

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

November 2022 and the Five Months Ended

11/30/22

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
November 30, 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					
1,248,986	1,260,412	(11,426)	1,293,855	(44,869)	Membership	6,193,190	6,226,634	(33,444)	6,249,507	(56,317)
14,448	8,254	6,194	17,497	(3,049)	Recreation	43,479	26,796	16,683	43,704	(225)
919,646	946,331	(26,685)	909,362	10,284	Golf Fees	2,467,332	2,401,899	65,433	2,355,930	111,402
88,026	71,910	16,116	71,734	16,292	Sports Pavilion	292,394	261,260	31,134	272,508	19,886
51,636	53,140	(1,504)	39,179	12,457	Special Events	63,999	58,070	5,929	37,557	26,442
84,127	79,380	4,747	90,807	(6,680)	Ancillary Revenue	332,540	296,481	36,059	346,723	(14,183)
3,244	9,901	(6,657)	7,847	(4,603)	Merchandise Sales (net)	30,240	32,597	(2,357)	34,889	(4,649)
41,288	41,391	(103)	39,428	1,860	Food and Beverage (net)	144,664	140,878	3,786	136,128	8,536
0	0	0	620	(620)	Interest Income - Operating	2,226	0	2,226	620	1,606
174	0	174	214	(40)	Other Income	583	0	583	1,418	(835)
2,451,575	2,470,719	(19,144)	2,470,543	(18,968)	Operating Revenues Total	9,570,647	9,444,615	126,032	9,478,984	91,663
					Operating Expenses					
1,326,424	1,306,024	(20,400)	1,195,273	(131,151)	Wages And Benefits	6,601,057	6,660,247	59,190	6,032,947	(568,110)
199,429	196,394	(3,035)	184,372	(15,057)	Utilities	1,134,521	1,169,010	34,489	1,055,404	(79,117)
101,588	129,270	27,682	100,709	(879)	Repair and Maintenance	797,996	861,108	63,112	710,811	(87,185)
126,595	147,580	20,985	93,647	(32,948)	Landscape Maintenance	1,387,115	1,472,600	85,485	1,367,606	(19,509)
62,095	43,475	(18,620)	47,094	(15,001)	Supplies and Services	326,192	243,395	(82,797)	240,383	(85,809)
32,782	15,944	(16,838)	13,599	(19,183)	Equipment	115,343	65,039	(50,304)	39,084	(76,259)
59,565	59,760	195	55,178	(4,387)	Taxes and Insurance	305,873	300,670	(5,203)	285,452	(20,421)
62,411	51,950	(10,461)	50,854	(11,557)	Interest & Financial Expense	194,388	178,640	(15,748)	165,450	(28,938)
39,772	50,722	10,950	42,844	3,072	Operating Expenses	259,383	247,227	(12,156)	185,175	(74,208)
4,331	19,145	14,814	15,993	11,662	Legal and Professional	59,438	126,275	66,837	104,336	44,898
15,818	12,549	(3,269)	11,174	(4,644)	Employee Related Expenses	71,803	70,355	(1,448)	50,791	(21,012)
2,030,810	2,032,813	2,003	1,810,737	(220,073)	Operating Expenses Total	11,253,109	11,394,566	141,457	10,237,439	(1,015,670)
420,765	437,906	(17,141)	659,806	(239,041)	Operating Cash Inflow/(Outflow)	(1,682,462)	(1,949,951)	267,489	(758,455)	(924,007)
					Capital Related					
50,548	43,907	6,641	32,571	17,977	Investment Income - Reserves	247,972	219,533	28,439	153,040	94,932
(4,572)	(6,338)	1,766	(5,000)	428	Investment Fees	(23,822)	(31,692)	7,870	(37,441)	13,619
0	0	0	0	0	Investment - Realized Gain (Loss)	(50,376)	0	(50,376)	1,309,406	(1,359,782)
964,332	0	964,332	(83,295)	1,047,627	Investment - Unrealized Gain (Loss)	(426,248)	0	(426,248)	(1,414,518)	988,270
0	0	0	0	0	Club Contributed Capital	14,622	0	14,622	0	14,622
318,200	399,000	(80,800)	513,700	(195,500)	Asset Preservation Fee	1,707,200	1,873,200	(166,000)	2,159,550	(452,350)
9,000	0	9,000	0	9,000	Gain/(Loss) on Asset Disposal	46,691	(28,959)	75,650	(93,834)	140,525
(384,320)	(371,219)	(13,101)	(349,971)	(34,349)	Depreciation Expense	(1,862,226)	(1,773,463)	(88,763)	(1,737,382)	(124,844)
953,188	65,350	887,838	108,005	845,183	Capital Related Total	(346,187)	258,619	(604,806)	338,821	(685,008)
1,373,953	503,256	870,697	767,811	606,142	Revenues Over/(Under) Expenses	(2,028,649)	(1,691,332)	(337,317)	(419,634)	(1,609,015)

