

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

July 2023 and the One Month Ended

07/31/23

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
July 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					
1,200,189	1,196,804	3,385	1,136,190	63,999	Membership	1,200,189	1,196,804	3,385	1,136,190	63,999
3,288	1,832	1,456	1,745	1,543	Recreation	3,288	1,832	1,456	1,745	1,543
309,955	322,529	(12,574)	308,309	1,646	Golf Fees	309,955	322,529	(12,574)	308,309	1,646
43,337	43,533	(196)	41,461	1,876	Sports Pavilion	43,337	43,533	(196)	41,461	1,876
(253)	(1,304)	1,051	(530)	277	Special Events	(253)	(1,304)	1,051	(530)	277
29,740	42,376	(12,636)	45,125	(15,385)	Ancillary Revenue	29,740	42,376	(12,636)	45,125	(15,385)
1,177	5,673	(4,496)	5,403	(4,226)	Merchandise Sales (net)	1,177	5,673	(4,496)	5,403	(4,226)
34,017	27,013	7,004	26,916	7,101	Food and Beverage (net)	34,017	27,013	7,004	26,916	7,101
0	0	0	0	0	Interest Income - Operating	0	0	0	0	0
211	44	167	79	132	Other Income	211	44	167	79	132
1,621,661	1,638,500	(16,839)	1,564,698	56,963	Operating Revenues Total	1,621,661	1,638,500	(16,839)	1,564,698	56,963
					Operating Expenses					
1,373,109	1,437,634	64,525	1,302,099	(71,010)	Wages And Benefits	1,373,109	1,437,634	64,525	1,302,099	(71,010)
294,237	265,972	(28,265)	258,225	(36,012)	Utilities	294,237	265,972	(28,265)	258,225	(36,012)
171,547	169,693	(1,854)	165,819	(5,728)	Repair and Maintenance	171,547	169,693	(1,854)	165,819	(5,728)
88,887	85,878	(3,009)	110,222	21,335	Landscape Maintenance	88,887	85,878	(3,009)	110,222	21,335
45,105	59,514	14,409	62,953	17,848	Supplies and Services	45,105	59,514	14,409	62,953	17,848
2,523	4,752	2,229	10,883	8,360	Equipment	2,523	4,752	2,229	10,883	8,360
65,902	66,242	340	62,384	(3,518)	Taxes, Licenses and Insurance	65,902	66,242	340	62,384	(3,518)
39,941	31,526	(8,415)	29,913	(10,028)	Interest & Financial Expense	39,941	31,526	(8,415)	29,913	(10,028)
41,817	54,941	13,124	61,809	19,992	Operating Expenses	41,817	54,941	13,124	61,809	19,992
11,014	5,749	(5,265)	6,467	(4,547)	Legal and Professional	11,014	5,749	(5,265)	6,467	(4,547)
16,361	19,833	3,472	15,543	(818)	Employee Related Expenses	16,361	19,833	3,472	15,543	(818)
2,150,443	2,201,734	51,291	2,086,317	(64,126)	Operating Expenses Total	2,150,443	2,201,734	51,291	2,086,317	(64,126)
(528,782)	(563,234)	34,452	(521,619)	(7,163)	Operating Cash Inflow/(Outflow)	(528,782)	(563,234)	34,452	(521,619)	(7,163)
					Capital Related					
88,633	46,381	42,252	48,063	40,570	Investment Income - Reserves	88,633	46,381	42,252	48,063	40,570
(5,000)	(5,107)	107	(5,000)	0	Investment Fees	(5,000)	(5,107)	107	(5,000)	0
(131,202)	0	(131,202)	0	(131,202)	Investment - Realized Gain (Loss)	(131,202)	0	(131,202)	0	(131,202)
201,181	0	201,181	713,022	(511,841)	Investment - Unrealized Gain (Loss)	201,181	0	201,181	713,022	(511,841)
0	0	0	0	0	Club Contributed Capital	0	0	0	0	0
497,000	445,614	51,386	387,000	110,000	Asset Preservation Fee	497,000	445,614	51,386	387,000	110,000
80,596	81,339	(743)	95,674	(15,078)	Estimated Reserve Fund Allocation	80,596	81,339	(743)	95,674	(15,078)
2,000	0	2,000	0	2,000	Gain/(Loss) on Asset Disposal	2,000	0	2,000	0	2,000
(413,642)	(397,408)	(16,234)	(374,620)	(39,022)	Depreciation Expense	(413,642)	(397,408)	(16,234)	(374,620)	(39,022)
319,566	170,819	148,747	864,139	(544,573)	Capital Related Total	319,566	170,819	148,747	864,139	(544,573)
(209,216)	(392,415)	183,199	342,520	(551,736)	Revenues Over/(Under) Expenses	(209,216)	(392,415)	183,199	342,520	(551,736)

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

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - July was favorable to Budget by \$183K and unfavorable to Prior Year (hereinafter PY) by \$552K.

