget, but favorable to prior year. Taxes & insurance are favorable to budget and unfavorable to prior year.

**UTILITIES:** Electricity, natural gas, and trash expenses are the drivers of the unfavorable budget and prior year variances. The budget variance is mostly attributable to rate increases. The prior year variance was also impacted by increased irrigation at the golf courses and increased natural gas and water usage related to the new pool at the RH Johnson recreation center.

**REPAIR & MAINTENANCE:** Expenses are flat to budget and over prior year. The prior year variance is driven by; pump & well repairs at Stardust, Trail Ridge, and Desert Trails, structural building repairs throughout the property, general pool maintenance, parking lot maintenance at golf courses and recreation centers, and rolling stock repair & maintenance expenses.

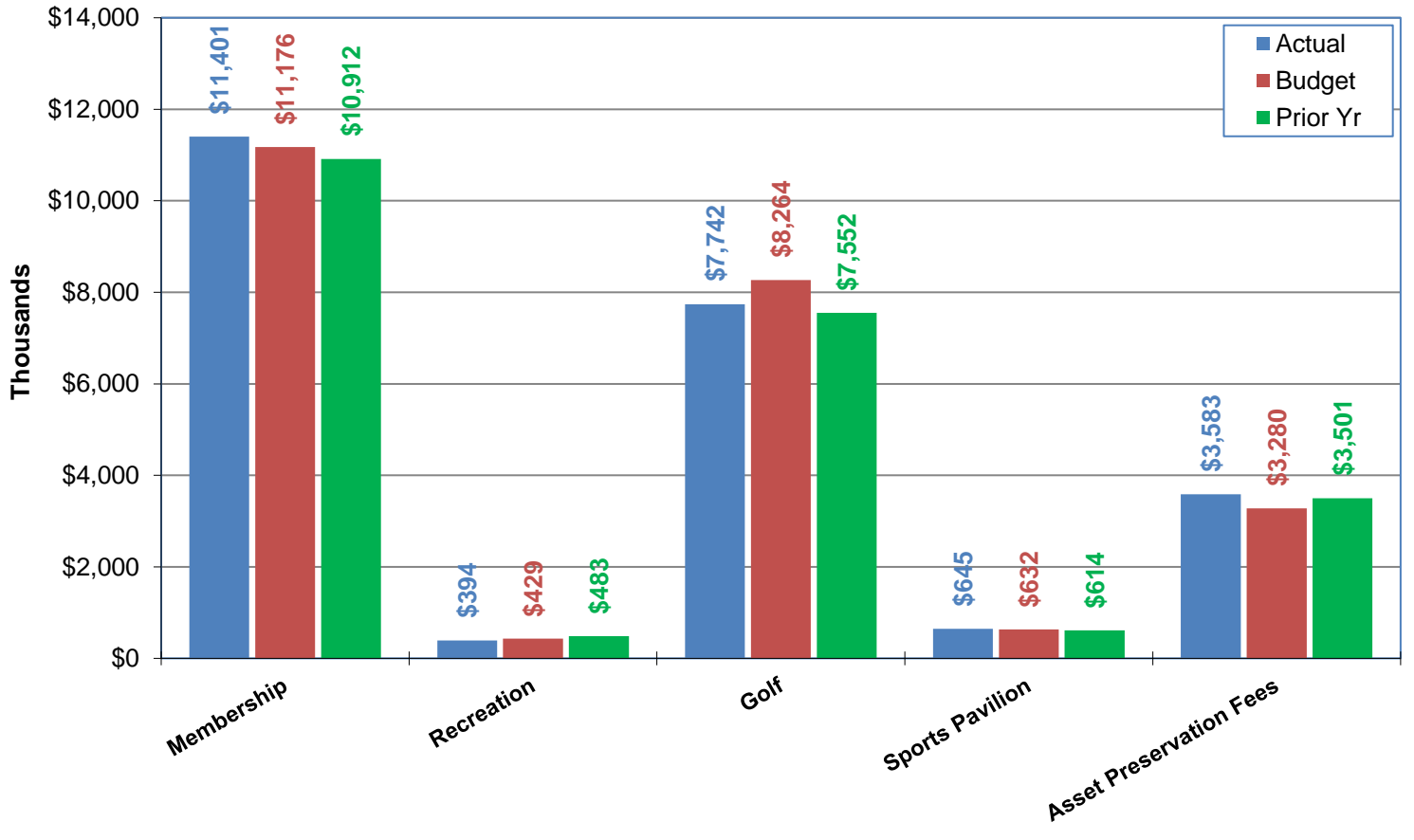
**EQUIPMENT:** Expenses are under budget and over prior year. The budget variance is the timing of the final equipment purchases for Beardsley and Palm Ridge recreation centers. Computer services equipment expense is also favorable to budget, The unfavorable prior year variance is related to the fitness equipment for recreation centers, partially offset by favorable computer equipment purchases.