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
November 30, 2022

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - November was favorable to Budget by \$871K and favorable to Prior Year (hereinafter PY) by \$606K. Year to date (hereinafter YTD) was unfavorable to budget by \$337K and unfavorable to prior year by \$1,609K.

NET OPERATING CASH INFLOW/(OUTFLOW) - November was unfavorable to Budget by \$17K and unfavorable to PY by \$239K. YTD was favorable to Budget by \$267K and unfavorable to PY by \$924K.

OPERATING REVENUES - November revenues were unfavorable to Budget by \$19K and unfavorable to PY by \$19K. YTD was favorable to Budget by \$126K and favorable to PY by \$92K.

Membership - November revenues were unfavorable to the Budget by \$11K and unfavorable to PY by \$45K. YTD was unfavorable to Budget by \$33K and unfavorable to PY by \$56K.

Golf Fees - November revenues were unfavorable to Budget by \$27K and favorable to PY by \$10K. YTD was favorable to Budget by \$65K and to PY by \$111K. November rounds were unfavorable to Budget by 856(-2.9%) and unfavorable to PY by 1,966 (-6.5%). YTD rounds were favorable to Budget by 1,577 and unfavorable to PY by 1,975.

Sports Pavilion - November revenues were favorable to Budget by \$16K and favorable to PY by \$16K. YTD favorable to Budget by \$31K and favorable to PY by \$20K..

EXPENSES - November Operating Expenses were favorable to budget by \$2K and unfavorable to PY by \$220K. YTD was favorable to Budget by \$141K and unfavorable to PY by \$1,016K.

Wages & Benefits - November expenses were unfavorable to Budget by \$20K and unfavorable to PY by \$131K. YTD favorable to Budget by \$59K and unfavorable to PY by \$568K.

Repairs & Maintenance - November expenses were favorable to Budget by \$28K and unfavorable to PY by \$1K. YTD is favorable to Budget by \$63K and unfavorable to PY by \$87K.

Landscape Maintenance - November expenses were favorable to Budget by \$21K and unfavorable to PY by \$33K. YTD is favorable to Budget by \$85K and unfavorable to PY by \$20K.

Supplies and Services - November expenses were unfavorable to Budget and PY by \$19K and \$15K, respectively. YTD expenses are unfavorable to Budget and PY by \$83K and \$86K, respectively.

Equipment - November expenses were unfavorable to Budget and PY by \$17K and \$19K, respectively. YTD expenses are unfavorable to Budget and PY by \$50K and \$76K, respectively.

Legal & Professional - November expenses were favorable to Budget and PY by \$15K and \$12K, respectively. YTD expenses are favorable to Budget by \$67K and favorable to PY by \$45K.

CAPITAL RELATED REVENUES & EXPENSES - November was favorable to Budget by \$888K and favorable to PY by \$845K. YTD is unfavorable to Budget by \$605K and unfavorable to PY by \$685K.

