

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

April 2023 and the Ten Months Ended

04/30/23

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
April 30, 2023

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					
1,296,839	1,279,951	16,888	1,296,752	87	Membership	12,654,204	12,615,422	38,782	12,722,018	(67,814)
5,440	6,826	(1,386)	9,678	(4,238)	Recreation	103,132	55,806	47,326	94,763	8,369
1,208,123	1,174,245	33,878	1,130,142	77,981	Golf Fees	8,641,300	8,573,639	67,661	8,322,148	319,152
46,522	26,230	20,292	48,074	(1,552)	Sports Pavilion	691,814	562,640	129,174	640,299	51,515
(24,922)	2,910	(27,832)	(1,712)	(23,210)	Special Events	264,070	278,102	(14,032)	243,276	20,794
105,589	93,018	12,571	116,246	(10,657)	Ancillary Revenue	936,473	820,875	115,598	974,655	(38,182)
28,615	8,933	19,682	12,627	15,988	Merchandise Sales (net)	97,611	93,092	4,519	131,746	(34,135)
50,967	31,712	19,255	48,364	2,603	Food and Beverage (net)	393,613	351,682	41,931	355,482	38,131
29,350	0	29,350	0	29,350	Interest Income - Operating	80,032	0	80,032	2,537	77,495
872	0	872	145	727	Other Income	3,579	0	3,579	1,687	1,892
2,747,395	2,623,825	123,570	2,660,316	87,079	Operating Revenues Total	23,865,828	23,351,258	514,570	23,488,611	377,217
					Operating Expenses					
1,362,613	1,380,072	17,459	1,262,054	(100,559)	Wages And Benefits	13,711,545	13,584,071	(127,474)	12,362,432	(1,349,113)
216,238	189,947	(26,291)	191,285	(24,953)	Utilities	2,133,192	2,065,951	(67,241)	1,984,864	(148,328)
170,286	165,445	(4,841)	121,743	(48,543)	Repair and Maintenance	1,423,312	1,396,681	(26,631)	1,227,472	(195,840)
82,560	108,610	26,050	118,469	35,909	Landscape Maintenance	1,871,493	1,783,080	(88,413)	1,822,776	(48,717)
61,502	41,530	(19,972)	54,989	(6,513)	Supplies and Services	589,605	462,935	(126,670)	507,516	(82,089)
18,383	13,393	(4,990)	17,153	(1,230)	Equipment	211,682	142,682	(69,000)	149,302	(62,380)
64,024	64,270	246	61,406	(2,618)	Taxes and Insurance	661,622	652,750	(8,872)	628,914	(32,708)
71,587	55,477	(16,110)	53,479	(18,108)	Interest & Financial Expense	545,114	476,493	(68,621)	453,658	(91,456)
58,910	53,205	(5,705)	44,223	(14,687)	Operating Expenses	534,349	561,714	27,365	433,936	(100,413)
12,892	27,815	14,923	23,992	11,100	Legal and Professional	94,522	227,850	133,328	225,686	131,164
14,650	15,164	514	9,193	(5,457)	Employee Related Expenses	144,639	140,724	(3,915)	102,740	(41,899)
2,133,645	2,114,928	(18,717)	1,957,986	(175,659)	Operating Expenses Total	21,921,075	21,494,931	(426,144)	19,899,296	(2,021,779)
613,750	508,897	104,853	702,330	(88,580)	Operating Cash Inflow/(Outflow)	1,944,753	1,856,327	88,426	3,589,315	(1,644,562)
					Capital Related					
82,269	43,907	38,362	42,252	40,017	Investment Income - Reserves	625,977	439,065	186,912	412,556	213,421
(5,000)	(6,338)	1,338	(5,000)	0	Investment Fees	(48,515)	(63,383)	14,868	(62,350)	13,835
(99,642)	0	(99,642)	0	(99,642)	Investment - Realized Gain (Loss)	(150,018)	0	(150,018)	1,306,812	(1,456,830)
208,830	0	208,830	(1,125,788)	1,334,618	Investment - Unrealized Gain (Loss)	151,734	0	151,734	(4,331,343)	4,483,077
0	0	0	10,025	(10,025)	Club Contributed Capital	14,622	0	14,622	10,025	4,597
474,600	550,200	(75,600)	665,200	(190,600)	Asset Preservation Fee	3,532,700	4,145,400	(612,700)	4,814,347	(1,281,647)
4,104	0	4,104	0	4,104	Gain/(Loss) on Asset Disposal	51,795	(28,959)	80,754	(82,034)	133,829
(398,489)	(372,398)	(26,091)	(380,053)	(18,436)	Depreciation Expense	(3,823,174)	(3,645,206)	(177,968)	(3,536,463)	(286,711)
266,672	215,371	51,301	(793,364)	1,060,036	Capital Related Total	355,121	846,917	(491,796)	(1,468,450)	1,823,571
880,422	724,268	156,154	(91,034)	971,456	Revenues Over/(Under) Expenses	2,299,874	2,703,244	(403,370)	2,120,865	179,009