**OPERATING EXPENSES:** Expenses are favorable to budget and flat to prior year. Advertising & promotion, service contract, equipment rental, and outside printing expenses are driving the budget variance. Compared to prior year, the favorable variances in advertising, equipment rental and outside printing are mostly offset by unfavorable variances in TORCH and security system expenses.

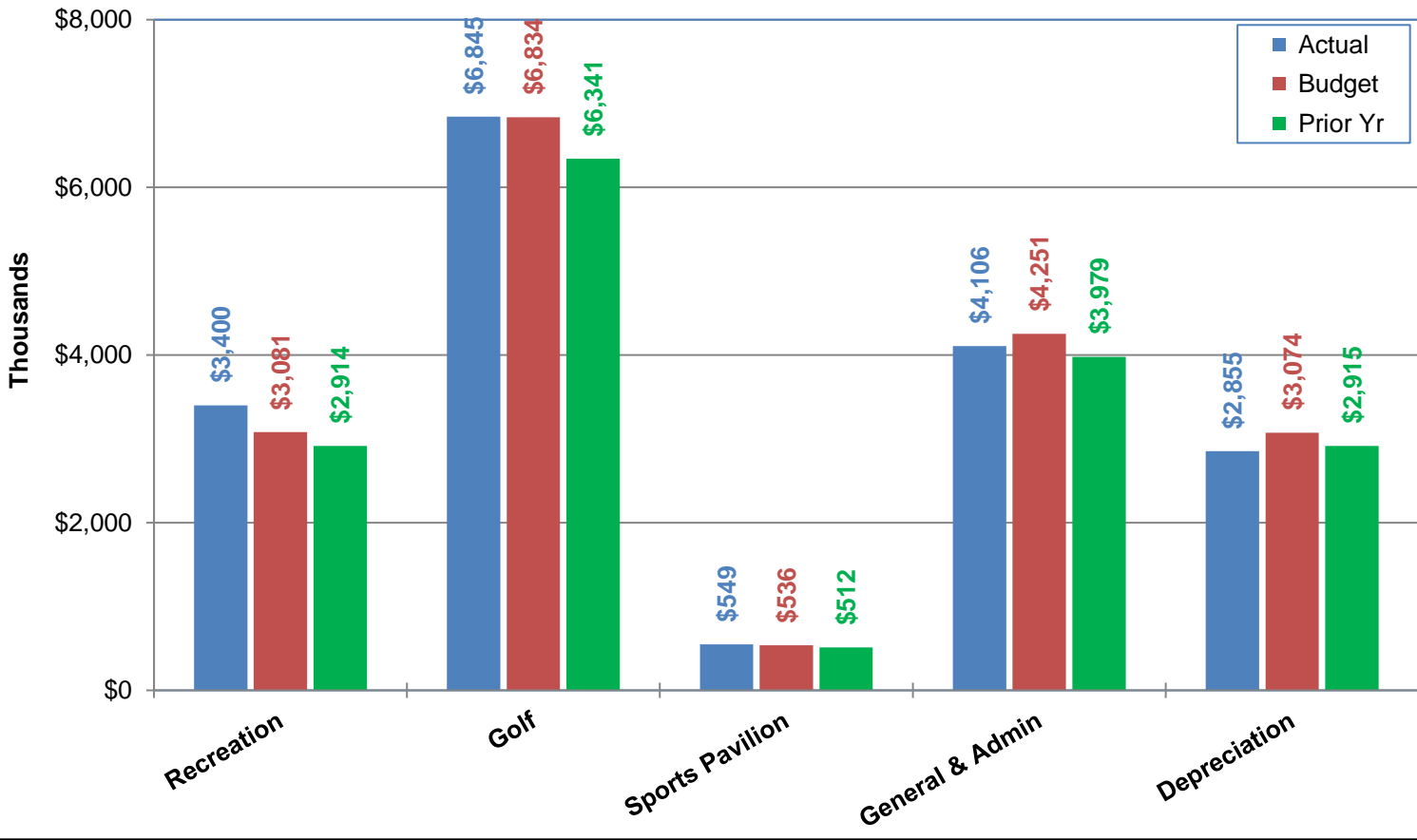
**Recreation Centers of Sun City West, Inc.**  
**Ford the Ten Months Ended April 30, 2018**  
**FY18 Actual vs FY18 Budget and FY18 Actual vs FY17 Actual**

