

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

March 2024 and the Nine Months Ended

03/31/24

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
March 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					
1,305,151	1,321,226	(16,075)	1,218,592	86,559	Membership	11,186,658	11,222,153	(35,495)	10,489,921	696,737
11,849	13,848	(1,999)	13,190	(1,341)	Recreation	105,742	102,576	3,166	97,692	8,050
1,638,844	1,625,174	13,670	1,546,737	92,107	Golf Fees	7,992,148	7,819,927	172,221	7,433,177	558,971
98,436	106,322	(7,886)	101,259	(2,823)	Sports Pavilion	670,576	677,556	(6,980)	645,292	25,284
82,607	91,197	(8,590)	75,801	6,806	Special Events	273,520	346,236	(72,716)	288,993	(15,473)
147,411	154,252	(6,841)	158,808	(11,397)	Ancillary Revenue	779,936	817,577	(37,641)	830,884	(50,948)
15,045	7,327	7,718	6,976	8,069	Merchandise Sales (net)	74,774	72,443	2,331	68,994	5,780
75,506	67,585	7,921	59,026	16,480	Food and Beverage (net)	413,894	381,374	32,520	342,647	71,247
9,312	15,000	(5,688)	48,457	(39,145)	Interest Income - Operating	102,252	102,337	(85)	50,683	51,569
333	767	(434)	1,384	(1,051)	Other Income	1,385	1,502	(117)	2,707	(1,322)
3,384,494	3,402,698	(18,204)	3,230,230	154,264	Operating Revenues Total	21,600,885	21,543,681	57,204	20,250,990	1,349,895
					Operating Expenses					
1,513,902	1,582,501	68,599	1,491,353	(22,549)	Wages And Benefits	13,126,782	13,397,756	270,974	12,348,935	(777,847)
193,646	202,690	9,044	196,784	3,138	Utilities	2,167,344	1,974,449	(192,895)	1,916,952	(250,392)
117,244	135,027	17,783	121,920	4,676	Repair and Maintenance	1,474,671	1,340,927	(133,744)	1,253,023	(221,648)
44,007	27,788	(16,219)	27,058	(16,949)	Landscape Maintenance	1,567,938	1,760,661	192,723	1,788,932	220,994
44,895	62,225	17,330	58,642	13,747	Supplies and Services	459,902	551,965	92,063	528,105	68,203
19,470	9,035	(10,435)	21,942	2,472	Equipment	145,955	179,296	33,341	193,299	47,344
82,476	84,261	1,785	78,228	(4,248)	Taxes, Licenses and Insurance	656,864	634,979	(21,885)	597,597	(59,267)
85,178	89,971	4,793	88,807	3,629	Interest & Financial Expense	491,787	484,311	(7,476)	473,527	(18,260)
59,613	74,857	15,244	57,082	(2,531)	Operating Expenses	511,959	608,833	96,874	475,440	(36,519)
16,111	9,979	(6,132)	9,151	(6,960)	Legal and Professional	132,347	80,548	(51,799)	81,630	(50,717)
7,666	17,111	9,445	14,299	6,633	Employee Related Expenses	102,054	141,129	39,075	129,991	27,937
2,184,208	2,295,445	111,237	2,165,266	(18,942)	Operating Expenses Total	20,837,603	21,154,854	317,251	19,787,431	(1,050,172)
1,200,286	1,107,253	93,033	1,064,964	135,322	Operating Cash Inflow/(Outflow)	763,282	388,827	374,455	463,559	299,723
					Capital Related					
76,047	65,846	10,201	68,233	7,814	Investment Income - Reserves	812,571	524,687	287,884	543,708	268,863
(5,000)	(5,107)	107	(5,000)	0	Investment Fees	(43,130)	(44,447)	1,317	(43,515)	385
0	0	0	0	0	Investment - Realized Gain (Loss)	(249,521)	0	(249,521)	(50,376)	(199,145)
213,945	0	213,945	614,557	(400,612)	Investment - Unrealized Gain (Loss)	805,352	0	805,352	(57,096)	862,448
210,000	0	210,000	0	210,000	Contributed Capital	280,121	0	280,121	14,622	265,499
629,000	454,709	174,291	419,300	209,700	Asset Preservation Fee	3,918,800	3,333,012	585,788	3,058,100	860,700
83,401	84,626	(1,225)	97,287	(13,886)	Estimated Reserve Fund Allocation	737,715	745,377	(7,662)	867,445	(129,730)
(5,033)	0	(5,033)	0	(5,033)	Gain/(Loss) on Asset Disposal	21,595	0	21,595	47,691	(26,096)
(462,066)	(474,245)	12,179	(394,374)	(67,692)	Depreciation Expense	(3,950,362)	(4,051,980)	101,618	(3,424,686)	(525,676)
740,294	125,829	614,465	800,003	(59,709)	Capital Related Total	2,333,141	506,649	1,826,492	955,893	1,377,248
1,940,580	1,233,082	707,498	1,864,967	75,613	Revenues Over/(Under) Expenses	3,096,423	895,476	2,200,947	1,419,452	1,676,971

