

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

December 2023 and the Six Months Ended

12/31/23

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
December 31, 2023

Current Month				
Actual	Budget	Variance Favorable / (Unfavorable)	P/Y Act	Variance Favorable / (Unfavorable)
1,254,396	1,254,385	11	1,167,335	87,061
19,408	16,852	2,556	16,051	3,357
1,079,179	999,577	79,602	954,127	125,052
81,416	100,008	(18,592)	75,510	5,906
8,324	4,510	3,814	3,350	4,974
90,185	99,433	(9,248)	99,841	(9,656)
11,283	12,782	(1,499)	12,171	(888)
52,966	57,030	(4,064)	43,613	9,353
370	15,000	(14,630)	0	370
153	128	25	231	(78)
2,597,680	2,559,705	37,975	2,372,229	225,451

1,475,525	1,531,417	55,892	1,352,464	(123,061)
205,172	198,638	(6,534)	192,857	(12,315)
108,182	89,181	(19,001)	88,209	(19,973)
51,478	88,179	36,701	195,815	144,337
40,358	49,426	9,068	49,123	8,765
11,860	57,212	45,352	31,687	19,827
83,085	80,878	(2,207)	77,517	(5,568)
58,283	61,752	3,469	60,335	2,052
74,196	78,976	4,780	68,776	(5,420)
13,191	9,069	(4,122)	6,448	(6,743)
6,496	12,676	6,180	18,683	12,187
2,127,826	2,257,404	129,578	2,141,914	14,088
469,854	302,301	167,553	230,315	239,539

172,962	124,888	48,074	129,416	43,546
(5,000)	(4,670)	(330)	(4,572)	(428)
0	0	0	0	0
721,053	0	721,053	(406,223)	1,127,276
70,121	0	70,121	0	70,121
449,500	341,031	108,469	315,000	134,500
82,299	83,085	(786)	96,247	(13,948)
(5,645)	0	(5,645)	0	(5,645)
(448,286)	(473,447)	25,161	(394,805)	(53,481)
1,037,004	70,887	966,117	(264,937)	1,301,941

1,506,858	373,188	1,133,670	(34,622)	1,541,480
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Year-to-Date				
Actual	Budget	Variance Favorable / (Unfavorable)	P/Y Act	Variance Favorable / (Unfavorable)
Operating Revenues				
7,312,849	7,326,506	(13,657)	6,880,335	432,514
67,849	62,507	5,342	59,529	8,320
3,698,057	3,610,840	87,217	3,421,458	276,599
368,382	386,300	(17,918)	367,904	478
64,539	81,409	(16,870)	67,351	(2,812)
401,131	427,214	(26,083)	432,384	(31,253)
34,595	44,532	(9,937)	42,413	(7,818)
226,714	204,470	22,244	188,278	38,436
80,051	87,337	(7,286)	2,226	77,825
865	453	412	814	51
12,255,032	12,231,568	23,464	11,462,692	792,340

Operating Expenses				
8,615,045	8,775,404	160,359	7,953,519	(661,526)
1,547,905	1,367,190	(180,715)	1,327,380	(220,525)
1,138,225	978,534	(159,691)	886,204	(252,021)
1,393,956	1,553,998	160,042	1,582,928	188,972
318,148	380,612	62,464	375,314	57,166
101,043	166,045	65,002	147,031	45,988
424,784	407,668	(17,116)	383,388	(41,396)
266,366	262,847	(3,519)	254,726	(11,640)
329,574	403,695	74,121	328,158	(1,416)
98,800	73,171	(25,629)	65,886	(32,914)
77,187	97,756	20,569	90,487	13,300
14,311,033	14,466,920	155,887	13,395,021	(916,012)
(2,056,001)	(2,235,352)	179,351	(1,932,329)	(123,672)