NET OPERATING CASH INFLOW/(OUTFLOW) - July was favorable to Budget by \$34K and unfavorable to PY by \$7K.

OPERATING REVENUES - July revenues were unfavorable to Budget by \$17K and favorable to PY by \$57K.

Golf Fees - July revenues were unfavorable to Budget by \$13K and favorable to PY by \$2K. July rounds were unfavorable to Budget by 389 and unfavorable to PY by 745. Extended high temperatures in July.

Ancillary Revenue - July revenues were unfavorable to Budget by \$13K and unfavorable to PY by \$15K, respectively. Extended high temperatures in July causing lower numbers in Golf Range Ball sales.

Food & Beverage - July revenues were favorable to Budget by \$7K and favorable to PY by \$7K.

EXPENSES - July Operating Expenses were favorable to budget by \$51K and unfavorable to PY by \$7K.

Wages & Benefits - July expenses were favorable to Budget by \$65K and favorable to PY by \$71K.

Utilities - July expenses were unfavorable to Budget by \$28K and unfavorable to PY by \$36K. Extended high temperatures in July.

Supplies and Services - July expenses were favorable to Budget by \$14K and unfavorable to PY by \$18K.

Operating Expense - Other - July expenses were favorable to Budget by \$13K and favorable to PY by \$20K.

CAPITAL RELATED REVENUES & EXPENSES - July was favorable to Budget by \$149K and unfavorable to PY by \$545K.

Investment Income - July revenues were favorable to the Budget by \$42K and favorable to PY by \$41K.

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 July there were \$70K in realized/unrealized gains, compared to gain of \$713K in PY.

APF Fees - July APF fees were favorable to Budget by \$51K and favorable to PY by \$110K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending July 31, 2023 and June 30, 2023

	<u>July-23</u>	<u>June-23</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$7,155,979	9,002,475
Accounts Receivable (net)	180,726	174,834
Notes Receivable	493,665	496,408
Inventories	197,785	210,511
Prepaid and Other Assets	444,152	508,195
Total Current Assets	8,472,307	10,392,423
Board Reserve Funds	31,650,350	31,491,738
<u>Fixed Assets</u>		
Land & Building	110,012,172	110,005,627
Furniture, Fixtures & Equipment	26,288,802	25,945,589
Vehicles	2,016,297	2,016,297
Fixed Assets	138,317,271	137,967,513
Accumulated Depreciation	(89,283,166)	(88,953,333)
Fixed Assets-Net Book Value	49,034,105	49,014,180
Construction In Progress	5,816,273	4,023,536
Total Fixed Assets	54,850,378	53,037,716
Total Assets	94,973,035	94,921,877
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	1,573,434	1,110,992
Payroll Related Liabilities	1,167,947	1,023,672
Association Events & Other Program Payables	218,800	234,617
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	38,556,322	38,886,845
Total Liabilities	41,572,746	41,312,369
<u>Members' Equity</u>		
Retained Earnings	53,609,505	51,417,357
Surplus (Deficit)	(209,216)	2,192,151
Total Equity	53,400,289	53,609,508
TOTAL LIABILITIES AND EQUITY	94,973,035	94,921,877

