

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

February 2024 and the Eight Months Ended

02/29/24

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
February 29, 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					
1,267,538	1,283,766	(16,228)	1,191,937	75,601	Membership	9,881,507	9,900,927	(19,420)	9,271,329	610,178
9,086	13,065	(3,979)	12,444	(3,358)	Recreation	93,893	88,728	5,165	84,502	9,391
1,467,236	1,390,880	76,356	1,322,685	144,551	Golf Fees	6,353,305	6,194,753	158,552	5,886,440	466,865
98,608	84,873	13,735	80,833	17,775	Sports Pavilion	572,140	571,234	906	544,032	28,108
56,183	101,478	(45,295)	85,228	(29,045)	Special Events	190,914	255,039	(64,125)	213,192	(22,278)
127,224	123,506	3,718	126,725	499	Ancillary Revenue	632,523	663,325	(30,802)	672,075	(39,552)
15,082	8,145	6,937	7,757	7,325	Merchandise Sales (net)	59,728	65,116	(5,388)	62,016	(2,288)
58,478	57,177	1,301	49,848	8,630	Food and Beverage (net)	338,389	313,789	24,600	283,622	54,767
8,738	0	8,738	0	8,738	Interest Income - Operating	92,940	87,337	5,603	2,226	90,714
350	190	160	342	8	Other Income	1,052	735	317	1,323	(271)
3,108,523	3,063,080	45,443	2,877,799	230,724	Operating Revenues Total	18,216,391	18,140,983	75,408	17,020,757	1,195,634
					Operating Expenses					
1,440,550	1,458,629	18,079	1,375,167	(65,383)	Wages And Benefits	11,612,887	11,815,255	202,368	10,857,582	(755,305)
190,258	209,280	19,022	203,185	12,927	Utilities	1,973,702	1,771,759	(201,943)	1,720,167	(253,535)
126,951	122,717	(4,234)	136,722	9,771	Repair and Maintenance	1,357,422	1,205,900	(151,522)	1,131,105	(226,317)
111,232	117,913	6,681	117,349	6,117	Landscape Maintenance	1,523,930	1,732,873	208,943	1,761,874	237,944
49,191	55,026	5,835	44,322	(4,869)	Supplies and Services	415,009	489,740	74,731	469,464	54,455
16,071	1,994	(14,077)	4,667	(11,404)	Equipment	126,485	170,261	43,776	171,359	44,874
68,799	64,625	(4,174)	60,074	(8,725)	Taxes, Licenses and Insurance	574,386	550,718	(23,668)	519,368	(55,018)
72,425	73,674	1,249	73,137	712	Interest & Financial Expense	406,609	394,340	(12,269)	384,719	(21,890)
62,189	61,097	(1,092)	42,772	(19,417)	Operating Expenses	452,346	533,976	81,630	418,358	(33,988)
8,175	12,649	4,474	11,748	3,573	Legal and Professional	116,237	70,569	(45,668)	72,480	(43,757)
11,924	11,379	(545)	9,388	(2,536)	Employee Related Expenses	94,389	124,018	29,629	115,692	21,303
2,157,765	2,188,983	31,218	2,078,531	(79,234)	Operating Expenses Total	18,653,402	18,859,409	206,007	17,622,168	(1,031,234)
950,758	874,097	76,661	799,268	151,490	Operating Cash Inflow/(Outflow)	(437,011)	(718,426)	281,415	(601,411)	164,400
					Capital Related					
75,244	64,562	10,682	66,903	8,341	Investment Income - Reserves	736,524	458,841	277,683	475,475	261,049
(4,459)	(5,231)	772	(5,121)	662	Investment Fees	(38,130)	(39,340)	1,210	(38,515)	385
0	0	0	0	0	Investment - Realized Gain (Loss)	(249,521)	0	(249,521)	(50,376)	(199,145)
(227,743)	0	(227,743)	(747,260)	519,517	Investment - Unrealized Gain (Loss)	591,407	0	591,407	(671,653)	1,263,060
0	0	0	0	0	Contributed Capital	70,121	0	70,121	14,622	55,499
383,500	345,578	37,922	316,700	66,800	Asset Preservation Fee	3,289,800	2,878,303	411,497	2,638,800	651,000
82,882	84,059	(1,177)	97,201	(14,319)	Estimated Reserve Fund Allocation	654,314	660,751	(6,437)	770,157	(115,843)
16,432	0	16,432	1,000	15,432	Gain/(Loss) on Asset Disposal	26,628	0	26,628	47,691	(21,063)
(456,593)	(473,447)	16,854	(393,001)	(63,592)	Depreciation Expense	(3,488,297)	(3,577,735)	89,438	(3,030,312)	(457,985)
(130,737)	15,521	(146,258)	(663,578)	532,841	Capital Related Total	1,592,846	380,820	1,212,026	155,889	1,436,957
820,021	889,618	(69,597)	135,690	684,331	Revenues Over/(Under) Expenses	1,155,835	(337,606)	1,493,441	(445,522)	1,601,357

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
February 29, 2024

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - February was unfavorable to Budget by \$70K and favorable to Prior Year (hereinafter PY) by \$684K. Year to date (hereinafter YTD) was favorable to budget by \$1,493K and favorable to prior year by \$1,601K.