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

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - March was favorable to Budget by \$707K and favorable to Prior Year (hereinafter PY) by \$76K. Year to date (hereinafter YTD) was favorable to budget by \$2,201K and favorable to prior year by \$1,677K.

NET OPERATING CASH INFLOW/(OUTFLOW) - March was favorable to Budget by \$93K and favorable to PY by \$135K. YTD was favorable to Budget by \$374K and favorable to PY by \$300K.

OPERATING REVENUES - March revenues were unfavorable to Budget by \$18K and favorable to PY by \$154K. YTD was favorable to Budget by \$57K and favorable to PY by \$1,350K.

Membership - March revenues were unfavorable to the Budget by \$16K and favorable to PY by \$87K. YTD was unfavorable to Budget by \$35K and favorable to PY by \$697K.

Golf Fees - March revenues were favorable to Budget by \$14K and favorable to PY by \$92K. YTD was favorable to Budget by \$172K and to favorable to PY by \$559K. March rounds were favorable to Budget by 2,120 and favorable to PY by 993. YTD rounds were favorable to Budget by 12,757 and favorable to PY by 6,689.

Sports Pavilion - March revenues were unfavorable to Budget by \$8K and unfavorable to PY by \$3K. YTD unfavorable to Budget by \$7K and favorable to PY by \$25K.

Food & Beverage - March revenues were favorable to Budget by \$8K and favorable to PY by \$16K. YTD favorable to Budget by \$33K and favorable to PY by \$71K.

EXPENSES - March Operating Expenses were favorable to budget by \$111K and unfavorable to PY by \$19K. YTD was favorable to Budget by \$317K and unfavorable to PY by \$1,050K.

Wages & Benefits - March expenses were favorable to Budget by \$69K and unfavorable to PY by \$23K. YTD favorable to Budget by \$271K and unfavorable to PY by \$778K.

Utilities - March expenses were favorable to Budget by \$9K and favorable to PY by \$3K. YTD unfavorable to Budget by \$193K and unfavorable to PY by \$250K. Higher rates than budgeted and higher than normal temps in Jul-Sept.

Repairs & Maintenance - March expenses were favorable to Budget by \$18K and favorable to PY by \$5K. YTD is unfavorable to Budget by \$134K and unfavorable to PY by \$222K.

Landscape Maintenance - March expenses were unfavorable to Budget by \$16K and unfavorable to PY by \$17K. YTD is favorable to Budget by \$193K and favorable to PY by \$221K.

Supplies and Services - March expenses were favorable to Budget and PY by \$17K and \$14K, respectively. YTD expenses are favorable to Budget and PY by \$92K and \$68K, respectively.

Operating Expense - Other - March expenses were favorable to Budget by \$15K and unfavorable to PY by \$3K. YTD expenses are favorable to Budget by \$97K and unfavorable to PY by \$37K.

Employee Related Expenses - March expenses were favorable to Budget by \$9K and favorable to PY by \$7K. YTD is favorable to Budget by \$39K and favorable to PY by \$28K.

