

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

January 2024 and the Seven Months Ended

01/31/24

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
January 31, 2024

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					
1,301,120	1,290,655	10,465	1,199,057	102,063	Membership	8,613,970	8,617,161	(3,191)	8,079,392	534,578
16,959	13,156	3,803	12,531	4,428	Recreation	84,808	75,663	9,145	72,060	12,748
1,188,009	1,193,033	(5,024)	1,142,297	45,712	Golf Fees	4,886,066	4,803,873	82,193	4,563,754	322,312
105,150	100,061	5,089	95,295	9,855	Sports Pavilion	473,532	486,361	(12,829)	463,199	10,333
70,192	72,152	(1,960)	60,615	9,577	Special Events	134,731	153,561	(18,830)	127,964	6,767
104,171	112,605	(8,434)	112,966	(8,795)	Ancillary Revenue	505,301	539,819	(34,518)	545,350	(40,049)
10,051	12,439	(2,388)	11,848	(1,797)	Merchandise Sales (net)	44,645	56,971	(12,326)	54,261	(9,616)
53,195	52,142	1,053	45,496	7,699	Food and Beverage (net)	279,910	256,612	23,298	233,773	46,137
4,151	0	4,151	0	4,151	Interest Income - Operating	84,202	87,337	(3,135)	2,226	81,976
(164)	92	(256)	166	(330)	Other Income	702	545	157	981	(279)
2,852,834	2,846,335	6,499	2,680,271	172,563	Operating Revenues Total	15,107,867	15,077,903	29,964	14,142,960	964,907
					Operating Expenses					
1,557,288	1,581,222	23,934	1,528,896	(28,392)	Wages And Benefits	10,172,332	10,356,626	184,294	9,482,415	(689,917)
235,538	195,289	(40,249)	189,603	(45,935)	Utilities	1,783,442	1,562,479	(220,963)	1,516,982	(266,460)
92,245	104,649	12,404	108,181	15,936	Repair and Maintenance	1,230,469	1,083,183	(147,286)	994,385	(236,084)
18,741	60,962	42,221	61,599	42,858	Landscape Maintenance	1,412,699	1,614,960	202,261	1,644,525	231,826
47,671	54,102	6,431	49,830	2,159	Supplies and Services	365,818	434,714	68,896	425,143	59,325
9,370	2,222	(7,148)	19,660	10,290	Equipment	110,413	168,267	57,854	166,691	56,278
80,802	78,425	(2,377)	75,906	(4,896)	Taxes, Licenses and Insurance	505,587	486,093	(19,494)	459,293	(46,294)
67,820	57,819	(10,001)	56,857	(10,963)	Interest & Financial Expense	334,184	320,666	(13,518)	311,581	(22,603)
60,583	69,185	8,602	47,427	(13,156)	Operating Expenses	390,157	472,880	82,723	375,584	(14,573)
9,262	(15,251)	(24,513)	(5,153)	(14,415)	Legal and Professional	108,062	57,920	(50,142)	60,732	(47,330)
5,279	14,883	9,604	15,818	10,539	Employee Related Expenses	82,468	112,639	30,171	106,308	23,840
2,184,599	2,203,507	18,908	2,148,624	(35,975)	Operating Expenses Total	16,495,631	16,670,427	174,796	15,543,639	(951,992)
668,235	642,828	25,407	531,647	136,588	Operating Cash Inflow/(Outflow)	(1,387,764)	(1,592,524)	204,760	(1,400,679)	12,915
					Capital Related					
36,826	30,094	6,732	31,185	5,641	Investment Income - Reserves	661,280	394,279	267,001	408,572	252,708
(3,671)	(5,107)	1,436	(5,000)	1,329	Investment Fees	(33,671)	(34,109)	438	(33,394)	(277)
0	0	0	0	0	Investment - Realized Gain (Loss)	(249,521)	0	(249,521)	(50,376)	(199,145)
(28,476)	0	(28,476)	908,077	(936,553)	Investment - Unrealized Gain (Loss)	819,151	0	819,151	75,606	743,545
0	0	0	0	0	Contributed Capital	70,121	0	70,121	14,622	55,499
406,700	313,749	92,951	299,900	106,800	Asset Preservation Fee	2,906,300	2,532,725	373,575	2,322,100	584,200
82,537	83,492	(955)	96,520	(13,983)	Estimated Reserve Fund Allocation	571,433	576,692	(5,259)	672,956	(101,523)
0	0	0	0	0	Gain/(Loss) on Asset Disposal	10,196	0	10,196	46,691	(36,495)
(460,377)	(473,447)	13,070	(380,280)	(80,097)	Depreciation Expense	(3,031,703)	(3,104,288)	72,585	(2,637,311)	(394,392)
33,539	(51,219)	84,758	950,402	(916,863)	Capital Related Total	1,723,586	365,299	1,358,287	819,466	904,120
701,774	591,609	110,165	1,482,049	(780,275)	Revenues Over/(Under) Expenses	335,822	(1,227,225)	1,563,047	(581,213)	917,035