Capital Related				
624,454	364,185	260,269	377,387	247,067
(30,000)	(29,002)	(998)	(28,394)	(1,606)
(249,521)	0	(249,521)	(50,376)	(199,145)
847,627	0	847,627	(832,470)	1,680,097
70,121	0	70,121	14,622	55,499
2,499,600	2,218,976	280,624	2,022,200	477,400
488,896	493,200	(4,304)	576,437	(87,541)
10,196	0	10,196	46,691	(36,495)
(2,571,326)	(2,630,841)	59,515	(2,257,031)	(314,295)
1,690,047	416,518	1,273,529	(130,934)	1,820,981

(365,954)	(1,818,834)	1,452,880	(2,063,263)	1,697,309
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Recreation Centers of Sun City West, Inc.
Financial Statement Notes
December 31, 2023

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - December was favorable to Budget by \$1,134K and favorable to Prior Year (hereinafter PY) by \$1,541K. Year to date (hereinafter YTD) was favorable to budget by \$1,453K and favorable to prior year by \$1,697K.

NET OPERATING CASH INFLOW/(OUTFLOW) - December was unfavorable to Budget by \$168K and favorable to PY by \$240K. YTD was favorable to Budget by \$179K and unfavorable to PY by \$124K.

OPERATING REVENUES - December revenues were unfavorable to Budget by \$42K and favorable to PY by \$143K. YTD was unfavorable to Budget by \$15K and favorable to PY by \$567K.

Golf Fees - December revenues were favorable to Budget by \$80K and favorable to PY by \$125K. YTD was favorable to Budget by \$87K and to favorable to PY by \$277K. December rounds were favorable to Budget by 2,810 and favorable to PY by 2,102. YTD rounds were favorable to Budget by 5,484 and favorable to PY by 2,335.

Sports Pavilion - December revenues were unfavorable to Budget by \$19K and favorable to PY by \$6K. YTD unfavorable to Budget by \$18K and favorable to PY by \$.5K.

Ancillary Revenue - December revenues were unfavorable to Budget by \$9K and unfavorable to PY by \$10K. YTD revenues are unfavorable to budget by \$26K and unfavorable to PY by \$31K.

EXPENSES - December Operating Expenses were favorable to budget by \$130K and favorable to PY by \$14K. YTD was favorable to Budget by \$156K and unfavorable to PY by \$916K.

Wages & Benefits - December expenses were favorable to Budget by \$56K and unfavorable to PY by \$123K. YTD favorable to Budget by \$160K and unfavorable to PY by \$662K.

Utilities - December expenses were unfavorable to Budget by \$7K and unfavorable to PY by \$12K. YTD unfavorable to Budget by \$181K and unfavorable to PY by \$221K.

Repairs & Maintenance - December expenses were favorable to Budget by \$19K and unfavorable to PY by \$20K. YTD is unfavorable to Budget by \$160K and unfavorable to PY by \$252K.

Landscape Maintenance - December expenses were favorable to Budget by \$37K and favorable to PY by \$144K. YTD is favorable to Budget by \$160K and favorable to PY by \$189K.

Equipment - December expenses were favorable to Budget by \$45K and favorable to PY by \$20K. YTD expenses are favorable to Budget by \$65K and favorable PY by \$46K.

Legal & Professional - December expenses were unfavorable to Budget and PY by \$4K and \$7K, respectively. YTD expenses are unfavorable to Budget by \$26K and unfavorable to PY by \$33K.

CAPITAL RELATED REVENUES & EXPENSES - December was favorable to Budget by \$966K and favorable to PY by \$1,302K. YTD is favorable to Budget by \$1,274K and favorable to PY by \$1,821K.

Investment Income - December revenues were favorable to the Budget by \$48K and favorable to PY by \$44K. YTD was favorable to Budget by \$260K and favorable to PY by \$247K.

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 December there were \$721K in realized/unrealized gains, compared to loss of \$406K in PY. YTD total gains are \$598K as compared to \$883K realized/unrealized loss in PY.

APF Fees - December APF fees were favorable to Budget by \$108K and favorable to PY by \$135K. YTD is favorable to Budget by \$281K and favorable to PY by \$477K.