CAPITAL RELATED REVENUES & EXPENSES - March was unfavorable to Budget by \$614K and unfavorable to PY by \$60K. YTD is favorable to Budget by \$1,826K and favorable to PY by \$1,377K.

Investment Income - March revenues were favorable to the Budget by \$10K and favorable to PY by \$8K. YTD was favorable to Budget by \$288K and favorable to PY by \$269K.

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 March there were \$214K in realized/unrealized loss, compared to gain of \$615K in PY. YTD total gains are \$556K as compared to \$107K realized/unrealized loss in PY.

APF Fees - March APF fees were favorable to Budget by \$174K and favorable to PY by \$210K. YTD is favorable to Budget by \$586K and favorable to PY by \$861K.

Recreation Centers of Sun City West, Inc.

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

	March-24	June-23
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$11,127,569	9,002,475
Accounts Receivable (net)	251,939	174,834
Notes Receivable	471,545	496,408
Inventories	220,441	210,511
Prepaid and Other Assets	85,304	508,195
Total Current Assets	12,156,798	10,392,423
Board Reserve Funds	28,037,103	31,491,738
<u>Fixed Assets</u>		
Land & Building	117,126,164	110,005,627
Furniture, Fixtures & Equipment	26,453,335	25,945,589
Vehicles	2,039,425	2,016,297
Fixed Assets	145,618,924	137,967,513
Accumulated Depreciation	(88,774,091)	(88,953,333)
Fixed Assets-Net Book Value	56,844,833	49,014,180
Construction In Progress	374,875	4,023,536
Total Fixed Assets	57,219,708	53,037,716
Total Assets	97,413,609	94,921,877
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	466,340	1,110,998
Payroll Related Liabilities	1,023,579	1,023,672
Association Events & Other Program Payables	257,799	234,617
Charter Clubs Payables	56,243	56,243
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	34,592,105	34,575,230
Total Liabilities	36,396,066	37,000,760
<u>Members' Equity</u>		
Retained Earnings	57,921,120	51,417,357
Surplus (Deficit)	3,096,423	6,503,760
Total Equity	61,017,543	57,921,117
TOTAL LIABILITIES AND EQUITY	97,413,609	94,921,877