	<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>11,400,589</b>	<b>11,176,386</b>	<b>224,202</b>	<b>2.01%</b>	<b>10,912,917</b>	<b>487,672</b>	<b>4.47%</b>
Recreation	95,307	114,255	(18,948)	-16.58%	111,699	(16,392)	-14.68%
<b>Golf Fees</b>	<b>6,806,749</b>	<b>7,304,482</b>	<b>(497,734)</b>	<b>-6.81%</b>	<b>6,673,934</b>	<b>132,815</b>	<b>1.99%</b>
Sports Pavilion	549,874	539,252	10,622	1.97%	526,231	23,643	4.49%
<b>Special Events</b>	<b>201,067</b>	<b>227,171</b>	<b>(26,104)</b>	<b>-11.49%</b>	<b>217,572</b>	<b>(16,504)</b>	<b>-7.59%</b>
Ancillary Revenue	687,331	673,186	14,145	2.10%	702,119	(14,788)	-2.11%
Merchandise Sales (net)	213,571	225,629	(12,059)	-5.34%	188,582	24,989	13.25%
<b>Food and Beverage (net)</b>	<b>235,790</b>	<b>236,904</b>	<b>(1,115)</b>	<b>-0.47%</b>	<b>203,444</b>	<b>32,345</b>	<b>15.90%</b>
Interest Income - Operating	7,071	11,250	(4,179)	-37.15%	9,826	(2,755)	-28.04%
Other Income	(14,018)	4,167	(18,185)	-436.43%	47,596	(61,614)	-129.45%
<b>Total Operating Revenue</b>	<b>20,183,329</b>	<b>20,512,683</b>	<b>(329,354)</b>	<b>-1.61%</b>	<b>19,593,919</b>	<b>589,410</b>	<b>3.01%</b>
<b><u>EXPENSES - Operating</u></b>							
<b>Wages &amp; Benefits</b>	<b>11,174,656</b>	<b>11,079,562</b>	<b>95,094</b>	<b>0.86%</b>	<b>10,525,232</b>	<b>649,424</b>	<b>6.17%</b>
<b>Utilities</b>	<b>2,154,016</b>	<b>2,054,166</b>	<b>99,851</b>	<b>4.86%</b>	<b>1,976,803</b>	<b>177,214</b>	<b>8.96%</b>
<b>Repair &amp; Maintenance</b>	<b>1,210,967</b>	<b>1,160,180</b>	<b>50,786</b>	<b>4.38%</b>	<b>1,057,571</b>	<b>153,396</b>	<b>14.50%</b>
Landscape Maintenance	1,030,421	1,079,087	(48,667)	-4.51%	1,078,545	(48,124)	-4.46%
Supplies & Services	518,420	560,268	(41,848)	-7.47%	486,695	31,725	6.52%
<b>Equipment</b>	<b>342,924</b>	<b>439,500</b>	<b>(96,576)</b>	<b>-21.97%</b>	<b>300,765</b>	<b>42,158</b>	<b>14.02%</b>
Taxes & Insurance	482,799	448,867	33,932	7.56%	418,657	64,142	15.32%
Interest & Financial Expenses	295,040	310,869	(15,829)	-5.09%	309,081	(14,041)	-4.54%
<b>Operating Expenses</b>	<b>237,419</b>	<b>310,850</b>	<b>(73,431)</b>	<b>-23.62%</b>	<b>238,133</b>	<b>(715)</b>	<b>-0.30%</b>
Legal & Professional	168,213	172,864	(4,651)	-2.69%	135,080	33,133	24.53%
Employee Related Expenses	139,870	160,680	(20,810)	-12.95%	133,917	5,954	4.45%
<b>Total Operating Expenses</b>	<b>17,754,744</b>	<b>17,776,894</b>	<b>(22,150)</b>	<b>-0.12%</b>	<b>16,660,479</b>	<b>1,094,265</b>	<b>6.57%</b>
<b>Operating Cash Inflow / (Outflow)</b>	<b>2,428,585</b>	<b>2,735,789</b>	<b>(307,204)</b>	<b>-11.23%</b>	<b>2,933,439</b>	<b>(504,855)</b>	<b>-17.21%</b>
<b><u>Capital Related</u></b>							
Investment - Income/Fees (net)	354,946	339,583	15,363	4.5%	281,379	73,567	26.15%
Invest Unrealized Gain (Loss)	269,036	-	269,036	-	462,955	(193,919)	-41.89%
Club Funded Capital	-	-	-	-	46,677	(46,677)	-100.00%
Asset Preservation Fees	3,583,000	3,279,500	303,500	9.3%	3,500,896	82,104	2.35%
Depreciation Expense	(2,854,547)	(3,073,570)	(219,023)	7.1%	(2,914,554)	(60,006)	2.06%
<b>Total Capital Related</b>	<b>1,352,435</b>	<b>545,513</b>	<b>368,876</b>	<b>147.92%</b>	<b>1,377,353</b>	<b>(24,918)</b>	<b>-1.81%</b>
<b>Revenues Over (Under) Expenses</b>	<b>3,781,020</b>	<b>3,281,302</b>	<b>499,718</b>	<b>15.23%</b>	<b>4,310,793</b>	<b>(529,773)</b>	<b>-12.29%</b>