Recreation Centers of Sun City West, Inc.

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

	December-23	June-23
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$7,209,334	9,002,475
Accounts Receivable (net)	198,071	174,834
Notes Receivable	472,841	496,408
Inventories	218,726	210,511
Prepaid and Other Assets	218,804	508,195
Total Current Assets	8,317,776	10,392,423
Board Reserve Funds	27,891,260	31,491,738
<u>Fixed Assets</u>		
Land & Building	118,732,799	110,005,627
Furniture, Fixtures & Equipment	27,242,041	25,945,589
Vehicles	2,074,512	2,016,297
Fixed Assets	148,049,352	137,967,513
Accumulated Depreciation	(90,760,636)	(88,953,333)
Fixed Assets-Net Book Value	57,288,716	49,014,180
Construction In Progress	336,175	4,023,536
Total Fixed Assets	57,624,891	53,037,716
Total Assets	93,833,927	94,921,877
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	714,762	1,110,998
Payroll Related Liabilities	1,108,063	1,023,672
Association Events & Other Program Payables	403,889	234,617
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	33,995,804	34,575,230
Total Liabilities	36,278,761	37,000,760
<u>Members' Equity</u>		
Retained Earnings	57,921,120	51,417,357
Surplus (Deficit)	(365,954)	6,503,760
Total Equity	57,555,166	57,921,117
TOTAL LIABILITIES AND EQUITY	93,833,927	94,921,877