Investment Income - November revenues were favorable to the Budget by \$7K and favorable to PY by \$18K. YTD was favorable to Budget by \$28K and favorable to PY by \$95K.

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 November there were \$964K in realized/unrealized gains, compared to loss of \$83K in PY. YTD total losses are \$477K as compared to \$105K loss in PY.

APF Fees - November APF fees were unfavorable to Budget by \$81K and unfavorable to PY by \$196K. YTD is unfavorable to Budget by \$166K and unfavorable to PY by \$452K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending November 30, 2022 and June 30, 2022

	November-22	June-22
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	10,421,291	13,376,880
Accounts Receivable (net)	147,481	175,396
Notes Receivable	579,032	587,510
Inventories	273,066	196,747
Prepaid and Other Assets	252,766	457,688
Total Current Assets	11,673,636	14,794,221
Board Reserve Funds	27,515,923	27,744,575
<u>Fixed Assets</u>		
Land & Building	109,186,450	107,412,318
Furniture, Fixtures & Equipment	25,226,208	23,947,599
Vehicles	2,136,214	2,136,214
Fixed Assets	136,548,872	133,496,131
Accumulated Depreciation	(86,751,961)	(85,208,200)
Fixed Assets-Net Book Value	49,796,911	48,287,931
Construction In Progress	799,304	949,336
Total Fixed Assets	50,596,215	49,237,267
Total Assets	89,785,774	91,776,063
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	852,161	836,847
Payroll Related Liabilities	1,037,555	1,007,175
Association Events & Other Program Payables	423,736	182,233
Charter Clubs Payables	56,243	56,243
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	38,027,371	38,276,208
Total Liabilities	40,397,066	40,358,706
<u>Members' Equity</u>		
Retained Earnings	51,417,357	50,130,876
Surplus (Deficit)	(2,028,649)	1,286,484
Total Equity	49,388,708	51,417,357
TOTAL LIABILITIES AND EQUITY	89,785,774	91,776,063

