

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

May 2023 and the Eleven Months Ended

05/31/23

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
May 31, 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					
1,291,532	1,274,611	16,921	1,264,376	27,156	Membership	13,945,736	13,890,033	55,703	13,986,394	(40,658)
25,331	3,064	22,267	4,286	21,045	Recreation	128,463	58,870	69,593	99,048	29,415
619,286	581,685	37,601	579,853	39,433	Golf Fees	9,260,584	9,155,326	105,258	8,902,001	358,583
43,462	17,953	25,509	48,276	(4,814)	Sports Pavilion	735,276	580,593	154,683	688,575	46,701
(4,804)	(970)	(3,834)	(4,135)	(669)	Special Events	259,266	277,132	(17,866)	239,141	20,125
67,788	62,029	5,759	76,915	(9,127)	Ancillary Revenue	1,004,261	882,904	121,357	1,051,570	(47,309)
8,012	5,824	2,188	16,132	(8,120)	Merchandise Sales (net)	105,622	98,916	6,706	147,880	(42,258)
38,140	24,263	13,877	28,314	9,826	Food and Beverage (net)	431,755	375,946	55,809	383,797	47,958
12,357	0	12,357	0	12,357	Interest Income - Operating	92,389	0	92,389	2,537	89,852
(1,595)	0	(1,595)	98	(1,693)	Other Income	1,984	0	1,984	1,785	199
2,099,509	1,968,459	131,050	2,014,115	85,394	Operating Revenues Total	25,965,336	25,319,720	645,616	25,502,728	462,608
					Operating Expenses					
1,414,821	1,420,182	5,361	1,209,943	(204,878)	Wages And Benefits	15,126,365	15,004,253	(122,112)	13,572,373	(1,553,992)
258,717	215,337	(43,380)	248,374	(10,343)	Utilities	2,391,904	2,281,288	(110,616)	2,233,242	(158,662)
123,499	134,600	11,101	188,844	65,345	Repair and Maintenance	1,546,810	1,531,280	(15,530)	1,416,316	(130,494)
68,497	88,660	20,163	140,819	72,322	Landscape Maintenance	1,939,988	1,871,740	(68,248)	1,963,596	23,608
66,627	42,775	(23,852)	39,987	(26,640)	Supplies and Services	656,234	505,710	(150,524)	547,500	(108,734)
6,947	16,793	9,846	11,836	4,889	Equipment	218,626	159,475	(59,151)	161,137	(57,489)
63,726	65,140	1,414	66,187	2,461	Taxes and Insurance	725,347	717,890	(7,457)	695,100	(30,247)
47,429	41,840	(5,589)	39,439	(7,990)	Interest & Financial Expense	592,546	518,333	(74,213)	493,096	(99,450)
74,883	72,973	(1,910)	50,133	(24,750)	Operating Expenses	609,234	634,687	25,453	484,069	(125,165)
12,284	27,125	14,841	26,157	13,873	Legal and Professional	106,806	254,975	148,169	251,844	145,038
7,877	16,498	8,621	12,455	4,578	Employee Related Expenses	152,518	157,223	4,705	115,194	(37,324)
2,145,307	2,141,923	(3,384)	2,034,174	(111,133)	Operating Expenses Total	24,066,378	23,636,854	(429,524)	21,933,467	(2,132,911)
(45,798)	(173,464)	127,666	(20,059)	(25,739)	Operating Cash Inflow/(Outflow)	1,898,958	1,682,866	216,092	3,569,261	(1,670,303)
					Capital Related					
78,544	43,907	34,637	40,769	37,775	Investment Income - Reserves	704,521	482,972	221,549	453,324	251,197
(5,363)	(6,338)	975	(5,000)	(363)	Investment Fees	(53,878)	(69,722)	15,844	(67,350)	13,472
(134,474)	0	(134,474)	0	(134,474)	Investment - Realized Gain (Loss)	(284,492)	0	(284,492)	1,306,812	(1,591,304)
(186,994)	0	(186,994)	195,250	(382,244)	Investment - Unrealized Gain (Loss)	(35,260)	0	(35,260)	(4,136,093)	4,100,833
39,340	0	39,340	0	39,340	Club Contributed Capital	53,962	0	53,962	10,025	43,937
592,100	491,400	100,700	536,100	56,000	Asset Preservation Fee	4,124,800	4,636,800	(512,000)	5,350,447	(1,225,647)
16,650	(1,759)	18,409	0	16,650	Gain/(Loss) on Asset Disposal	68,445	(30,718)	99,163	(82,034)	150,479
(401,859)	(372,091)	(29,768)	(369,354)	(32,505)	Depreciation Expense	(4,225,033)	(4,017,297)	(207,736)	(3,905,817)	(319,216)
(2,056)	155,119	(157,175)	397,765	(399,821)	Capital Related Total	353,065	1,002,035	(648,970)	(1,070,686)	1,423,751
(47,854)	(18,345)	(29,509)	377,706	(425,560)	Revenues Over/(Under) Expenses	2,252,023	2,684,901	(432,878)	2,498,575	(246,552)