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
April 30, 2023

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - April was favorable to Budget by \$156K and favorable to Prior Year (hereinafter PY) by \$971K. Year to date (hereinafter YTD) was unfavorable to budget by \$403K and favorable to prior year by \$179K.

NET OPERATING CASH INFLOW/(OUTFLOW) - April was favorable to Budget by \$105K and unfavorable to PY by \$89K. YTD was favorable to Budget by \$88K and unfavorable to PY by \$1,645K.

OPERATING REVENUES - April revenues were favorable to Budget by \$124K and favorable to PY by \$87K. YTD was favorable to Budget by \$515K and favorable to PY by \$377K.

Golf Fees - April revenues were favorable to Budget by \$34K and favorable to PY by \$78K. YTD was favorable to Budget by \$68K and to PY by \$319K. April rounds were favorable to Budget by 1,118 and unfavorable to PY by 546. YTD rounds were unfavorable to Budget by 940 and unfavorable to PY by 13,288.

Sports Pavilion - April revenues were favorable to Budget by \$20K and unfavorable to PY by \$2K. YTD favorable to Budget by \$129K and favorable to PY by \$52K..

Special Events - April revenues were unfavorable to Budget by \$28K and unfavorable to PY by \$23K. YTD unfavorable to Budget by \$14K and favorable to PY by \$21K. This is mostly due to timing of expenses/revenues.

Food & Beverage - April revenues were favorable to Budget by \$19K and favorable to PY by \$3K. YTD favorable to Budget by \$42K and favorable to PY by \$38K..

EXPENSES - April Operating Expenses were unfavorable to budget by \$19K and unfavorable to PY by \$176K. YTD was unfavorable to Budget by \$426K and unfavorable to PY by \$2,022K.

Wages & Benefits - April expenses were unfavorable to Budget by \$17K and unfavorable to PY by \$101K. YTD unfavorable to Budget by \$127K and unfavorable to PY by \$1,349K.

Utilities - April expenses were unfavorable to Budget by \$27K and unfavorable to PY by \$25K. YTD unfavorable to Budget by \$67K and unfavorable to PY by \$148K.

Landscape Maintenance - April expenses were favorable to Budget by \$26K and favorable to PY by \$36K. YTD is unfavorable to Budget by \$88K and unfavorable to PY by \$49K.

Legal & Professional - April expenses were favorable to Budget and PY by \$15K and \$11K, respectively. YTD expenses are favorable to Budget by \$133K and favorable to PY by \$131K.

CAPITAL RELATED REVENUES & EXPENSES - April was favorable to Budget by \$51K and favorable to PY by \$1,060K. YTD is unfavorable to Budget by \$492K and favorable to PY by \$1,824K.

Investment Income - April revenues were favorable to the Budget by \$38K and favorable to PY by \$40K. YTD was favorable to Budget by \$187K and favorable to PY by \$213K.

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 April there were \$109K in realized/unrealized gains, compared to loss of \$1,126K in PY. YTD total gains are \$2K as compared to \$3,024K loss in PY.

APF Fees - April APF fees were unfavorable to Budget by \$76K and unfavorable to PY by \$191K. YTD is unfavorable to Budget by \$613K and unfavorable to PY by \$1,282K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending April 30, 2023 and June 30, 2022

	April-23	June-22
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	11,607,594	13,376,880
Accounts Receivable (net)	171,977	175,396
Notes Receivable	502,951	587,510
Inventories	224,805	196,747
Prepaid and Other Assets	570,393	457,688
Total Current Assets	13,077,720	14,794,221
Board Reserve Funds	31,608,008	27,744,575
<u>Fixed Assets</u>		
Land & Building	109,643,216	107,412,318
Furniture, Fixtures & Equipment	25,871,626	23,947,599
Vehicles	2,063,047	2,136,214
Fixed Assets	137,577,889	133,496,131
Accumulated Depreciation	(88,407,519)	(85,208,200)
Fixed Assets-Net Book Value	49,170,370	48,287,931
Construction In Progress	3,193,668	949,336
Total Fixed Assets	52,364,038	49,237,267
Total Assets	97,049,766	91,776,063
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	3,185,618	836,847
Payroll Related Liabilities	786,789	1,007,175
Association Events & Other Program Payables	205,313	182,233
Charter Clubs Payables	91,593	56,243
Notes Payable	-	-
Deferred Membership Dues/Fees & Golf Revenues	39,063,222	38,276,208
Total Liabilities	43,332,535	40,358,706
<u>Members' Equity</u>		
Retained Earnings	51,417,357	50,130,876
Surplus (Deficit)	2,299,874	1,286,484
Total Equity	53,717,231	51,417,357
TOTAL LIABILITIES AND EQUITY	97,049,766	91,776,063