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

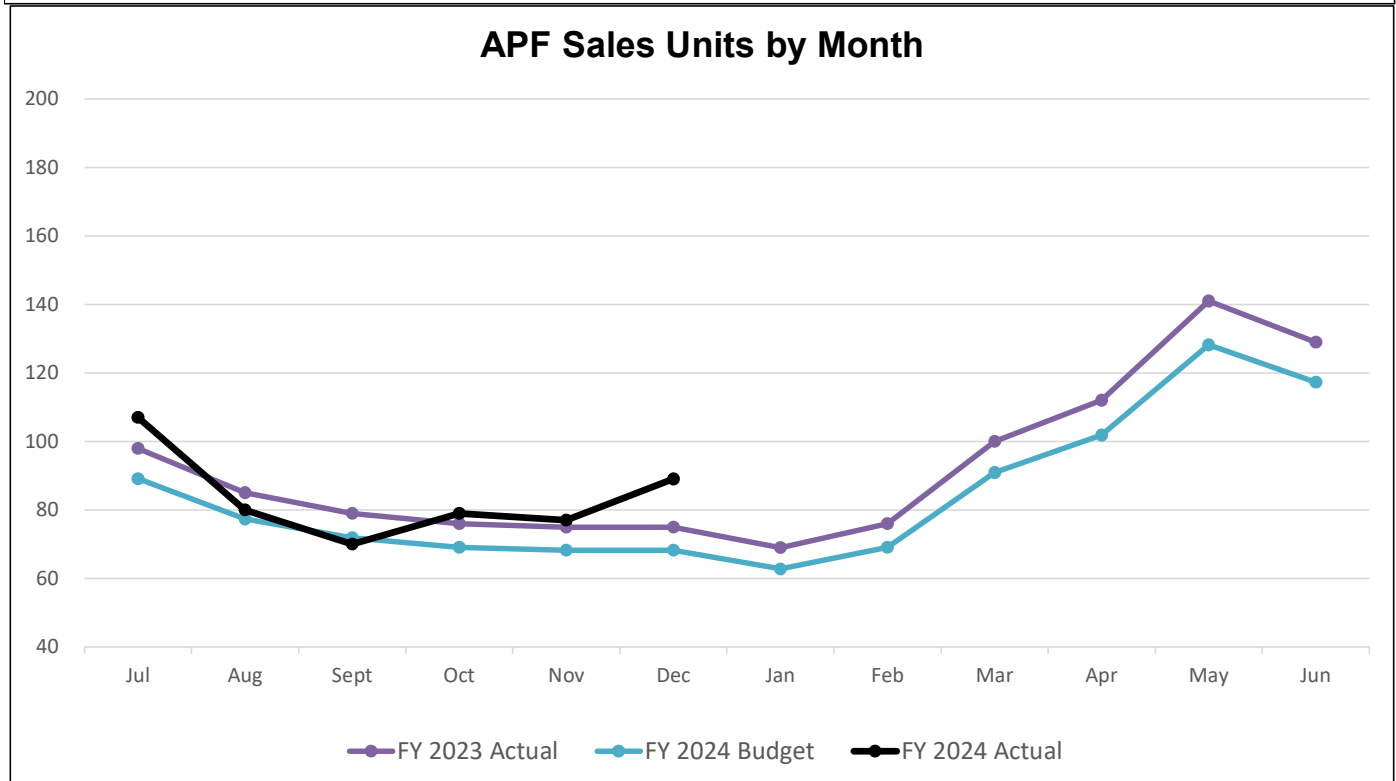
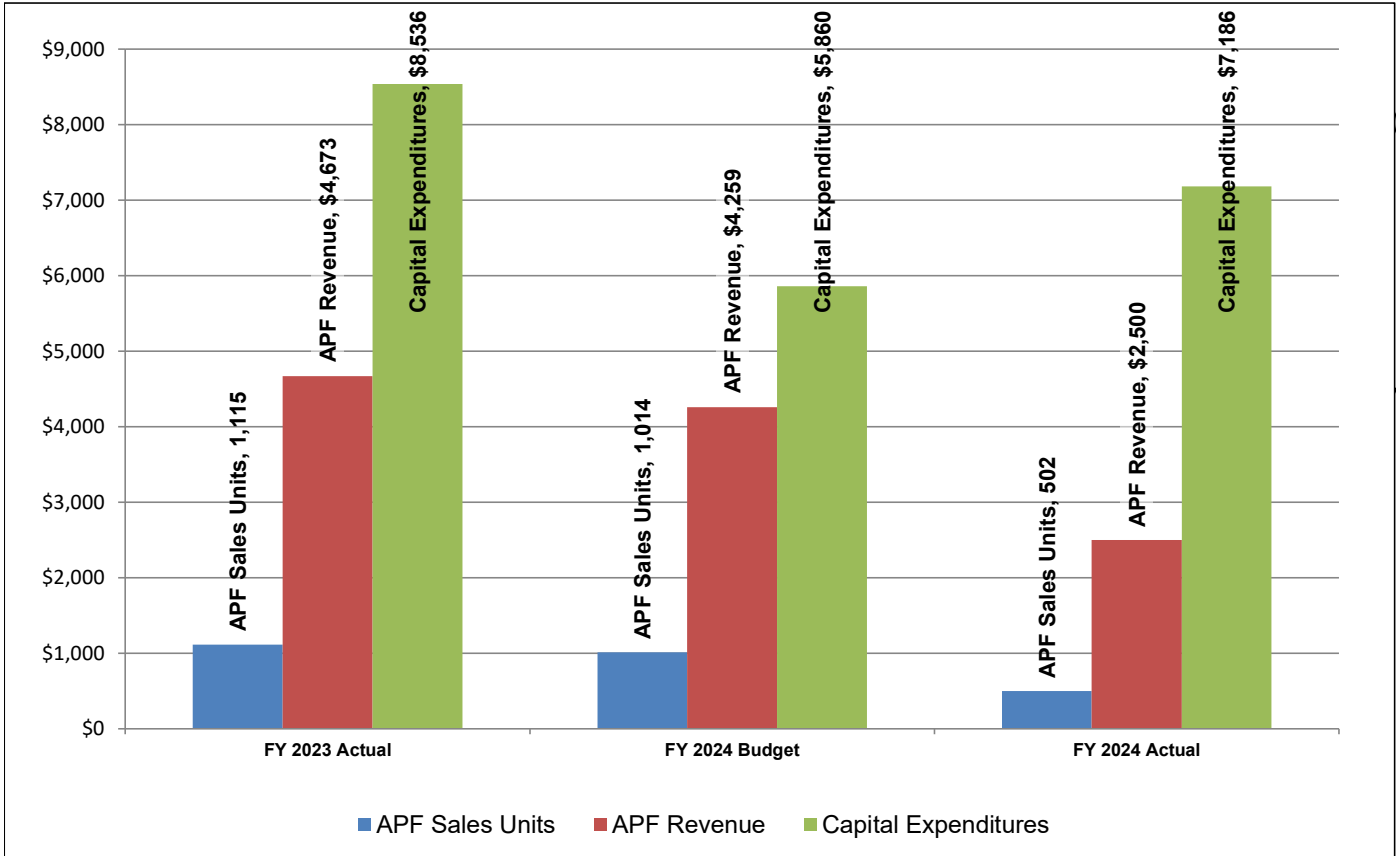
	Six Months Ended December 2023	Fiscal Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (365,951)	\$ 2,192,151
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	2,571,326	4,728,606
(Gain) / Loss on Disposals of Fixed Assets	(10,196)	(68,445)
Net (Gains) / Loss on Investments	(598,106)	265,765
Asset Preservation & Facility Investment Fees	(2,499,600)	(4,673,000)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	330	91,664
Inventories	(8,215)	(13,764)
Prepaid expenses and other assets	289,391	(50,507)
Accounts payable and accrued expenses	(142,573)	343,027
Deferred income	(579,426)	610,637
	(1,343,020)	3,426,134
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(7,186,112)	(8,536,365)
Proceeds from Disposal of Fixed Assets	37,807	75,754
Asset Preservation & Facility Investment Fees	2,499,600	4,673,000
Cash Flow Funding Transfer (to) / from Reserves (Net)	(4,823,037)	3,235,740
Net (purchase) redemption of investments	9,021,621	(7,248,668)
	(450,121)	(7,800,539)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,793,142)	(4,374,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,002,477	13,376,882
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 7,209,336	\$ 9,002,477