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

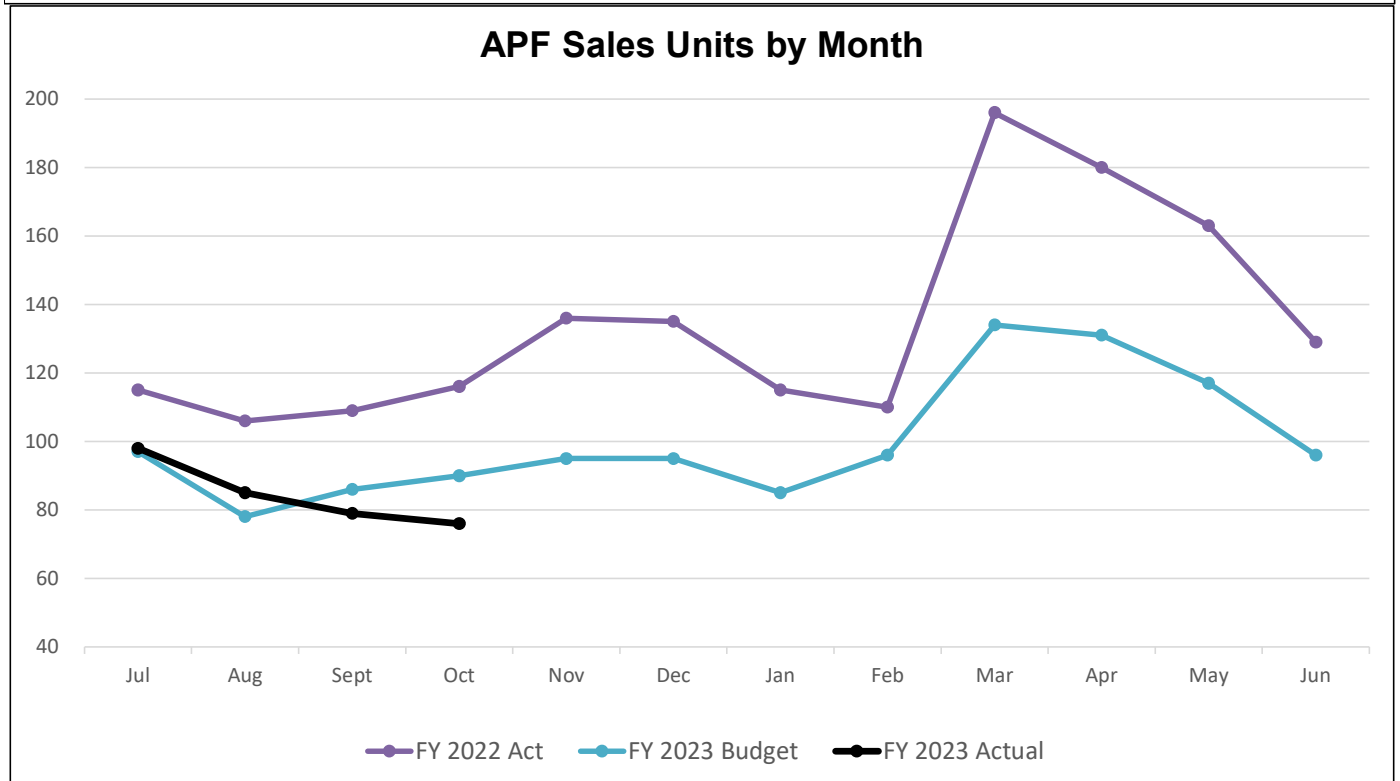
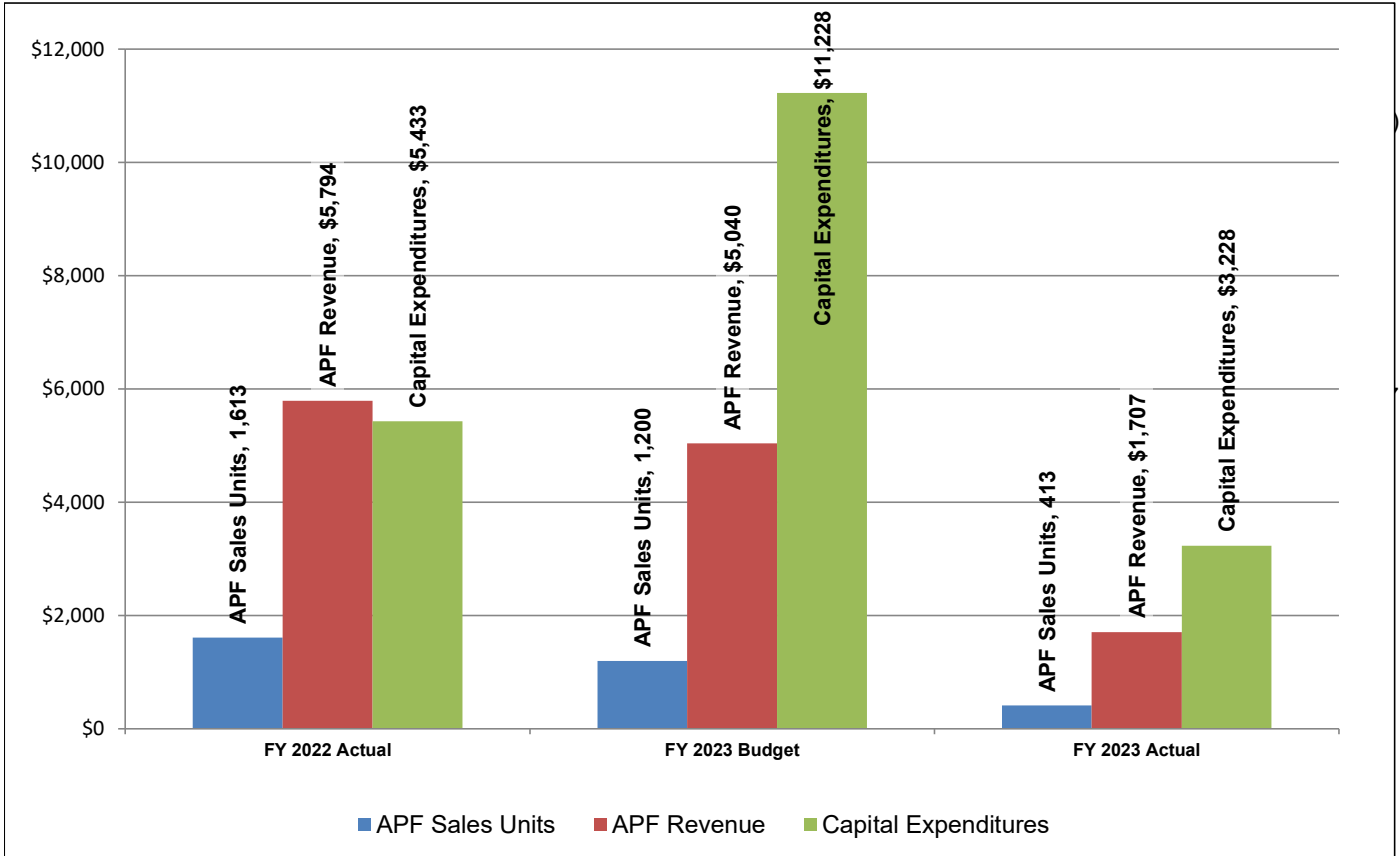
	Five Months Ended November 2022	Fiscal Year Ended June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (2,028,649)	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,862,226	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	(37,691)	83,671
Net (Gains) / Loss on Investments	476,624	3,493,585
Asset Preservation & Facility Investment Fees	(1,707,200)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	36,393	168,694
Inventories	(76,319)	(13,538)
Prepaid expenses and other assets	204,922	(18,008)
Accounts payable and accrued expenses	287,197	(347,708)
Deferred income	(248,837)	37,375
	(1,231,334)	3,403,810
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(3,228,484)	(5,433,307)
Proceeds from Disposal of Fixed Assets	45,000	15,878
Asset Preservation & Facility Investment Fees	1,707,200	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	1,988,062
Net (purchase) redemption of investments	(247,972)	(4,459,230)
	(1,724,256)	(2,094,749)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,955,589)	1,309,061
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,376,882	12,067,821
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 10,421,293	\$ 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)