## REVENUES - YTD



## EXPENSES - YTD

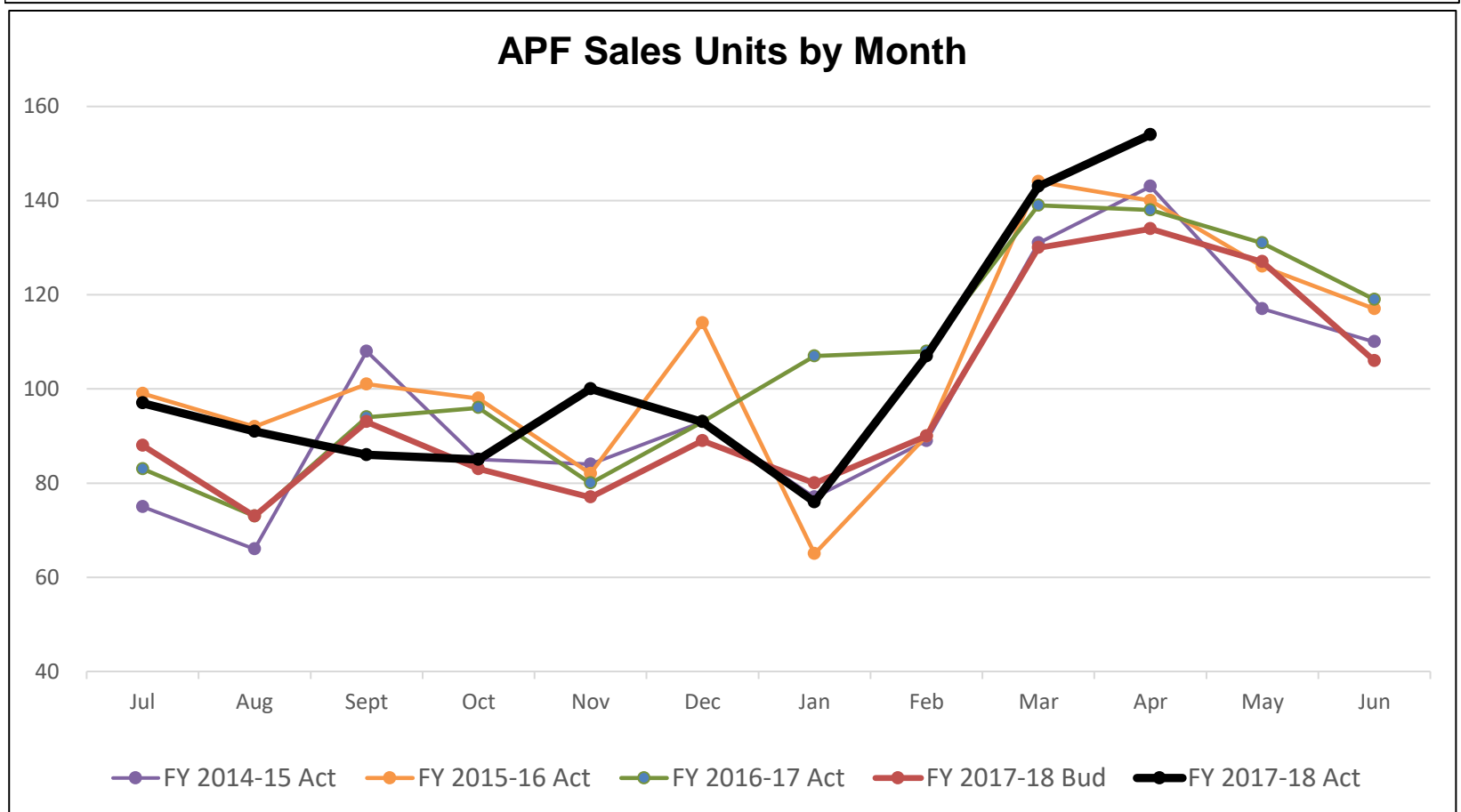
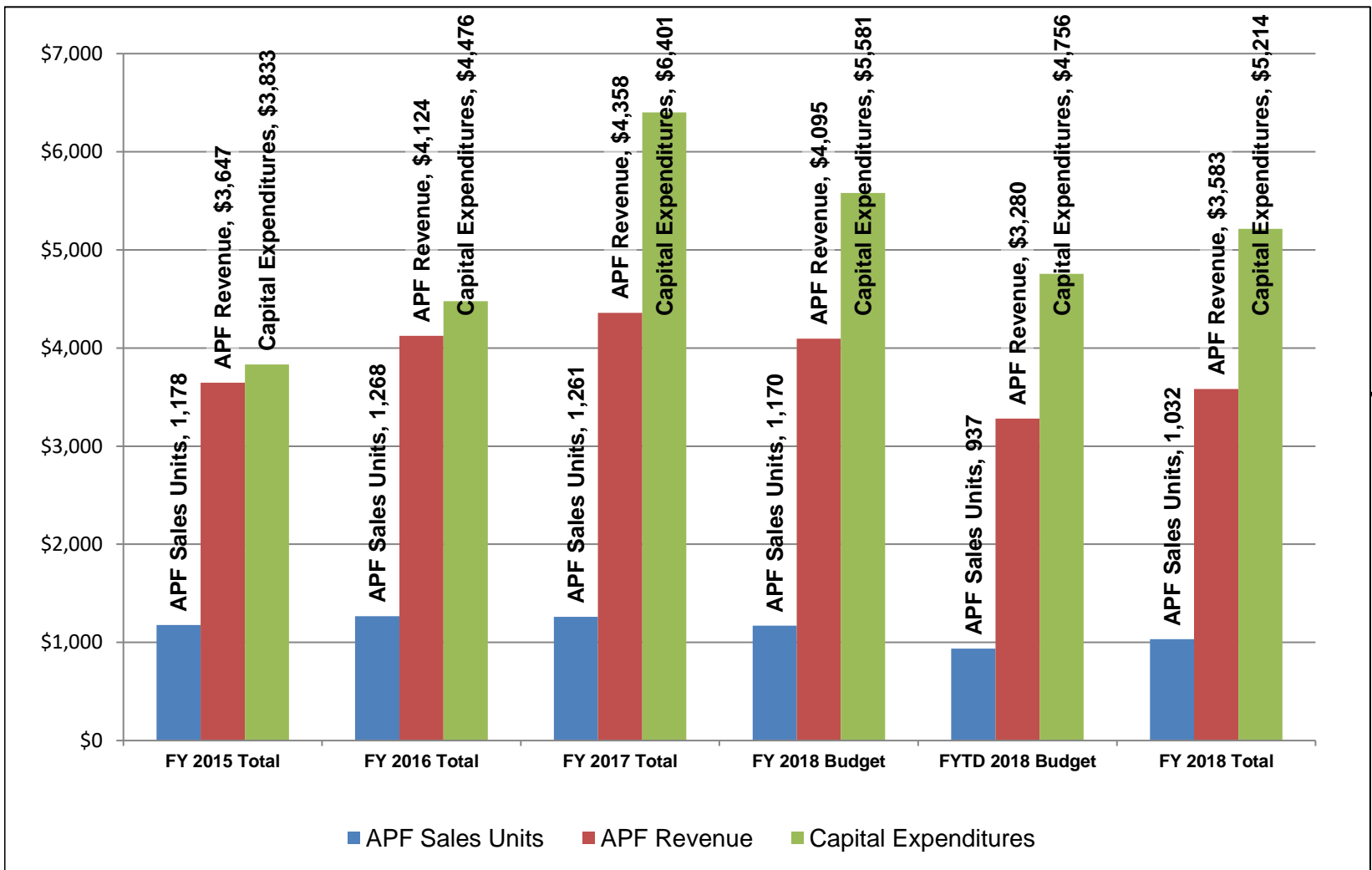