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

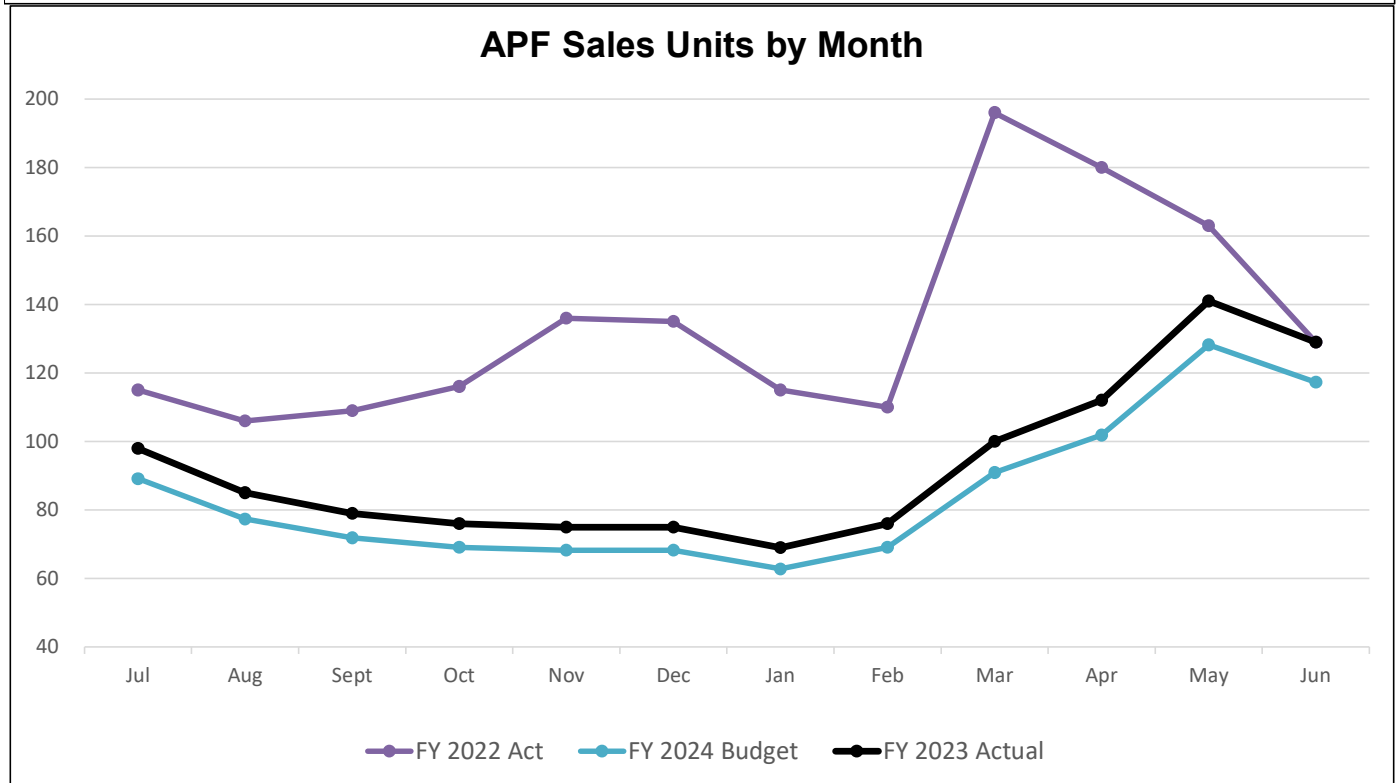
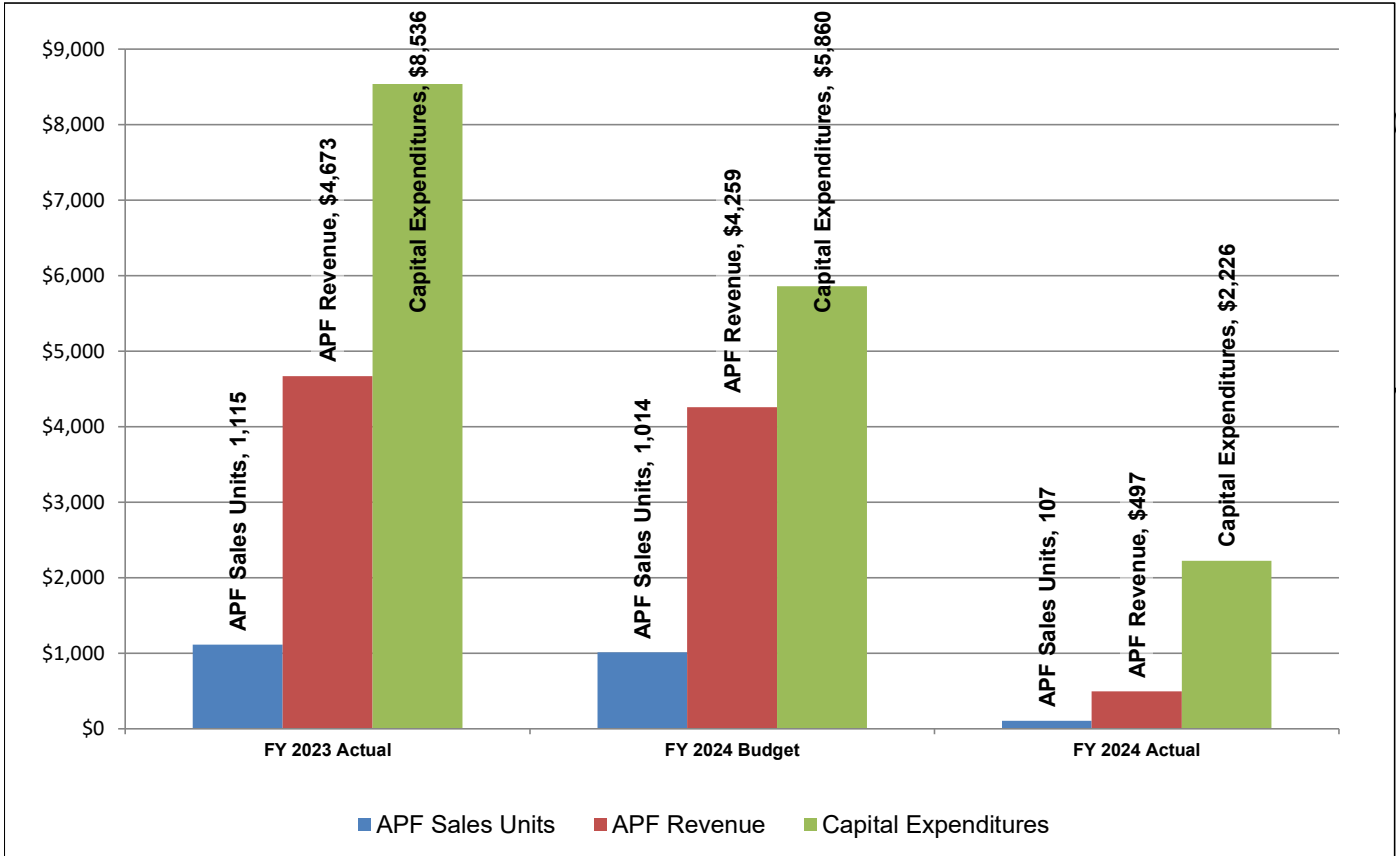
	the One Month Ended July 2023	Fiscal Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (209,219)	\$ 2,192,151
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	413,642	4,728,606
(Gain) / Loss on Disposals of Fixed Assets	(2,000)	(68,445)
Net (Gains) / Loss on Investments	(69,979)	265,765
Asset Preservation & Facility Investment Fees	(497,000)	(4,673,000)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	(3,149)	91,664
Inventories	12,726	(13,764)
Prepaid expenses and other assets	64,043	(50,507)
Accounts payable and accrued expenses	590,900	343,027
Deferred income	(330,523)	610,637
Net cash provided by (used in) operating activities	(30,559)	3,426,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(2,226,303)	(8,536,365)
Proceeds from Disposal of Fixed Assets	2,000	75,754
Asset Preservation & Facility Investment Fees	497,000	4,673,000
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	3,235,740
Net (purchase) redemption of investments	(88,633)	(7,248,668)
Net cash provided by (used in) investing activities	(1,815,936)	(7,800,539)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,846,495)	(4,374,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,002,477	13,376,882
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 7,155,982	\$ 9,002,477