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

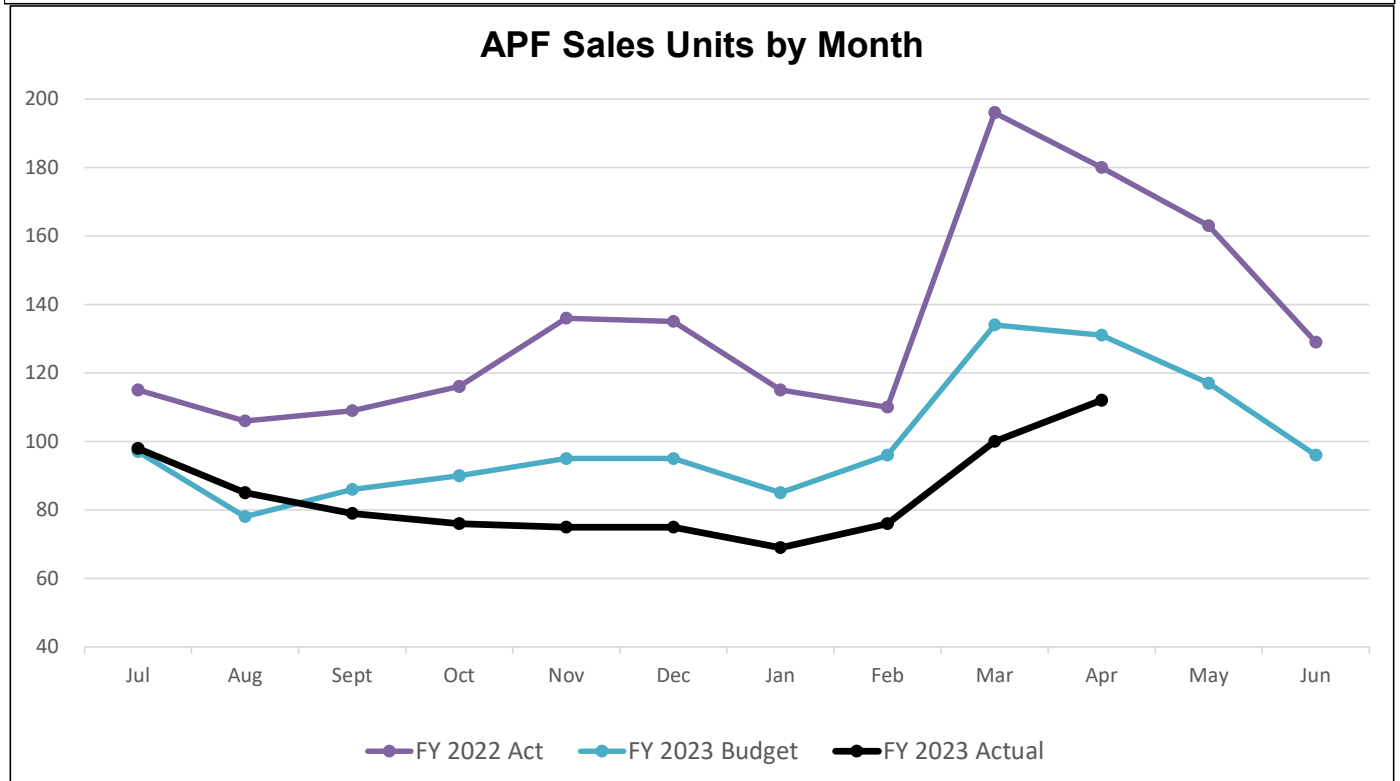
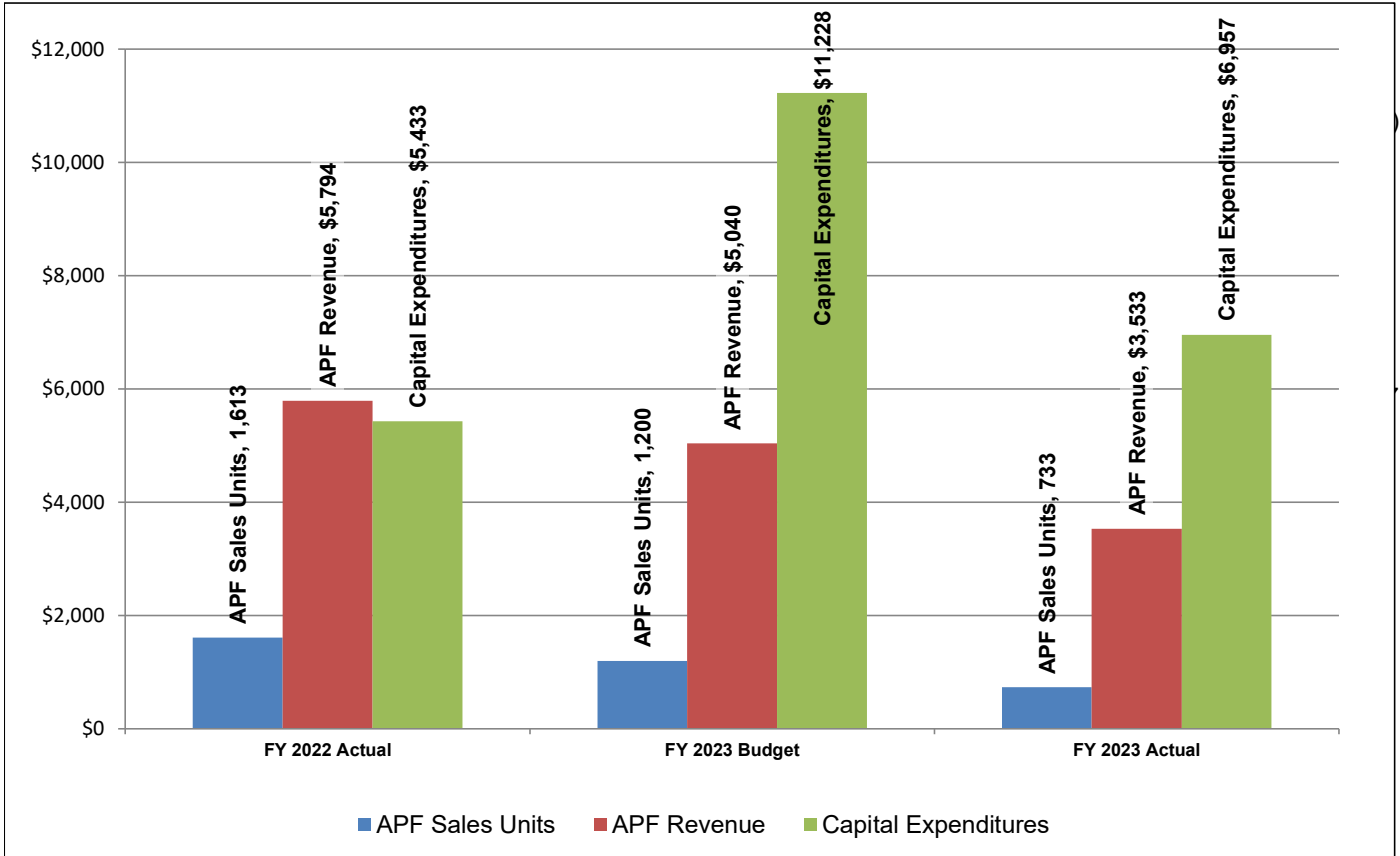
	Ten Months Ended April 2023	Fiscal Year Ended June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,299,874	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	3,823,174	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	(51,795)	83,671
Net (Gains) / Loss on Investments	(1,716)	3,493,585
Asset Preservation & Facility Investment Fees	(3,532,700)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	87,978	168,694
Inventories	(28,058)	(13,538)
Prepaid expenses and other assets	(112,705)	(18,008)
Accounts payable and accrued expenses	2,186,815	(347,708)
Deferred income	787,014	37,375
	5,457,881	3,403,810
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(6,957,256)	(5,433,307)
Proceeds from Disposal of Fixed Assets	59,104	15,878
Asset Preservation & Facility Investment Fees	3,532,700	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	3,235,740	1,988,062
Net (purchase) redemption of investments	(7,097,457)	(4,459,230)
	(7,227,169)	(2,094,749)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,769,287)	1,309,061
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,376,882	12,067,821
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 11,607,595	\$ 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)