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
May 31, 2023

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - May was unfavorable to Budget by \$30K and unfavorable to Prior Year (hereinafter PY) by \$426K. Year to date (hereinafter YTD) was unfavorable to budget by \$433K and unfavorable to prior year by \$247K.

NET OPERATING CASH INFLOW/(OUTFLOW) - May was favorable to Budget by \$128K and unfavorable to PY by \$26K. YTD was favorable to Budget by \$216K and unfavorable to PY by \$1,670K.

OPERATING REVENUES - May revenues were favorable to Budget by \$131K and favorable to PY by \$85K. YTD was favorable to Budget by \$646K and favorable to PY by \$463K.

Membership - May revenues were favorable to the Budget by \$17K and favorable to PY by \$27K. YTD was favorable to Budget by \$56K and unfavorable to PY by \$41K.

Recreation - May revenues were favorable to Budget by \$22K and favorable to PY by \$21K. YTD revenues were favorable to Budget by \$70K and favorable to PY by \$29K.

Golf Fees - May revenues were favorable to Budget by \$38K and favorable to PY by \$39K. YTD was favorable to Budget by \$105K and to PY by \$359K. May rounds were favorable to Budget by 1,520 and favorable to PY by 591. YTD rounds were favorable to Budget by 579 and unfavorable to PY by 12,698.

Sports Pavilion - May revenues were favorable to Budget by \$26K and unfavorable to PY by \$5K. YTD favorable to Budget by \$155K and favorable to PY by \$47K.

Food & Beverage - May revenues were favorable to Budget by \$14K and favorable to PY by \$10K. YTD favorable to Budget by \$56K and favorable to PY by \$48K.

EXPENSES - May Operating Expenses were unfavorable to budget by \$3K and unfavorable to PY by \$111K. YTD was unfavorable to Budget by \$430K and unfavorable to PY by \$2,133K.

Wages & Benefits - May expenses were favorable to Budget by \$5K and unfavorable to PY by \$205K. YTD unfavorable to Budget by \$122K and unfavorable to PY by \$1,554K.

Utilities - May expenses were unfavorable to Budget by \$43K and unfavorable to PY by \$10K. YTD unfavorable to Budget by \$111K and unfavorable to PY by \$159K.

Repairs & Maintenance - May expenses were favorable to Budget by \$11K and favorable to PY by \$65K. YTD is unfavorable to Budget by \$16K and unfavorable to PY by \$130K.

Landscape Maintenance - May expenses were favorable to Budget by \$20K and favorable to PY by \$72K. YTD is unfavorable to Budget by \$68K and favorable to PY by \$24K.

Supplies and Services - May expenses were unfavorable to Budget and PY by \$24K and \$27K, respectively. YTD expenses are unfavorable to Budget and PY by \$150K and \$109K, respectively.

Legal & Professional - May expenses were favorable to Budget and PY by \$15K and \$14K, respectively. YTD expenses are favorable to Budget by \$148K and favorable to PY by \$145K.

CAPITAL RELATED REVENUES & EXPENSES - May was unfavorable to Budget by \$157K and unfavorable to PY by \$340K. YTD is unfavorable to Budget by \$649K and favorable to PY by \$1,424K.

Investment Income - May revenues were favorable to the Budget by \$35K and favorable to PY by \$38K. YTD was favorable to Budget by \$222K and favorable to PY by \$251K.

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 May there were \$321K in realized/unrealized loss, compared to gain of \$195K in PY. YTD total loss are \$318K as compared to \$2,829K loss in PY.