Recreation Centers of Sun City West, Inc.

Asset Preservation Fees & Capital Expenditures

July			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
107	89	18	107	89	18
\$ 497	\$ 446	\$ 51	\$ 497	\$ 446	\$ 51
\$ 2,226	\$ 586	\$ 1,640	\$ 2,226	\$ 586	\$ 1,640

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



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>July 2023</u>	<u>% Total</u>	<u>June 2023</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	12,380	0.17%	12,380	0.14%	-
Short-term Operating Cash Investments	4,922,617		4,922,617	54.68%	-
Checking and Sweep Account	2,220,982	31.04%	4,067,478	45.18%	(1,846,496)
Total Cash and Cash Equivalents	<u>7,155,979</u>	<u>100.00%</u>	<u>9,002,475</u>	<u>100.00%</u>	<u>(1,846,496)</u>
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	1,215,964	3.84%	147,401	0.47%	1,068,563
Total Cash Investments	<u>1,215,964</u>	<u>3.84%</u>	<u>147,401</u>	<u>0.47%</u>	<u>1,068,563</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	27,726,206	87.60%	28,491,286	90.47%	(765,080)
Equities	2,708,180	8.56%	2,853,052	9.06%	(144,872)
Total Fund Investments	<u>30,434,386</u>	<u>96.16%</u>	<u>31,344,337</u>	<u>99.53%</u>	<u>(909,951)</u>
Total Reserve Funds	<u>31,650,350</u>	<u>100.00%</u>	<u>31,491,738</u>	<u>100.00%</u>	<u>158,612</u>
TOTAL FUNDS	<u><u>38,806,329</u></u>		<u><u>40,494,213</u></u>		<u><u>(1,687,884)</u></u>