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
January 31, 2024

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - January was favorable to Budget by \$110K and unfavorable to Prior Year (hereinafter PY) by \$780K. Year to date (hereinafter YTD) was favorable to budget by \$1,563K and favorable to prior year by \$917K.

NET OPERATING CASH INFLOW/(OUTFLOW) - January was favorable to Budget by \$25K and favorable to PY by \$137K. YTD was favorable to Budget by \$205K and favorable to PY by \$13K.

OPERATING REVENUES - January revenues were favorable to Budget by \$6K and favorable to PY by \$173K. YTD was favorable to Budget by \$30K and favorable to PY by \$965K.

Membership - January revenues were favorable to the Budget by \$10K and favorable to PY by \$102K. YTD was unfavorable to Budget by \$3K and favorable to PY by \$535K.

Golf Fees - January revenues were unfavorable to Budget by \$5K and favorable to PY by \$46K. YTD was favorable to Budget by \$82K and to favorable to PY by \$322K. January rounds were favorable to Budget by 1,240 and favorable to PY by 397. YTD rounds were favorable to Budget by 6,787 and favorable to PY by 2,795.

Sports Pavilion - January revenues were favorable to Budget by \$5K and favorable to PY by \$10K. YTD unfavorable to Budget by \$13K and favorable to PY by \$10K.

Food & Beverage - January revenues were favorable to Budget by \$1K and favorable to PY by \$8K. YTD favorable to Budget by \$2K and favorable to PY by \$46K.

EXPENSES - January Operating Expenses were favorable to budget by \$19K and unfavorable to PY by \$36K. YTD was favorable to Budget by \$175K and unfavorable to PY by \$952K.

Wages & Benefits - January expenses were favorable to Budget by \$24K and unfavorable to PY by \$28K. YTD favorable to Budget by \$184K and unfavorable to PY by \$690K.

Utilities - January expenses were unfavorable to Budget by \$40K and unfavorable to PY by \$46K. YTD unfavorable to Budget by \$221K and unfavorable to PY by \$266K. Higher rates than budgeted and higher than normal temps in Jul-Sept.

Repairs & Maintenance - January expenses were favorable to Budget by \$12K and favorable to PY by \$16K. YTD is unfavorable to Budget by \$147K and unfavorable to PY by \$236K.

Landscape Maintenance - January expenses were favorable to Budget by \$42K and favorable to PY by \$43K. YTD is favorable to Budget by \$202K and favorable to PY by \$232K.

Supplies and Services - January expenses were favorable to Budget and PY by \$6K and \$2K, respectively. YTD expenses are favorable to Budget and PY by \$69K and \$59K, respectively.

Legal & Professional - January expenses were unfavorable to Budget and PY by \$25K and \$14K, respectively. YTD expenses are unfavorable to Budget by \$50K and unfavorable to PY by \$47K.