APF Fees - May APF fees were favorable to Budget by \$101K and favorable to PY by \$56K. YTD is unfavorable to Budget by \$512K and unfavorable to PY by \$1,226K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending May 31, 2023 and June 30, 2022

	May-23	June-22
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	9,542,787	13,376,880
Accounts Receivable (net)	181,730	175,396
Notes Receivable	511,477	587,510
Inventories	211,737	196,747
Prepaid and Other Assets	572,717	457,688
Total Current Assets	11,020,448	14,794,221
Board Reserve Funds	31,365,083	27,744,575
<u>Fixed Assets</u>		
Land & Building	109,974,789	107,412,318
Furniture, Fixtures & Equipment	25,842,133	23,947,599
Vehicles	2,016,297	2,136,214
Fixed Assets	137,833,219	133,496,131
Accumulated Depreciation	(88,530,927)	(85,208,200)
Fixed Assets-Net Book Value	49,302,292	48,287,931
Construction In Progress	2,958,769	949,336
Total Fixed Assets	52,261,061	49,237,267
Total Assets	94,646,592	91,776,063
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	618,942	836,846
Payroll Related Liabilities	956,055	1,007,175
Association Events & Other Program Payables	237,745	182,233
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	39,108,227	38,276,208
Total Liabilities	40,977,212	40,358,705
<u>Members' Equity</u>		
Retained Earnings	51,417,357	50,130,873
Surplus (Deficit)	2,252,023	1,286,484
Total Equity	53,669,380	51,417,357
TOTAL LIABILITIES AND EQUITY	94,646,592	91,776,062