# Asset Preservation Fees & Capital Expenditures

	April			Year to Date		
	Actual	Budget	Var over (under)	Actual	Budget	Var over (under)
APF Sales Units	154	134	20	1,032	937	95
APF Revenue (000's)	\$532	\$469	\$63	\$3,583	\$3,280	\$304
Capital Expend. (000's)	\$316	\$266	\$50	\$5,214	\$4,756	\$458

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



**Recreation Centers of Sun City West, Inc.**

Balance Sheets for months ending April 30, 2018 and June 30, 2017

	<b>April 2018</b>	<b>June 2017</b>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 9,679,376	\$ 10,434,984
Accounts Receivable (net)	769,173	693,453
Notes Receivable-Clubs & Other	677,901	823,775
Inventories	288,247	273,475
Prepaid and Other Assets	439,445	265,072
<b>Total Current Assets</b>	<b>11,854,142</b>	<b>12,490,759</b>
<b>Board Reserve Funds</b>	<b>22,546,897</b>	<b>20,650,639</b>
<b><u>Fixed Assets</u></b>		
Land & Building	94,715,651	92,777,736
Furniture, Fixtures & Equipment	17,881,588	17,717,747
Vehicles	1,537,507	1,574,051
<b>Fixed Assets</b>	<b>114,134,746</b>	<b>112,069,535</b>
Accumulated Depreciation	(76,168,185)	(74,375,060)
<b>Fixed Assets-Net Book Value</b>	<b>37,966,561</b>	<b>37,694,475</b>
Construction in Progress	4,952,138	2,890,459
<b>Total Fixed Assets</b>	<b>42,918,699</b>	<b>40,584,934</b>
<b>Total Assets</b>	<b>\$ 77,319,738</b>	<b>\$ 73,726,331</b>