CAPITAL RELATED REVENUES & EXPENSES - January was favorable to Budget by \$85K and unfavorable to PY by \$917K. YTD is favorable to Budget by \$1,358K and favorable to PY by \$904K.

Investment Income - January revenues were favorable to the Budget by \$7K and favorable to PY by \$6K. YTD was favorable to Budget by \$267K and favorable to PY by \$253K.

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 January there were \$28K in realized/unrealized loss, compared to gain of \$908K in PY. YTD total gains are \$570K as compared to \$25K realized/unrealized gain in PY.

APF Fees - January APF fees were favorable to Budget by \$93K and favorable to PY by \$107K. YTD is favorable to Budget by \$374K and favorable to PY by \$584K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending January 31, 2024 and June 30, 2023

	<u>January-24</u>	<u>June-23</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$8,295,005	9,002,475
Accounts Receivable (net)	233,910	174,834
Notes Receivable	472,251	496,408
Inventories	224,712	210,511
Prepaid and Other Assets	219,525	508,195
Total Current Assets	9,445,403	10,392,423
Board Reserve Funds	27,899,610	31,491,738
<u>Fixed Assets</u>		
Land & Building	118,739,479	110,005,627
Furniture, Fixtures & Equipment	27,447,087	25,945,589
Vehicles	2,074,512	2,016,297
Fixed Assets	148,261,078	137,967,513
Accumulated Depreciation	(91,101,389)	(88,953,333)
Fixed Assets-Net Book Value	57,159,689	49,014,180
Construction In Progress	319,445	4,023,536
Total Fixed Assets	57,479,134	53,037,716
Total Assets	94,824,147	94,921,877
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	567,989	1,110,998
Payroll Related Liabilities	1,299,794	1,023,672
Association Events & Other Program Payables	466,177	234,617
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	34,177,002	34,575,230
Total Liabilities	36,567,205	37,000,760
<u>Members' Equity</u>		
Retained Earnings	57,921,120	51,417,357
Surplus (Deficit)	335,822	6,503,760
Total Equity	58,256,942	57,921,117
TOTAL LIABILITIES AND EQUITY	94,824,147	94,921,877