November			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
75	95	(20)	413	446	(33)
\$ 318	\$ 399	\$ (81)	\$ 1,707	\$ 1,873	\$ (166)
\$ 690	\$ 1,123	\$ (433)	\$ 3,228	\$ 3,930	\$ (702)



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>November 2022</u>	<u>% Total</u>	<u>June 2022</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,580	0.13%	11,145	0.08%	2,435
Checking and Sweep Account	10,407,711	99.87%	13,365,735	99.92%	(2,958,024)
Total Cash and Cash Equivalents	<u>10,421,291</u>	<u>100.00%</u>	<u>13,376,880</u>	<u>100.00%</u>	<u>(2,955,589)</u>
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	304,140	1.11%	228,900	0.83%	75,239
Total Cash Investments	<u>304,140</u>	<u>1.11%</u>	<u>228,900</u>	<u>0.83%</u>	<u>75,239</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,470,381	88.93%	25,015,093	90.16%	(544,712)
Equities	2,741,403	9.96%	2,500,583	9.01%	240,821
Total Fund Investments	<u>27,211,784</u>	<u>98.89%</u>	<u>27,515,675</u>	<u>99.17%</u>	<u>(303,891)</u>
Total Reserve Funds	<u>27,515,923</u>	<u>100.00%</u>	<u>27,744,575</u>	<u>100.00%</u>	<u>(228,652)</u>
TOTAL FUNDS	<u><u>37,937,214</u></u>		<u><u>41,121,455</u></u>		<u><u>(3,184,241)</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	247,972	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) ***	(426,248)	(4,800,397)	(3,591,544)
Ending Balance	<u>27,515,923</u>	<u>27,744,575</u>	<u>27,744,576</u>