<u>Investment Activity</u>	<u>FY2023-24 YTD</u>	<u>FY2022-23 YTD</u>	<u>Inception (FY15)</u>
Beginning Balance	31,491,738	27,744,575	-
Investment Transfers-In	-	3,235,740	23,348,324
Investment Earnings	88,633	777,188	3,518,038
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(131,202)	(416,004)	4,650,773
Un-Realized Gains (Losses) ***	201,181	150,239	(3,591,544)
Ending Balance	<u>31,650,350</u>	<u>31,491,738</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 2021-22	\$ 3,350	6	8	11	25	23	21	23	11	7	14	5	14	168	6	4%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7	12	188	8	4%
FY 2023-24 Bud	\$ 3,600	7	8	20	27	17	24	24	8	13	12	6	6	171	7	4%
FY 2023-24	\$ 3,600	6												6	6	100%
														% of Budget YTD	83%	
														% of Prior Year YTD	75%	
Kachina Golf Card Sales																
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	11	2%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25	17	687	15	2%
FY 2023-24 Bud	\$ 895	15	14	59	92	148	71	82	47	59	34	23	22	666	15	2%
FY 2023-24	\$ 895	9												9	9	100%
														% of Budget YTD	62%	
														% of Prior Year YTD	60%	
Coyote Golf Card Sales																
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	15	2%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14	14	794	8	1%
FY 2023-24 Bud	\$ 325	8	11	35	123	185	128	125	63	52	28	14	6	779	8	1%
FY 2023-24	\$ 325	14												14	14	100%
														% of Budget YTD	175%	
														% of Prior Year YTD	175%	
CNP Frequent Play Card Sales																
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	0	0%
FY 2022-23	\$ 1,500	0	0	0	1	0	3	3	1	0	0	0	0	8	0	0%
FY 2023-24 Bud	\$ 1,500	0	0	0	1	4	3	3	1	0	0	0	0	11	0	0%
FY 2023-24	\$ 1,500	0												0	0	
														% of Budget YTD		
														% of Prior Year YTD		
Twilight Golf Card Sales																
FY 2021-22	\$ 1,300	3	5	3	8	9	9	9	4	5	1	1	2	59	3	5%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6	4	2	70	1	1%
FY 2023-24 Bud	\$ 1,339	1	5	4	11	12	12	9	4	(1)	6	4	1	66	1	1%
FY 2023-24	\$ 1,339	1												1	1	100%
														% of Budget YTD	163%	
														% of Prior Year YTD	100%	

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 2021-22	\$90/\$99	84	102	113	213	283	205	293	263	292	195	146	116	2,305	84	4%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160	111	2,527	90	4%
FY 2023-24 Bud	\$ 90	40	125	125	250	300	250	300	275	320	250	175	115	2,525	40	2%
FY 2023-24	\$90/\$120	30												30	30	100%
														% of Budget YTD		75%
														% of Prior Year YTD		33%

Members (with No Golf Card)														Average
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	30,869	31,308
FY 2023-24		30,718												30,718

Unlimited Golf Card Holders														Average
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	185	179
FY 2023-24		184												184

Kachina Golf Card Holders														Average
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	662	670
FY 2023-24		656												656

Coyote Golf Card Holders														Average
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	775	772
FY 2023-24		779												779

CNP Freq Play Card Holders														Average
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	11	14
FY 2023-24		11												11

Twilight Golf Card Holders														Average
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	69	67
FY 2023-24		69												69

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 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	18,340	6%
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	20,318	290,125	18,916	7%
FY 2023-24 Bud		19,105	0	21,756	30,726	29,846	27,994	34,668	32,740	35,210	17,808	19,935	20,721	290,509	19,105	7%
FY 2023-24		18,980												18,980	18,980	100%
														% of Budget YTD	99%	
														% of Prior Year YTD	100%	
Transfer Fee (Home Sale)																
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	126	7%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154	144	1,196	95	8%
FY 2023-24 Bud	\$ 275	96	89	83	81	84	83	75	83	103	133	156	146	1,214	96	8%
FY 2023-24	\$ 275	114												114	114	100%
														% of Budget YTD	118%	
														% of Prior Year YTD	120%	
Asset Preservation Fees																
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	115	7%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141	129	1,115	98	9%
FY 2023-24 Bud	\$ 5,000	89	77	72	69	68	68	63	69	91	102	128	117	1,014	89	9%
FY 2023-24	\$ 5,000	107												107	107	100%
														% of Budget YTD	120%	
														% of Prior Year YTD	109%	