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

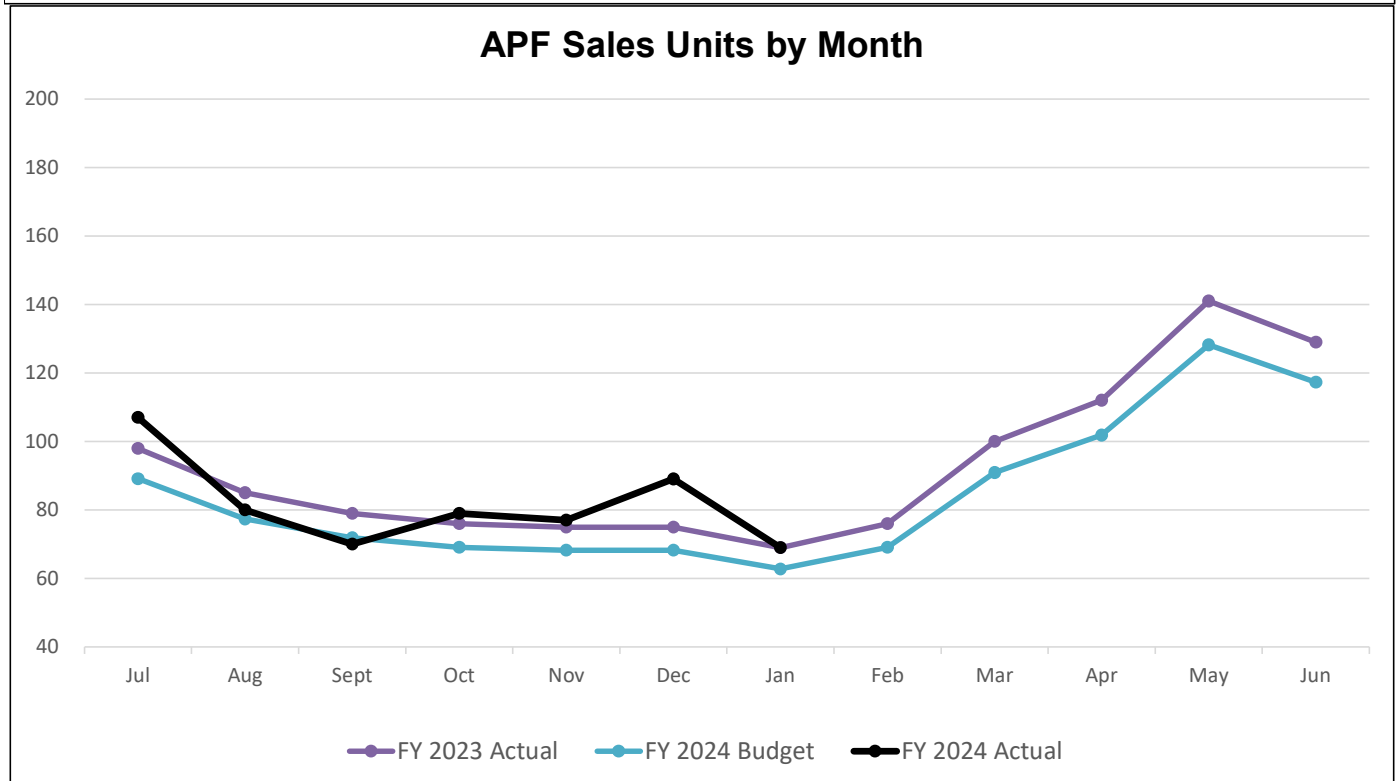
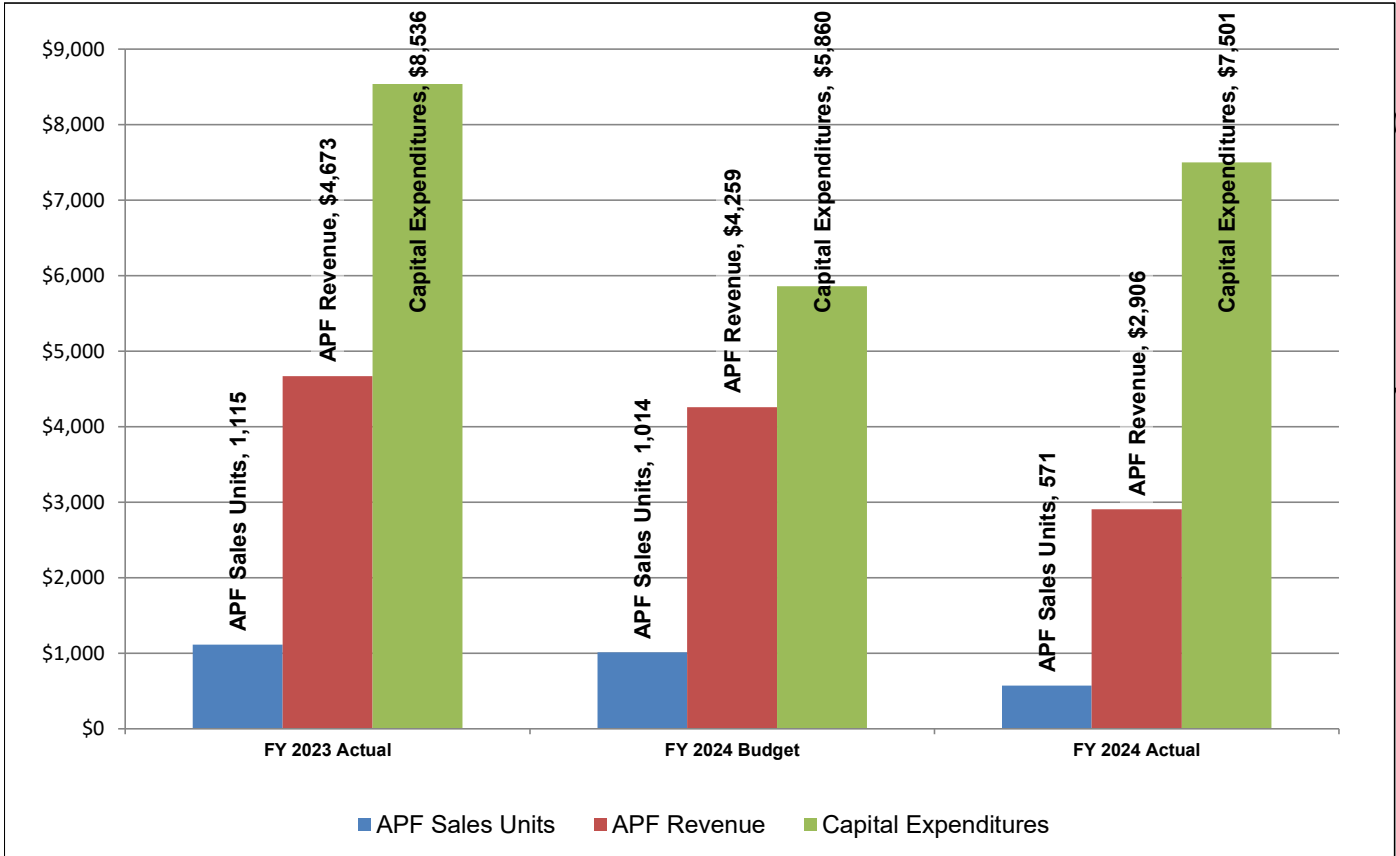
	Seven Months Ended January 2024	Fiscal Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 335,825	\$ 2,192,151
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	3,031,703	4,728,606
(Gain) / Loss on Disposals of Fixed Assets	(10,196)	(68,445)
Net (Gains) / Loss on Investments	(569,630)	265,765
Asset Preservation & Facility Investment Fees	(2,906,300)	(4,673,000)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	(34,919)	91,664
Inventories	(14,201)	(13,764)
Prepaid expenses and other assets	288,670	(50,507)
Accounts payable and accrued expenses	(35,327)	343,027
Deferred income	(398,228)	610,637
Net cash provided by (used in) operating activities	(312,603)	3,426,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(7,500,732)	(8,536,365)
Proceeds from Disposal of Fixed Assets	37,807	75,754
Asset Preservation & Facility Investment Fees	2,906,300	4,673,000
Cash Flow Funding Transfer (to) / from Reserves (Net)	(4,823,037)	3,235,740
Net (purchase) redemption of investments	8,984,795	(7,248,668)
Net cash provided by (used in) investing activities	(394,867)	(7,800,539)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(707,470)	(4,374,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,002,477	13,376,882
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 8,295,007	\$ 9,002,477