**LIABILITIES AND EQUITY**

<b><u>Liabilities</u></b>		
Accounts Payable-Trade & Other	\$ 628,860	\$ 1,269,906
Payroll Related Liabilities	945,120	1,043,704
Association Events & Other Program Payables	362,792	299,190
Charter Clubs Payables	51,100	86,919
Deferred Membership Dues/Fees & Golf Revenues	7,173,933	6,649,698
<b>Total Liabilities</b>	<b>9,161,805</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)	3,781,020	4,871,553
<b>Total Equity</b>	<b>68,157,934</b>	<b>64,376,914</b>
<b>Total Liabilities and Equity</b>	<b>\$ 77,319,738</b>	<b>\$ 73,726,331</b>

**Recreation Centers of Sun City West, Inc.**

Cash and Investment Balances

<u>Account</u>	<u>April 2018</u>	<u>% Total</u>	<u>June 2017</u>	<u>% Total</u>	<u>Change</u>
<b>General Fund</b>					
Total Cash and Cash Equivalents	9,679,376	100.00%	10,434,984	100.00%	(755,608)
<b>Reserve Fund</b>					
<u>JP Morgan Investments</u>					
Money Market	3,347,597	14.85%	4,250,148	20.58%	(902,551)
Total JP Morgan Investments	3,347,597	14.85%	4,250,148	20.58%	(902,551)
<u>Vanguard Investments</u>					
Cash (Vanguard Prime MM Fund)	23,071	0.10%	4,128	0.02%	18,943
Total Bond Market Index Fund Admiral VBTLX	2,808,107	12.45%	2,462,044	11.92%	346,063
Intermediate-Term Bond Index Fund Adm VBILX	2,787,402	12.36%	2,450,050	11.86%	337,352
Intermediate-Term Inv Grade Bonds Adm VFIDX	2,801,301	12.42%	2,480,622	12.01%	320,679
Short-Term Inv Grade Bonds Admiral VFSUX	2,850,788	12.64%	2,466,406	11.94%	384,382
Extended Market Index Fund Admiral VEXAX	1,724,949	7.65%	1,433,519	6.94%	291,430
500 Index Fund Admiral VFIAX	3,846,123	17.06%	3,177,683	15.39%	668,440
Total International Stock Index Admiral VTIAX	2,357,559	10.46%	1,926,039	9.33%	431,520
Total Vanguard Investments	19,199,300	85.15%	16,400,491	79.42%	2,798,809
Total Reserve Funds	22,546,897	100.00%	20,650,639	100.00%	1,896,258
TOTAL FUNDS	32,226,273		31,085,623		1,140,650

<u>Vanguard Investment Activity</u>	<u>FY2017-18 ytd</u>	<u>FY2016-17</u>	<u>Inception</u>
Beginning Balance	16,400,491	13,686,240	-
Investment Transfers-In	2,200,000	1,800,000	17,250,000
Investment Earnings	345,292	355,860	974,758
Advisor Fees	(16,154)	(33,295)	(64,804)
Realized Gains (Losses)	636	55	(9,495)
Un-Realized Gains (Losses) ***	269,036	591,630	1,048,841
Ending Balance	19,199,300	16,400,491	19,199,300

\*\*\* 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

	Ten Months Ended April 2018	Fiscal Year Ended June 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 3,781,020	\$ 4,871,553
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	2,854,547	3,485,970
Loss/(Gain) on Disposals of Fixed Assets	18,243	(20,850)
Unrealized Losses/(Gains) on Investments	(269,036)	(591,631)
Asset Preservation & Facility Investment Fees	(3,583,000)	(4,358,396)
Increase (decrease) in cash resulting from changes in		
Receivables (net)	70,154	(321,218)
Inventories	(14,772)	(24,300)
Prepaid expenses and other assets	(174,373)	(780)
Accounts payable and accrued expenses	(711,848)	256,027
Deferred income	524,235	190,853
	2,495,170	3,487,228
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of land improvements, buildings and equipment	(5,213,655)	(6,401,010)
Proceeds from Disposal of Fixed Assets	7,100	20,850
Asset Preservation & Facility Investment Fees	3,583,000	4,358,396
Cash Flow Funding Transfer to Reserves (Net)	(1,272,276)	(844,761)
Net (purchase) redemption of investments	(354,946)	(348,709)
	(3,250,777)	(3,215,233)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(755,607)	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>	\$ 9,679,376	\$ 10,434,984