Recreation Centers of Sun City West, Inc.

Asset Preservation Fees & Capital Expenditures

December			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
89	68	21	502	444	58
\$ 450	\$ 341	\$ 108	\$ 2,500	\$ 2,219	\$ 281
\$ 323	\$ 293	\$ 30	\$ 7,186	\$ 4,688	\$ 2,498

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>December 2023</u>	<u>% Total</u>	<u>June 2023</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,680	0.19%	12,380	0.14%	1,300
Short-term Operating Cash Investments	4,910,406		4,922,617	54.68%	(12,211)
Checking and Sweep Account	2,285,248	31.70%	4,067,478	45.18%	(1,782,230)
Total Cash and Cash Equivalents	<u>7,209,334</u>	<u>100.00%</u>	<u>9,002,475</u>	<u>100.00%</u>	<u>(1,793,141)</u>
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	327,147	1.17%	147,401	0.47%	179,746
Total Cash Investments	<u>327,147</u>	<u>1.17%</u>	<u>147,401</u>	<u>0.47%</u>	<u>179,746</u>
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,765,714	88.79%	28,491,286	90.47%	(3,725,571)
Equities	2,798,399	10.03%	2,853,052	9.06%	(54,653)
Total Fund Investments	<u>27,564,113</u>	<u>98.83%</u>	<u>31,344,337</u>	<u>99.53%</u>	<u>(3,780,224)</u>
Total Reserve Funds	<u>27,891,260</u>	<u>100.00%</u>	<u>31,491,738</u>	<u>100.00%</u>	<u>(3,600,478)</u>
TOTAL FUNDS	<u><u>35,100,594</u></u>		<u><u>40,494,213</u></u>		<u><u>(5,393,619)</u></u>