*** Unrealized Gains (Losses) are the difference between the basis (cost) of Investments & the market value at any point in time. Reserves Funds are invested based on a long-term investment strategy (F112) and over time Unrealized Gains (Losses) have historically fluctuated both up and down depending on the time period measured (e.g. monthly, annually, since inception).

Unrealized Gains (Losses) are recorded due to accounting rules which produce "Paper" gains/(losses), Realized Gains/(losses) occur at the time investments are sold.

Recreation Centers of Sun City West, Inc.

Summary Item Purchases and Counts of Various Products

Fiscal Year	Rate	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	YTD	% YTD
Golf - Unlimited Card Sales																
FY 2020-21	\$ 3,350	4	9	6	23	21	17	21	10	13	12	7	14	157	63	40%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	73	43%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	73	43%
FY 2022-23	\$ 3,500	8	7	21	28	18								82	82	100%
														% of Budget YTD	112%	
														% of Prior Year YTD	112%	
Kachina Golf Card Sales																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	281	46%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	333	49%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	333	49%
FY 2022-23	\$ 895	15	14	63	94	152								338	338	100%
														% of Budget YTD	102%	
														% of Prior Year YTD	102%	
Coyote Golf Card Sales																
FY 2020-21	\$ 325	13	5	17	75	143	140	101	69	50	38	17	11	679	253	37%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	316	43%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	316	43%
FY 2022-23	\$ 325	8	11	37	123	186								365	365	100%
														% of Budget YTD	116%	
														% of Prior Year YTD	116%	
CNP Frequent Play Card Sales																
FY 2020-21	\$ 1,400	0	1	0	0	3	2	3	1	0	0	0	1	11	4	36%
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	7	47%
FY 2022-23 Bud	\$ 1,500	0	1	0	2	4	1	4	2	0	1	0	0	15	7	47%
FY 2022-23	\$ 1,500	0	0	0	1	0								1	1	100%
														% of Budget YTD	14%	
														% of Prior Year YTD	14%	
Twilight Golf Card Sales																
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	18	38%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	28	47%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	28	44%
FY 2022-23	\$ 1,300	1	5	4	11	12								33	33	100%
														% of Budget YTD	118%	
														% of Prior Year YTD	118%	

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
Range Ball Key Sales																
FY 2020-21	\$90/\$99	98	100	136	173	213	229	231	244	238	202	129	105	2,098	720	34%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	795	34%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	795	32%
FY 2022-23	\$90/\$99	90	122	122	250	297								881	881	100%
														% of Budget YTD	111%	
														% of Prior Year YTD	111%	

Members (with No Golf Card)														Average
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	31,298								31,443

Unlimited Golf Card Holders														Average
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	180								173

Kachina Golf Card Holders														Average
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	676								674

Coyote Golf Card Holders														Average
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	782								743

CNP Freq Play Card Holders														Average
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								14

Twilight Golf Card Holders														Average
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	68								62

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	58,671	36%
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	109,399	38%
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	89,706	38%
FY 2022-23		18,916	7,410	22,531	29,729	28,560								107,146	107,146	100%
														% of Budget YTD		119%
														% of Prior Year YTD		98%
Transfer Fee (Home Sale)																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	659	39%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	641	37%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	595	38%
FY 2022-23	\$ 275	95	88	82	80	83								428	428	100%
														% of Budget YTD		72%
														% of Prior Year YTD		67%
Asset Preservation Fees																
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	547	38%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	585	36%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	446	37%
FY 2022-23	\$ 4,200	98	85	79	76	75								413	413	100%
														% of Budget YTD		93%
														% of Prior Year YTD		71%