**Recreation Centers of Sun City West, Inc.**  
**Summary of All Revenues & Expenses**  
**April 2018 and the Ten Months Ended April 30, 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>					
1,175,095	1,147,217	27,878	1,119,942	55,152	Membership	11,400,589	11,176,386	224,202	10,912,917	487,672
11,717	9,777	1,940	10,244	1,473	Recreation	95,307	114,255	(18,948)	111,699	(16,392)
894,516	930,090	(35,573)	899,582	(5,066)	Golf Fees	6,806,749	7,304,482	(497,734)	6,673,934	132,815
34,177	35,157	(980)	34,346	(169)	Sports Pavilion	549,874	539,252	10,622	526,231	23,643
42,803	92,339	(49,536)	82,767	(39,964)	Special Events	201,067	227,171	(26,104)	217,572	(16,504)
73,183	73,779	(597)	76,082	(2,900)	Ancillary Revenue	687,331	673,186	14,145	702,119	(14,788)
25,889	32,561	(6,672)	21,570	4,319	Merchandise Sales (net)	213,571	225,629	(12,059)	188,582	24,989
32,166	27,410	4,757	14,863	17,303	Food and Beverage (net)	235,790	236,904	(1,115)	203,444	32,345
-	1,125	(1,125)	736	(736)	Interest Income - Operating	7,071	11,250	(4,179)	9,826	(2,755)
(11,864)	417	(12,280)	580	(12,444)	Other Income	(14,018)	4,167	(18,185)	47,596	(61,614)
<b>2,277,682</b>	<b>2,349,871</b>	<b>(72,188)</b>	<b>2,260,714</b>	<b>16,968</b>	<b>Operating Revenues Total</b>	<b>20,183,329</b>	<b>20,512,683</b>	<b>(329,354)</b>	<b>19,593,919</b>	<b>589,410</b>
					<b>Operating Expenses</b>					
1,139,110	1,095,409	43,701	1,057,750	81,361	Wages & Benefits	11,174,656	11,079,562	95,094	10,525,232	649,424
219,801	203,319	16,482	196,470	23,331	Utilities	2,154,016	2,054,166	99,851	1,976,803	177,214
98,482	116,018	(17,536)	98,698	(216)	Repairs & Maintenance	1,210,967	1,160,180	50,786	1,057,571	153,396
75,043	84,366	(9,322)	80,138	(5,095)	Landscape Maintenance	1,030,421	1,079,087	(48,667)	1,078,545	(48,124)
44,232	56,955	(12,723)	47,428	(3,196)	Supplies & Services	518,420	560,268	(41,848)	486,695	31,725
42,694	43,950	(1,256)	26,313	16,382	Equipment	342,924	439,500	(96,576)	300,765	42,158
44,552	44,887	(335)	40,070	4,482	Taxes & Insurance	482,799	448,867	33,932	418,657	64,142
35,306	37,352	(2,046)	35,631	(324)	Interest & Financial Expense	295,040	310,869	(15,829)	309,081	(14,041)
39,870	31,085	8,785	18,395	21,475	Operating Expenses	237,419	310,850	(73,431)	238,133	(715)
18,568	17,286	1,282	6,850	11,718	Legal & Professional	168,213	172,864	(4,651)	135,080	33,133
10,981	16,068	(5,087)	7,891	3,090	Employee Related Expenses	139,870	160,680	(20,810)	133,917	5,954
<b>1,768,640</b>	<b>1,746,695</b>	<b>21,945</b>	<b>1,615,633</b>	<b>153,007</b>	<b>Operating Expenses Total</b>	<b>17,754,744</b>	<b>17,776,894</b>	<b>(22,150)</b>	<b>16,660,479</b>	<b>1,094,265</b>
<b>509,042</b>	<b>603,176</b>	<b>(94,133)</b>	<b>645,081</b>	<b>(136,039)</b>	<b>Operating Cash Inflow/(Outflow)</b>	<b>2,428,585</b>	<b>2,735,789</b>	<b>(307,204)</b>	<b>2,933,439</b>	<b>(504,855)</b>
					<b>Capital Related</b>					
30,358	36,458	(6,101)	24,472	5,885	Investment Income - Reserves	370,465	364,583	5,881	307,224	63,241
-	(2,500)	2,500	(6,595)	6,595	Investment Fees	(16,154)	(25,000)	8,846	(25,900)	9,746
-	-	-	-	-	Investments-Realized - Gain/Loss)	636	-	636	55	581
(65,041)	-	(65,041)	125,287	(190,328)	Investments Unrealized - Gain/ (Loss)	269,036	-	269,036	462,955	(193,919)
-	-	-	-	-	Club Funded	-	-	-	46,677	(46,677)
532,000	469,000	63,000	483,000	49,000	Asset Preservation Fee	3,583,000	3,279,500	303,500	3,500,896	82,104
(281,569)	(307,357)	25,788	(283,176)	1,607	Depreciation Expense	(2,854,547)	(3,073,570)	219,023	(2,914,554)	60,006
<b>215,748</b>	<b>195,601</b>	<b>20,146</b>	<b>342,988</b>	<b>(127,240)</b>	<b>Capital Related Total</b>	<b>1,352,435</b>	<b>545,513</b>	<b>806,922</b>	<b>1,377,353</b>	<b>(24,918)</b>
<b>724,790</b>	<b>798,777</b>	<b>(73,987)</b>	<b>988,070</b>	<b>(263,280)</b>	<b>Revenues Over (Under) Expenses</b>	<b>3,781,020</b>	<b>3,281,302</b>	<b>499,718</b>	<b>4,310,793</b>	<b>(529,773)</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	122	90%
FY 2016-17	\$ 3,025	5	2	12	25	19	18	12	7	10	5	8	6	129	115	89%
FY 2017-18 Bud	\$ 3,125	4	3	12	29	22	17	15	10	11	7	8	7	145	130	90%
FY 2017-18	\$ 3,125	3	3	11	28	20	7	13	8	11	3			107	107	100%
															% of Budget YTD	82%
															% of Prior Year YTD	93%
<b>Kachina Golf Card Sales</b>																
FY 2015-16	\$ 1,015	11	20	43	87	63	34	41	26	22	11	11	4	373	358	96%
FY 2016-17	\$ 895	18	21	54	88	82	44	50	30	26	15	20	7	455	428	94%
FY 2017-18 Bud	\$ 895	13	22	57	105	73	44	49	32	28	14	15	8	460	437	95%
FY 2017-18	\$ 895	11	18	49	120	69	58	67	36	33	13			474	474	100%
															% of Budget YTD	108%
															% of Prior Year YTD	111%
<b>Coyote Golf Card Sales</b>																
FY 2015-16	\$ 300	6	7	29	151	180	77	82	38	38	17	3	3	631	625	99%
FY 2016-17	\$ 310	4	16	25	155	192	70	94	36	35	16	5	3	651	643	99%
FY 2017-18 Bud	\$ 325	5	11	28	159	191	74	92	40	36	18	5	3	662	654	99%
FY 2017-18	\$ 325	4	14	23	135	190	66	94	30	37	18			611	611	100%
															% of Budget YTD	93%
															% 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	0	0	1			3	3	100%
															% of Budget YTD	60%
															% of Prior Year YTD	75%
<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	0	1	2			21	21	100%
															% of Budget YTD	100%
<b>Range Ball Key Sales</b>																
FY 2016-17	\$ 90	0	0	0	310	186	115	139	121	121	93	60	29	1,174	1,085	92%
FY 2017-18 Bud	\$ 90	22	45	55	150	190	155	140	122	120	94	65	30	1,188	1,093	92%
FY 2017-18	\$ 90	27	45	49	148	176	114	181	155	180	122			1,197	1,197	100%
															% of Budget YTD	110%
															% of Prior Year YTD	110%