April			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
112	131	(19)	733	856	(123)
\$ 475	\$ 550	\$ (76)	\$ 3,533	\$ 4,145	\$ (613)
\$ 2,493	\$ 1,684	\$ 809	\$ 6,957	\$ 8,982	\$ (2,025)



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>April 2023</u>	<u>% Total</u>	<u>June 2022</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,680	0.12%	11,145	0.08%	2,535
Short-term Operating Cash Investments	8,410,708		-	0.00%	8,410,708
Checking and Sweep Account	3,183,205	27.42%	13,365,735	99.92%	(10,182,530)
Total Cash and Cash Equivalents	<u>11,607,594</u>	<u>100.00%</u>	<u>13,376,880</u>	<u>100.00%</u>	<u>(1,769,286)</u>
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	152,816	0.48%	228,900	0.83%	(76,084)
Total Cash Investments	<u>152,816</u>	<u>0.48%</u>	<u>228,900</u>	<u>0.83%</u>	<u>(76,084)</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	28,413,482	89.89%	25,015,093	90.16%	3,398,389
Equities	3,041,710	9.62%	2,500,583	9.01%	541,128
Total Fund Investments	<u>31,455,192</u>	<u>99.52%</u>	<u>27,515,675</u>	<u>99.17%</u>	<u>3,939,517</u>
Total Reserve Funds	<u>31,608,008</u>	<u>100.00%</u>	<u>27,744,575</u>	<u>100.00%</u>	<u>3,863,432</u>
TOTAL FUNDS	<u><u>43,215,601</u></u>		<u><u>41,121,455</u></u>		<u><u>2,094,146</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	3,235,740	5,098,324	23,348,324
Investment Earnings	625,977	496,120	3,518,038
Advisor Fees	-	(13,277)	(181,015)
Realized Gains (Losses)	(150,018)	1,306,812	4,650,773
Un-Realized Gains (Losses) ***	151,734	(4,800,397)	(3,591,544)
Ending Balance	<u>31,608,008</u>	<u>27,744,575</u>	<u>27,744,576</u>

*** Unrealized Gains (Losses) are the difference between the basis (cost) of Investments & the market value at any point in time. Reserve Funds are invested based on a long-term investment strategy (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	136	87%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	149	89%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	149	88%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13			169	169	100%
															% of Budget YTD	113%
															% of Prior Year YTD	113%
Kachina Golf Card Sales																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	559	92%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	635	94%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	635	94%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38			645	645	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	651	96%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	702	95%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	702	95%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29			766	766	100%
															% of Budget YTD	109%
															% of Prior Year YTD	109%
CNP Frequent Play Card Sales																
FY 2020-21	\$ 1,400	0	1	0	0	3	2	3	1	0	0	0	1	11	10	91%
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	15	100%
FY 2022-23 Bud	\$ 1,500	0	1	0	2	4	1	4	2	0	1	0	0	15	15	100%
FY 2022-23	\$ 1,500	0	0	0	1	0	3	3	1	0	0			8	8	100%
															% of Budget YTD	53%
															% of Prior Year YTD	53%
Twilight Golf Card Sales																
FY 2020-21	\$ 1,250	2	3	1	3	9	9	6	7	2	0	1	4	47	42	89%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	56	95%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	56	88%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6			64	64	100%
															% of Budget YTD	114%
															% of Prior Year YTD	114%

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	1,864	89%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	2,043	89%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	2,228	89%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241			2,256	2,256	100%
														% of Budget YTD	101%	
														% of Prior Year YTD	110%	

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	31,290	31,407	31,400	31,368	31,218			31,390

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	181	182	181	184	185			178

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	675	670	662	661	668			671

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	789	809	802	799	791			771

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	16	15	14	14	12			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	70	71	70	66	70			66

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	141,724	86%
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	249,993	86%
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	204,995	86%
FY 2022-23		18,916	7,410	22,531	29,729	28,560	27,123	33,830	31,822	34,595	16,939			251,455	251,455	100%
														% of Budget YTD	123%	
														% of Prior Year YTD	101%	
Transfer Fee (Home Sale)																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	1,371	82%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	1,418	83%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	1,289	82%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131			898	898	100%
														% of Budget YTD	70%	
														% of Prior Year YTD	63%	
Asset Preservation Fees																
FY 2020-21	\$ 3,500	115	81	105	111	135	118	97	119	151	140	166	107	1,445	1,172	81%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	1,321	82%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	987	82%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112			845	845	100%
														% of Budget YTD	86%	
														% of Prior Year YTD	64%	