<u>Investment Activity</u>	<u>FY2023-24 YTD</u>	<u>FY2022-23 YTD</u>	<u>Inception (FY15-22)</u>
Beginning Balance	31,491,738	27,744,575	-
Investment Transfers-In	(4,823,037)	3,235,740	23,348,324
Investment Earnings	624,454	777,188	3,518,038
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(249,521)	(416,004)	4,650,773
Un-Realized Gains (Losses) ***	847,627	150,239	(3,591,544)
Ending Balance	<u>27,891,261</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	94	56%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7	12	188	107	57%
FY 2023-24 Bud	\$ 3,600	7	8	20	27	17	24	24	8	13	12	6	6	171	103	60%
FY 2023-24	\$ 3,600	6	8	17	33	26	25							115	115	100%
														% of Budget YTD	112%	
														% of Prior Year YTD	107%	
Kachina Golf Card Sales																
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	400	59%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25	17	687	412	60%
FY 2023-24 Bud	\$ 895	15	14	59	92	148	71	82	47	59	34	23	22	666	399	60%
FY 2023-24	\$ 895	9	17	63	100	151	76							416	416	100%
														% of Budget YTD	104%	
														% of Prior Year YTD	101%	
Coyote Golf Card Sales																
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	437	59%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14	14	794	493	62%
FY 2023-24 Bud	\$ 325	8	11	35	123	185	128	125	63	52	28	14	6	779	490	63%
FY 2023-24	\$ 325	14	12	24	139	185	122							496	496	100%
														% of Budget YTD	101%	
														% of Prior Year YTD	101%	
CNP Frequent Play Card Sales																
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	8	53%
FY 2022-23	\$ 1,500	0	0	0	1	0	3	3	1	0	0	0	0	8	4	50%
FY 2023-24 Bud	\$ 1,500	0	0	0	1	4	3	3	1	0	0	0	0	11	8	67%
FY 2023-24	\$ 1,500	0	0	1	1	3	3							8	8	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	200%	
Twilight Golf Card Sales																
FY 2021-22	\$ 1,300	3	5	3	8	9	9	9	4	5	1	1	2	59	37	63%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6	4	2	70	45	64%
FY 2023-24 Bud	\$ 1,339	1	5	4	11	12	12	9	4	(1)	6	4	1	66	43	65%
FY 2023-24	\$ 1,339	1	4	4	8	12	9							38	38	100%
														% of Budget YTD	88%	
														% of Prior Year YTD	84%	

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	1,000	43%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160	111	2,527	1,112	44%
FY 2023-24 Bud	\$ 90	40	125	125	250	300	250	300	275	320	250	175	115	2,525	1,090	43%
FY 2023-24	\$90/\$120	30	44	354	241	270	203							1,142	1,142	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	103%	

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	30,720	30,699	30,764	30,797	30,970							30,778

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	183	182	184	188	191							185

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	662	664	677	682	683							671

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	774	774	793	797	793							785

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	12	11	11	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	68	69	64	65	63							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 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	135,120	47%
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	134,269	46%
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	129,427	45%
FY 2023-24		18,980	0	16,814	30,684	32,846	26,685							126,009	126,009	100%
														% of Budget YTD	97%	
														% of Prior Year YTD	94%	
Transfer Fee (Home Sale)																
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	774	45%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154	144	1,196	510	43%
FY 2023-24 Bud	\$ 275	96	89	83	81	84	83	75	83	103	133	156	146	1,214	518	43%
FY 2023-24	\$ 275	114	92	71	76	74	95							522	522	100%
														% of Budget YTD	101%	
														% of Prior Year YTD	102%	
Asset Preservation Fees																
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	720	45%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141	129	1,115	488	44%
FY 2023-24 Bud	\$ 5,000	89	77	72	69	68	68	63	69	91	102	128	117	1,014	444	44%
FY 2023-24	\$ 5,000	107	80	70	79	77	89							502	502	100%
														% of Budget YTD	113%	
														% of Prior Year YTD	103%	