Recreation Centers of Sun City West, Inc.

Asset Preservation Fees & Capital Expenditures

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

January			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
69	63	6	571	507	64
\$ 407	\$ 314	\$ 93	\$ 2,906	\$ 2,533	\$ 374
\$ 315	\$ 234	\$ 81	\$ 7,501	\$ 4,922	\$ 2,579



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>January 2024</u>	<u>% Total</u>	<u>June 2023</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,680	0.16%	12,380	0.14%	1,300
Short-term Operating Cash Investments	4,906,502		4,922,617	54.68%	(16,115)
Checking and Sweep Account	3,374,822	40.68%	4,067,478	45.18%	(692,656)
Total Cash and Cash Equivalents	8,295,005	100.00%	9,002,475	100.00%	(707,470)
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	137,867	0.49%	147,401	0.47%	(9,533)
Total Cash Investments	137,867	0.49%	147,401	0.47%	(9,533)
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,962,725	89.47%	28,491,286	90.47%	(3,528,561)
Equities	2,799,018	10.03%	2,853,052	9.06%	(54,034)
Total Fund Investments	27,761,743	99.51%	31,344,337	99.53%	(3,582,594)
Total Reserve Funds	27,899,610	100.00%	31,491,738	100.00%	(3,592,127)
TOTAL FUNDS	36,194,615		40,494,213		(4,299,598)