## 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
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#### 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	122	123	122			125

#### 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	489	494	497			461

#### 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	611	609	609			620

#### Twilight Golf Card Holders

FY 2017-18 Bud		0	0	0	0	0								
FY 2017-18		0	0	1	10	16	17	18	18	19	20			

# 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	209,593	91%
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	208,009	90%
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	211,519	90%
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	209,325	89%
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	210,422	90%
FY 2017-18		12,127	6,791	19,215	27,700	25,424	21,843	30,074	28,580	30,338	16,308			218,400	218,400	100%
														% of Budget YTD	104%	
														% of Prior Year YTD	104%	
<b>Transfer Fees</b>																
FY 2011-12	\$ 225	60	81	71	64	72	93	77	67	188	156	160	113	1,202	929	77%
FY 2013-14	\$ 235	117	71	101	79	94	106	82	100	135	153	158	106	1,302	1,038	80%
FY 2014-15	\$ 240	77	73	116	92	90	116	93	104	169	162	138	124	1,354	1,092	81%
FY 2015-16	\$ 240	123	109	123	105	95	125	83	82	169	158	153	127	1,452	1,172	81%
FY 2016-17	\$ 250	97	99	114	112	110	131	143	130	182	172	167	148	1,605	1,290	80%
FY 2017-18 Bud	\$ 250	94	97	112	111	109	130	140	129	179	169	165	145	1,580	1,270	80%
FY 2017-18	\$ 250	126	120	111	116	131	118	76	149	171	204			1,322	1,322	100%
														% of Budget YTD	104%	
														% of Prior Year YTD	102%	
<b>Asset Preservation Fees</b>																
FY 2011-12	\$ 2,300	55	83	79	61	68	93	71	69	173	155	149	105	1,161	907	78%
FY 2013-14	\$ 3,000	106	71	110	76	80	80	81	91	117	126	143	101	1,182	938	79%
FY 2014-15	\$ 3,100	75	66	108	85	84	93	77	89	131	143	117	110	1,178	951	81%
FY 2015-16	\$ 3,300	99	92	101	98	82	114	65	90	144	140	126	117	1,268	1,025	81%
FY 2016-17	\$ 3,500	83	73	94	96	80	93	107	108	139	138	131	119	1,261	1,011	80%
FY 2017-18 Bud	\$ 3,500	88	73	93	83	77	89	80	90	130	134	127	106	1,170	937	80%
FY 2017-18	\$ 3,500	97	91	86	85	100	93	76	107	143	154			1,032	1,032	100%
														% of Budget YTD	110%	
														% of Prior Year YTD	102%	