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

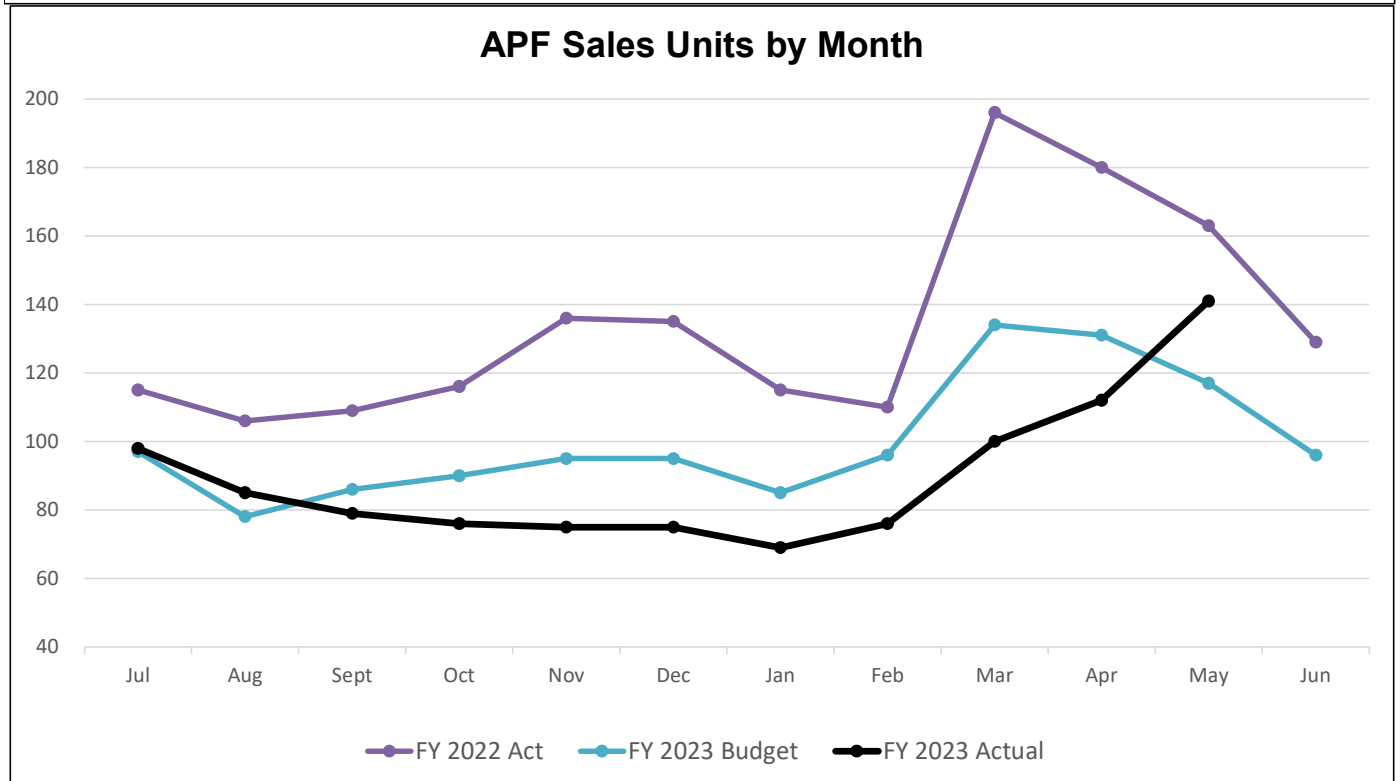
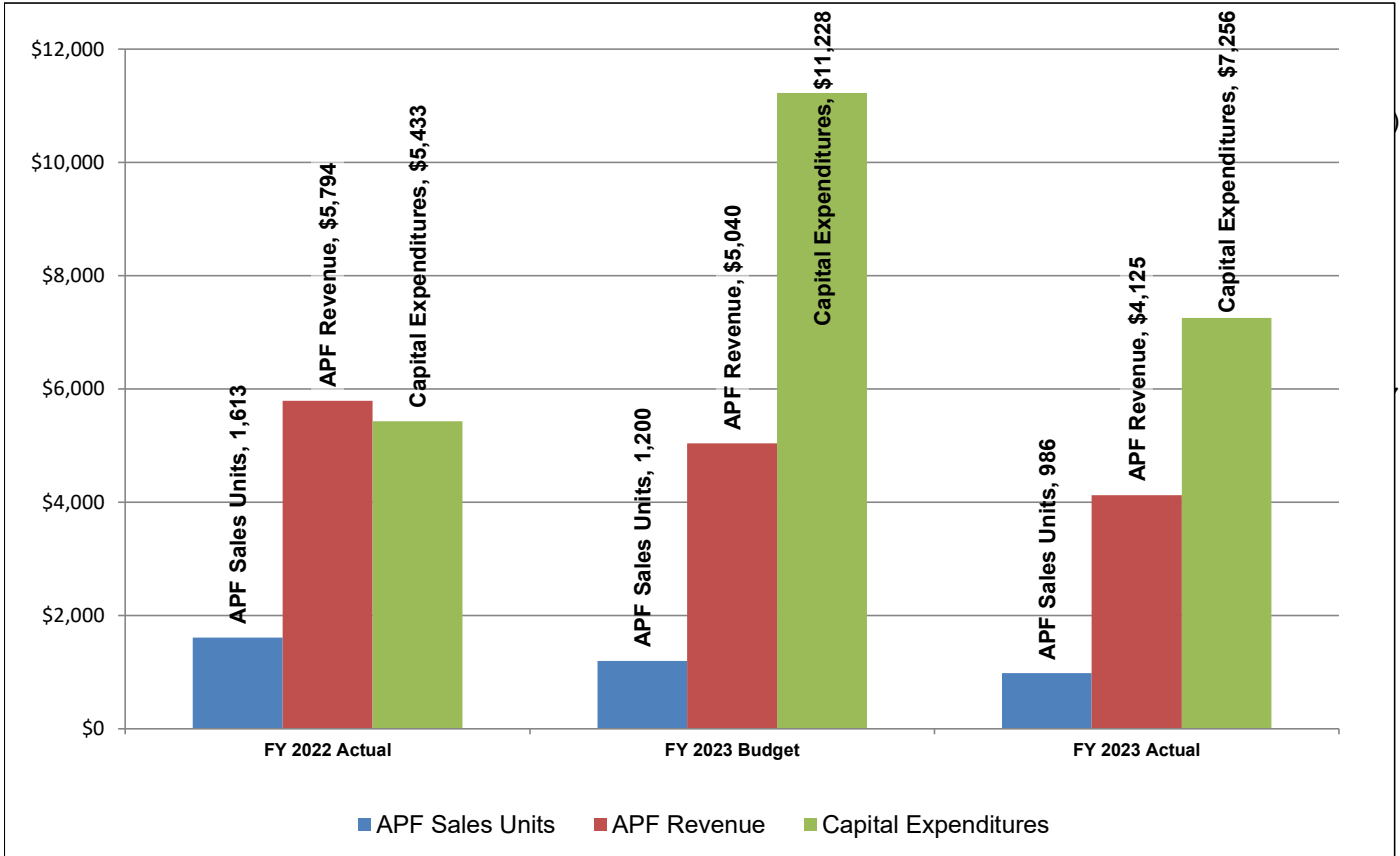
	Eleven Months Ended May 2023	Fiscal Year Ended June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,252,023	\$ 1,511,749
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	4,225,033	4,281,837
(Gain) / Loss on Disposals of Fixed Assets	(68,445)	83,671
Net (Gains) / Loss on Investments	319,752	3,493,585
Asset Preservation & Facility Investment Fees	(4,124,800)	(5,793,847)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	69,699	168,694
Inventories	(14,990)	(13,538)
Prepaid expenses and other assets	(115,029)	(18,008)
Accounts payable and accrued expenses	(213,512)	(347,708)
Deferred income	832,019	37,375
	3,161,750	3,403,810
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(7,256,137)	(5,433,307)
Proceeds from Disposal of Fixed Assets	75,754	15,878
Asset Preservation & Facility Investment Fees	4,124,800	5,793,847
Cash Flow Funding Transfer (to) / from Reserves (Net)	3,235,740	1,988,062
Net (purchase) redemption of investments	(7,176,000)	(4,459,230)
	(6,995,843)	(2,094,749)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,834,092)	1,309,061
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,376,882	12,067,821
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 9,542,789	\$ 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)
141	117	24	986	1,104	(118)
\$ 592	\$ 491	\$ 101	\$ 4,125	\$ 4,637	\$ (512)
\$ 299	\$ 1,123	\$ (824)	\$ 7,256	\$ 10,105	\$ (2,849)