<u>Investment Activity</u>	<u>FY2023-24 YTD</u>	<u>FY2022-23</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	661,280	777,188	3,518,038
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(249,521)	(416,004)	4,650,773
Un-Realized Gains (Losses) ***	819,151	150,239	(3,591,544)
Ending Balance	27,899,611	31,491,738	27,744,576

*** 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	117	70%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7	12	188	133	71%
FY 2023-24 Bud	\$ 3,600	7	8	20	27	17	24	24	8	13	12	6	6	171	127	74%
FY 2023-24	\$ 3,600	6	8	17	33	26	25	19						134	134	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	101%	
Kachina Golf Card Sales																
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	488	72%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25	17	687	496	72%
FY 2023-24 Bud	\$ 895	15	14	59	92	148	71	82	47	59	34	23	22	666	481	72%
FY 2023-24	\$ 895	9	17	63	100	151	76	89						505	505	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	102%	
Coyote Golf Card Sales																
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	545	73%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14	14	794	620	78%
FY 2023-24 Bud	\$ 325	8	11	35	123	185	128	125	63	52	28	14	6	779	616	79%
FY 2023-24	\$ 325	14	12	24	139	185	122	138						634	634	100%
														% of Budget YTD	103%	
														% of Prior Year YTD	102%	
CNP Frequent Play Card Sales																
FY 2021-22	\$ 1,400	0	1	0	2	4	1	4	2	0	1	0	0	15	12	80%
FY 2022-23	\$ 1,500	0	0	0	1	0	3	3	1	0	0	0	0	8	7	88%
FY 2023-24 Bud	\$ 1,500	0	0	0	1	4	3	3	1	0	0	0	0	11	10	92%
FY 2023-24	\$ 1,500	0	0	1	1	3	3	2						10	10	100%
														% of Budget YTD	95%	
														% of Prior Year YTD	143%	
Twilight Golf Card Sales																
FY 2021-22	\$ 1,300	3	5	3	8	9	9	9	4	5	1	1	2	59	46	78%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6	4	2	70	54	77%
FY 2023-24 Bud	\$ 1,339	1	5	4	11	12	12	9	4	(1)	6	4	1	66	52	79%
FY 2023-24	\$ 1,339	1	4	4	8	12	9	14						52	52	100%
														% of Budget YTD	100%	
														% of Prior Year YTD	96%	

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	1,293	56%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160	111	2,527	1,421	56%
FY 2023-24 Bud	\$ 90	40	125	125	250	300	250	300	275	320	250	175	115	2,525	1,390	55%
FY 2023-24	\$90/\$180	30	44	356	241	270	203	270						1,414	1,414	100%
														% of Budget YTD	102%	
														% of Prior Year YTD	100%	

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	31,047						30,816

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	187						186

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	691						674

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	809						788

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	10						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	67						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	167,573	58%
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	168,099	58%
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	164,095	56%
FY 2023-24		18,980	0	16,814	30,684	32,846	26,685	33,920						159,929	159,929	100%
														% of Budget YTD	97%	
														% of Prior Year YTD	95%	
Transfer Fee (Home Sale)																
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	904	53%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154	144	1,196	584	49%
FY 2023-24 Bud	\$ 275	96	89	83	81	84	83	75	83	103	133	156	146	1,214	593	49%
FY 2023-24	\$ 275	114	92	71	76	74	95	72						594	594	100%
														% of Budget YTD	100%	
														% 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	835	52%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141	129	1,115	557	50%
FY 2023-24 Bud	\$ 5,000	89	77	72	69	68	68	63	69	91	102	128	117	1,014	507	50%
FY 2023-24	\$ 5,000	107	80	70	79	77	89	69						571	571	100%
														% of Budget YTD	113%	
														% of Prior Year YTD	103%	