NET OPERATING CASH INFLOW/(OUTFLOW) - February was favorable to Budget by \$77K and favorable to PY by \$151K. YTD was favorable to Budget by \$281K and favorable to PY by \$164K.

OPERATING REVENUES - February revenues were favorable to Budget by \$45K and favorable to PY by \$231K. YTD was favorable to Budget by \$75K and favorable to PY by \$1,196K.

Membership - February revenues were unfavorable to the Budget by \$16K and favorable to PY by \$76K. YTD was unfavorable to Budget by \$19K and favorable to PY by \$610K.

Golf Fees - February revenues were favorable to Budget by \$76K and favorable to PY by \$145K. YTD was favorable to Budget by \$159K and to favorable to PY by \$467K. February rounds were favorable to Budget by 3,856 and favorable to PY by 2,907. YTD rounds were favorable to Budget by 10,639 and favorable to PY by 5,698.

Sports Pavilion - February revenues were favorable to Budget by \$14K and favorable to PY by \$18K. YTD favorable to Budget by \$1K and favorable to PY by \$28K.

Special Events - February revenues were unfavorable to Budget by \$45K and unfavorable to PY by \$29K. YTD unfavorable to Budget by \$64K and unfavorable to PY by \$22K.

EXPENSES - February Operating Expenses were favorable to budget by \$31K and unfavorable to PY by \$79K. YTD was favorable to Budget by \$206K and unfavorable to PY by \$1,031K.

Wages & Benefits - February expenses were favorable to Budget by \$18K and unfavorable to PY by \$65K. YTD favorable to Budget by \$202K and unfavorable to PY by \$755K.

Utilities - February expenses were favorable to Budget by \$19K and favorable to PY by \$13K. YTD unfavorable to Budget by \$202K and unfavorable to PY by \$254K. Higher rates than budgeted and higher than normal temps in Jul-Sept.

Equipment - February expenses were unfavorable to Budget by \$14K and unfavorable to PY by \$11K. YTD expenses are favorable to Budget by \$44K and favorable PY by \$45K.

CAPITAL RELATED REVENUES & EXPENSES - February was unfavorable to Budget by \$146K and favorable to PY by \$533K. YTD is favorable to Budget by \$1,212K and favorable to PY by \$1,437K.

Investment Income - February revenues were favorable to the Budget by \$11K and favorable to PY by \$8K. YTD was favorable to Budget by \$278K and favorable to PY by \$261K.

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 February there were \$228K in realized/unrealized loss, compared to loss of \$747K in PY. YTD total gains are \$342K as compared to \$722K realized/unrealized loss in PY.

APF Fees - February APF fees were favorable to Budget by \$38K and favorable to PY by \$67K. YTD is favorable to Budget by \$411K and favorable to PY by \$651K.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending February 29, 2024 and June 30, 2023

	February-24	June-23
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$9,835,569	9,002,475
Accounts Receivable (net)	184,950	174,834
Notes Receivable	477,904	496,408
Inventories	211,321	210,511
Prepaid and Other Assets	181,204	508,195
Total Current Assets	10,890,948	10,392,423
Board Reserve Funds	27,747,111	31,491,738
<u>Fixed Assets</u>		
Land & Building	117,028,356	110,005,627
Furniture, Fixtures & Equipment	26,119,573	25,945,589
Vehicles	2,039,425	2,016,297
Fixed Assets	145,187,354	137,967,513
Accumulated Depreciation	(88,380,221)	(88,953,333)
Fixed Assets-Net Book Value	56,807,133	49,014,180
Construction In Progress	533,461	4,023,536
Total Fixed Assets	57,340,594	53,037,716
Total Assets	95,978,653	94,921,877
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	730,366	1,110,998
Payroll Related Liabilities	1,400,295	1,023,672
Association Events & Other Program Payables	401,963	234,617
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	34,312,831	34,575,230
Total Liabilities	36,901,698	37,000,760
<u>Members' Equity</u>		
Retained Earnings	57,921,120	51,417,357
Surplus (Deficit)	1,155,835	6,503,760
Total Equity	59,076,955	57,921,117
TOTAL LIABILITIES AND EQUITY	95,978,653	94,921,877