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>May 2023</u>	<u>% Total</u>	<u>June 2022</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,680	0.14%	11,145	0.08%	2,535
Short-term Operating Cash Investments	4,922,617		-	0.00%	4,922,617
Checking and Sweep Account	4,606,490	48.27%	13,365,735	99.92%	(8,759,245)
Total Cash and Cash Equivalents	<u>9,542,787</u>	<u>100.00%</u>	<u>13,376,880</u>	<u>100.00%</u>	<u>(3,834,093)</u>
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	169,328	0.54%	228,900	0.83%	(59,572)
Total Cash Investments	<u>169,328</u>	<u>0.54%</u>	<u>228,900</u>	<u>0.83%</u>	<u>(59,572)</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	28,267,962	90.13%	25,015,093	90.16%	3,252,869
Equities	2,927,794	9.33%	2,500,583	9.01%	427,211
Total Fund Investments	<u>31,195,755</u>	<u>99.46%</u>	<u>27,515,675</u>	<u>99.17%</u>	<u>3,680,080</u>
Total Reserve Funds	<u>31,365,083</u>	<u>100.00%</u>	<u>27,744,575</u>	<u>100.00%</u>	<u>3,620,508</u>
TOTAL FUNDS	<u><u>40,907,870</u></u>		<u><u>41,121,455</u></u>		<u><u>(213,585)</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	704,521	496,120	3,518,038
Advisor Fees	-	(13,277)	(181,015)
Realized Gains (Losses)	(284,492)	1,306,812	4,650,773
Un-Realized Gains (Losses) ***	<u>(35,260)</u>	<u>(4,800,397)</u>	<u>(3,591,544)</u>
Ending Balance	<u>31,365,084</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	143	91%
FY 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	154	92%
FY 2022-23 Bud	\$ 3,500	6	8	11	25	23	21	23	11	7	14	6	14	169	155	92%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7		176	176	100%
														% of Budget YTD	114%	
														% of Prior Year YTD	114%	
Kachina Golf Card Sales																
FY 2020-21	\$ 895	11	19	40	86	125	78	61	63	54	22	25	24	608	584	96%
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	658	98%
FY 2022-23 Bud	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	658	98%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25		670	670	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	668	98%
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	728	98%
FY 2022-23 Bud	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	728	98%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14		780	780	100%
														% of Budget YTD	107%	
														% of Prior Year YTD	107%	
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	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	43	91%
FY 2021-22	\$ 1,250	3	5	3	8	9	9	9	4	5	1	1	2	59	57	97%
FY 2022-23 Bud	\$ 1,300	3	5	3	8	9	9	9	4	5	1	6	2	64	62	97%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6	4		68	68	100%
														% of Budget YTD	110%	
														% of Prior Year YTD	119%	

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	1,993	95%
FY 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	2,189	95%
FY 2022-23 Bud	\$ 90	84	102	113	213	283	232	338	309	336	218	146	116	2,490	2,374	95%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160		2,416	2,416	100%
														% of Budget YTD		102%
														% 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	30,926		31,348

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	184		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	669		670

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	776		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	11		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	71		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	149,747	91%
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	269,799	93%
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	221,236	93%
FY 2022-23		18,916	7,410	22,531	29,729	28,560	27,123	33,830	31,822	34,595	16,939	18,352		269,807	269,807	100%
														% of Budget YTD	122%	
														% of Prior Year YTD	100%	
Transfer Fee (Home Sale)																
FY 2020-21	\$ 275	147	104	134	132	142	139	106	136	182	149	175	133	1,679	1,546	92%
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	1,580	92%
FY 2022-23 Bud	\$ 275	131	108	111	122	123	123	108	127	163	173	150	129	1,568	1,439	92%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154		1,052	1,052	100%
														% of Budget YTD	73%	
														% 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	1,338	93%
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	1,484	92%
FY 2022-23 Bud	\$ 4,200	97	78	86	90	95	95	85	96	134	131	117	96	1,200	1,104	92%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141		986	986	100%
														% of Budget YTD	89%	
														% of Prior Year YTD	66%	