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

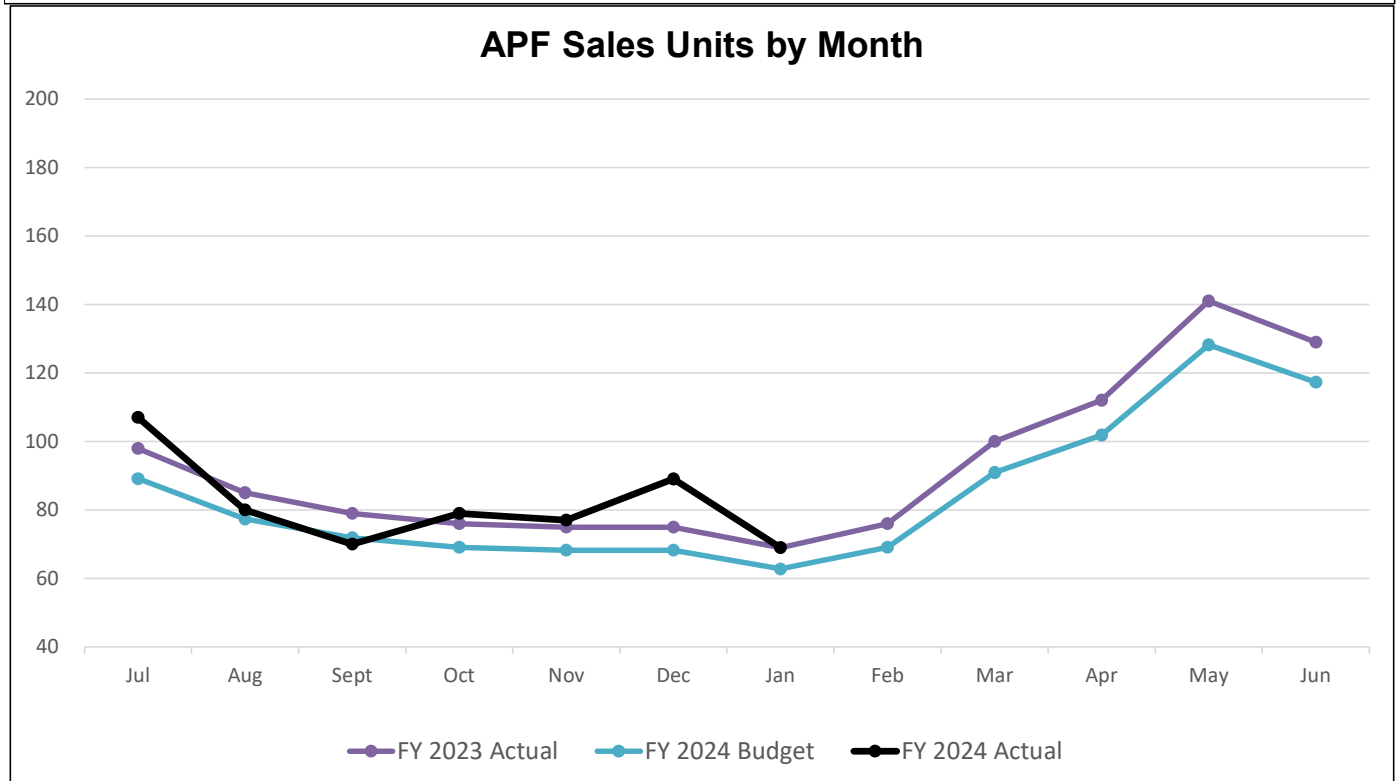
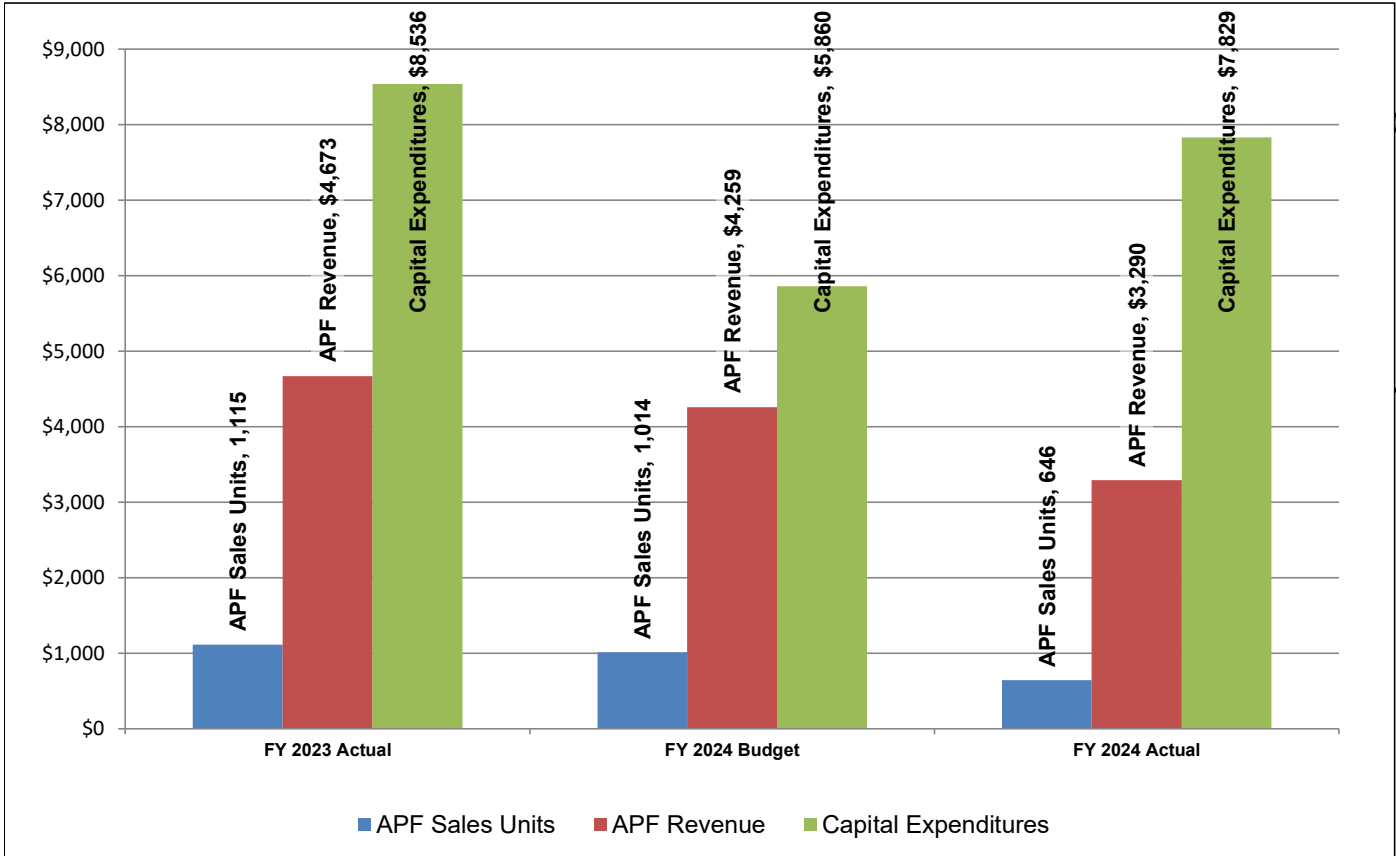
	Eight Months Ended February 2024	Fiscal Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,155,838	\$ 2,192,151
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	3,488,297	4,728,606
(Gain) / Loss on Disposals of Fixed Assets	(26,628)	(68,445)
Net (Gains) / Loss on Investments	(341,886)	265,765
Asset Preservation & Facility Investment Fees	(3,289,800)	(4,673,000)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	8,388	91,664
Inventories	(810)	(13,764)
Prepaid expenses and other assets	326,991	(50,507)
Accounts payable and accrued expenses	163,337	343,027
Deferred income	(262,399)	610,637
Net cash provided by (used in) operating activities	1,221,328	3,426,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(7,828,502)	(8,536,365)
Proceeds from Disposal of Fixed Assets	63,957	75,754
Asset Preservation & Facility Investment Fees	3,289,800	4,673,000
Cash Flow Funding Transfer (to) / from Reserves (Net)	(4,823,037)	3,235,740
Net (purchase) redemption of investments	8,909,550	(7,248,668)
Net cash provided by (used in) investing activities	(388,232)	(7,800,539)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	833,095	(4,374,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,002,477	13,376,882
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 9,835,573	\$ 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)

February			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
75	69	6	646	576	70
\$ 384	\$ 346	\$ 38	\$ 3,290	\$ 2,878	\$ 411
\$ 328	\$ 176	\$ 152	\$ 7,829	\$ 5,098	\$ 2,731



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>February 2024</u>	<u>% Total</u>	<u>June 2023</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,880	0.14%	12,380	0.14%	1,500
Short-term Operating Cash Investments	7,074,659		4,922,617	54.68%	2,152,042
Checking and Sweep Account	2,747,030	27.93%	4,067,478	45.18%	(1,320,448)
Total Cash and Cash Equivalents	9,835,569	100.00%	9,002,475	100.00%	833,094
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	178,626	0.64%	147,401	0.47%	31,225
Total Cash Investments	178,626	0.64%	147,401	0.47%	31,225
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,637,528	88.79%	28,491,286	90.47%	(3,853,757)
Equities	2,930,957	10.56%	2,853,052	9.06%	77,905
Total Fund Investments	27,568,485	99.36%	31,344,337	99.53%	(3,775,852)
Total Reserve Funds	27,747,111	100.00%	31,491,738	100.00%	(3,744,627)
TOTAL FUNDS	37,582,680		40,494,213		(2,911,533)

<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	736,524	777,188	3,518,038
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(249,521)	(416,004)	4,650,773
Un-Realized Gains (Losses) ***	591,407	150,239	(3,591,544)
Ending Balance	27,747,111	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	128	76%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7	12	188	142	76%
FY 2023-24 Bud	\$ 3,600	7	8	20	27	17	24	24	8	13	12	6	6	171	135	79%
FY 2023-24	\$ 3,600	6	8	17	33	26	25	19	12					146	146	100%
														% of Budget YTD	108%	
														% of Prior Year YTD	103%	
Kachina Golf Card Sales																
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	548	81%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25	17	687	545	79%
FY 2023-24 Bud	\$ 895	15	14	59	92	148	71	82	47	59	34	23	22	666	528	79%
FY 2023-24	\$ 895	9	17	63	100	151	76	89	51					556	556	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	613	83%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14	14	794	684	86%
FY 2023-24 Bud	\$ 325	8	11	35	123	185	128	125	63	52	28	14	6	779	678	87%
FY 2023-24	\$ 325	14	12	24	139	185	122	138	63					697	697	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	14	93%
FY 2022-23	\$ 1,500	0	0	0	1	0	3	3	1	0	0	0	0	8	8	100%
FY 2023-24 Bud	\$ 1,500	0	0	0	1	4	3	3	1	0	0	0	0	11	11	100%
FY 2023-24	\$ 1,500	0	0	1	1	3	3	2	0					10	10	100%
														% of Budget YTD	87%	
														% of Prior Year YTD	125%	
Twilight Golf Card Sales																
FY 2021-22	\$ 1,300	3	5	3	8	9	9	9	4	5	1	1	2	59	50	85%
FY 2022-23	\$ 1,300	1	5	4	11	12	12	9	4	0	6	4	2	70	58	83%
FY 2023-24 Bud	\$ 1,339	1	5	4	11	12	12	9	4	(1)	6	4	1	66	56	84%
FY 2023-24	\$ 1,339	1	4	4	8	12	9	14	0					52	52	100%
														% of Budget YTD	93%	
														% of Prior Year YTD	90%	

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	1,556	68%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160	111	2,527	1,697	67%
FY 2023-24 Bud	\$ 90	40	125	125	250	300	250	300	275	320	250	175	115	2,525	1,665	66%
FY 2023-24	\$90/\$180	30	44	356	241	270	203	270	246					1,660	1,660	100%
														% of Budget YTD	100%	
														% of Prior Year YTD	98%	

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	31,023					30,842

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	188					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	693					676

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	802					790

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	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	71					67

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	197,981	68%
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	199,921	69%
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	196,835	68%
FY 2023-24		18,980	0	16,814	30,684	32,846	26,685	33,920	33,625					193,554	193,554	100%
														% of Budget YTD	98%	
														% of Prior Year YTD	97%	
Transfer Fee (Home Sale)																
FY 2021-22	\$ 275	126	124	121	119	151	133	130	116	202	196	162	130	1,710	1,020	60%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154	144	1,196	666	56%
FY 2023-24 Bud	\$ 275	96	89	83	81	84	83	75	83	103	133	156	146	1,214	676	56%
FY 2023-24	\$ 275	114	92	71	76	74	95	72	78					672	672	100%
														% of Budget YTD	99%	
														% of Prior Year YTD	101%	
Asset Preservation Fees																
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	945	59%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141	129	1,115	633	57%
FY 2023-24 Bud	\$ 5,000	89	77	72	69	68	68	63	69	91	102	128	117	1,014	576	57%
FY 2023-24	\$ 5,000	107	80	70	79	77	89	69	75					646	646	100%
														% of Budget YTD	112%	
														% of Prior Year YTD	102%	