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

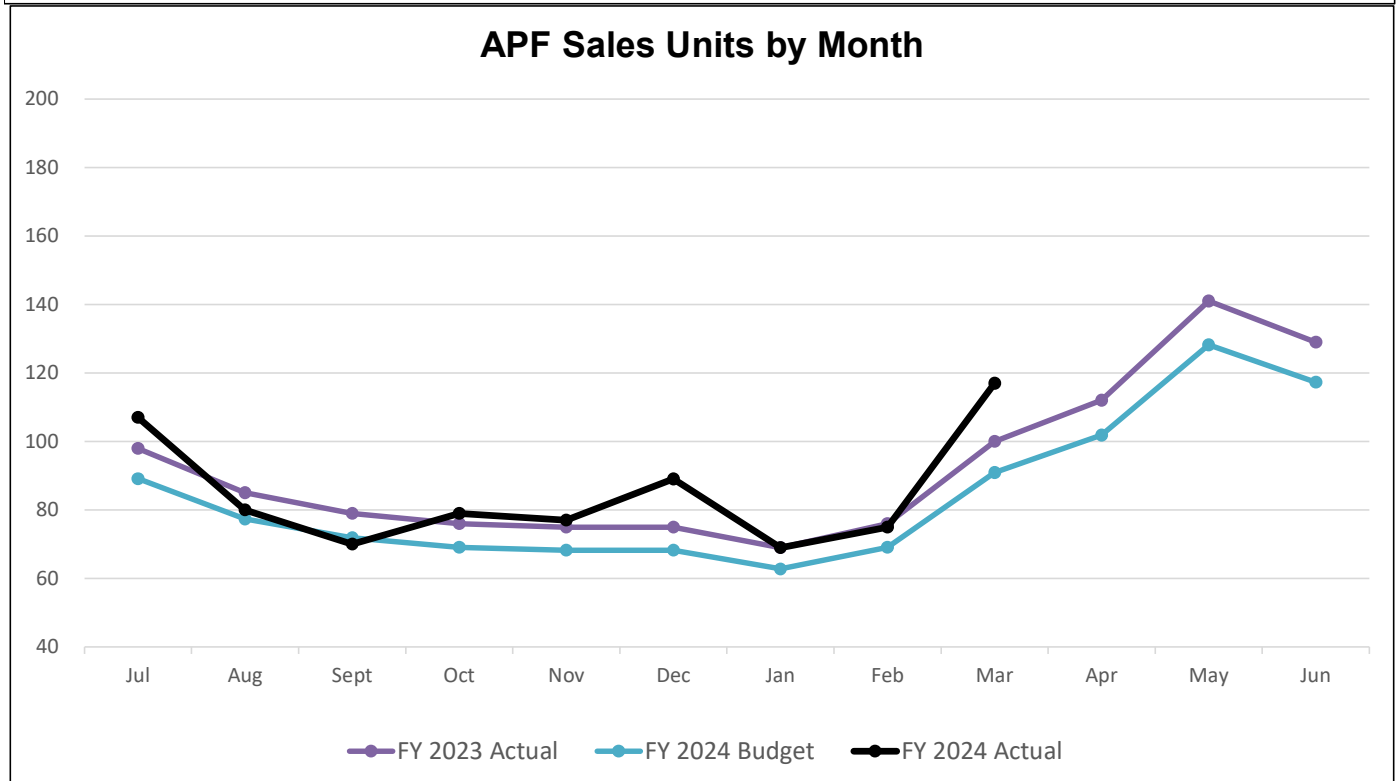
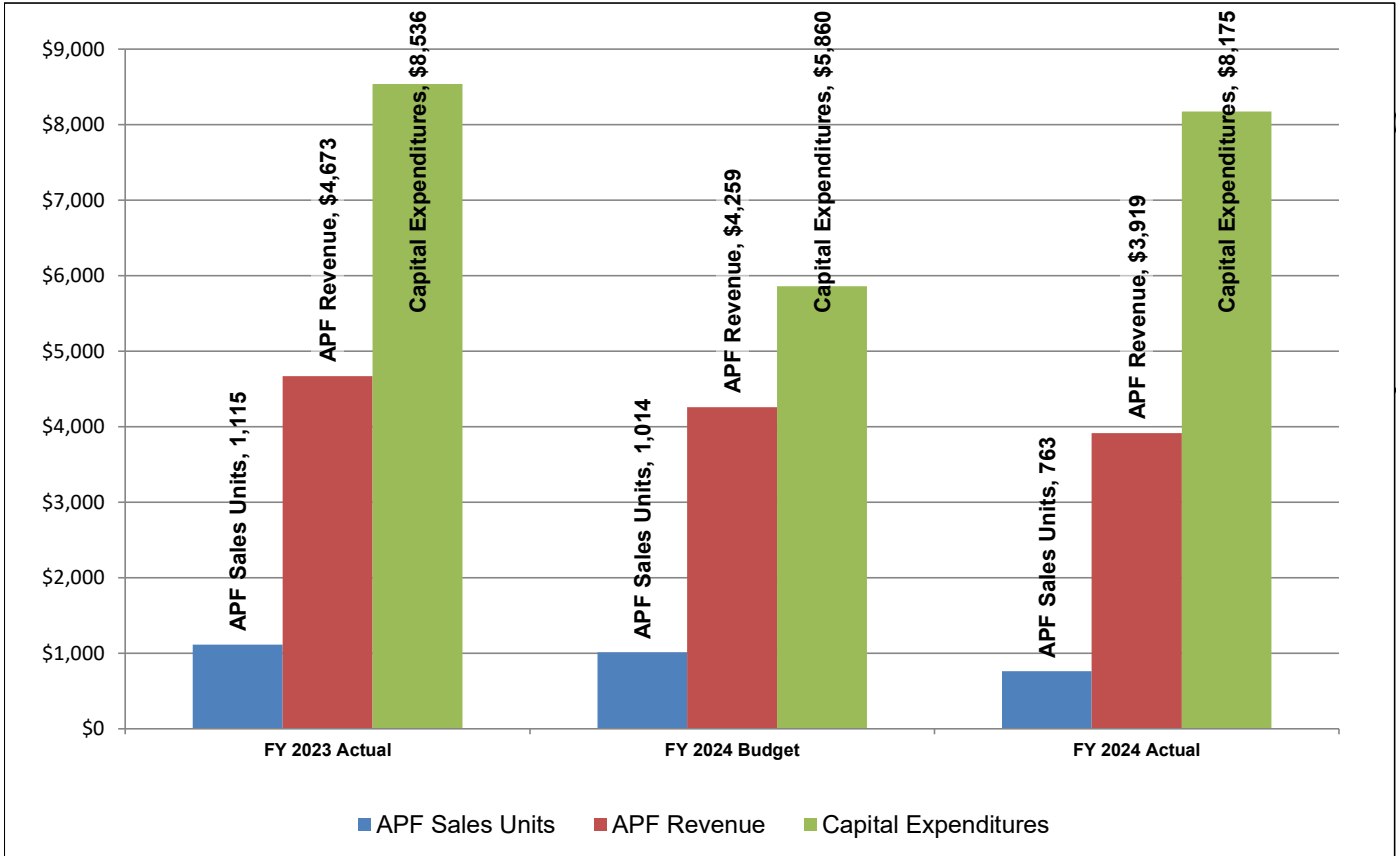
	Nine Months Ended March 2024	Fiscal Year Ended June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,096,426	\$ 2,192,151
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	3,950,362	4,728,606
(Gain) / Loss on Disposals of Fixed Assets	(21,595)	(68,445)
Net (Gains) / Loss on Investments	(555,831)	265,765
Asset Preservation & Facility Investment Fees	(3,918,800)	(4,673,000)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	(52,242)	91,664
Inventories	(9,930)	(13,764)
Prepaid expenses and other assets	422,891	(50,507)
Accounts payable and accrued expenses	(621,569)	343,027
Deferred income	16,875	610,637
Net cash provided by (used in) operating activities	2,306,587	3,426,134
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(8,174,715)	(8,536,365)
Proceeds from Disposal of Fixed Assets	63,957	75,754
Asset Preservation & Facility Investment Fees	3,918,800	4,673,000
Cash Flow Funding Transfer (to) / from Reserves (Net)	(4,823,037)	3,235,740
Net (purchase) redemption of investments	8,833,503	(7,248,668)
Net cash provided by (used in) investing activities	(181,492)	(7,800,539)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 2,125,095	 (4,374,405)
 CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	 9,002,477	 13,376,882
 CASH AND CASH EQUIVALENTS, END OF PERIOD	 \$ 11,127,572	 \$ 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)

March			Year to Date		
Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
117	91	26	763	667	96
\$ 629	\$ 455	\$ 174	\$ 3,919	\$ 3,333	\$ 586
\$ 346	\$ 176	\$ 170	\$ 8,175	\$ 5,274	\$ 2,901



Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>March 2024</u>	<u>% Total</u>	<u>June 2023</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,880	0.12%	12,380	0.14%	1,500
Short-term Operating Cash Investments	9,040,969		4,922,617	54.68%	4,118,352
Checking and Sweep Account	2,072,720	18.63%	4,067,478	45.18%	(1,994,758)
Total Cash and Cash Equivalents	11,127,569	100.00%	9,002,475	100.00%	2,125,094
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	139,859	0.50%	147,401	0.47%	(7,542)
Total Cash Investments	139,859	0.50%	147,401	0.47%	(7,542)
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,872,609	88.71%	28,491,286	90.47%	(3,618,677)
Equities	3,024,635	10.79%	2,853,052	9.06%	171,584
Total Fund Investments	27,897,244	99.50%	31,344,337	99.53%	(3,447,093)
Total Reserve Funds	28,037,103	100.00%	31,491,738	100.00%	(3,454,635)
TOTAL FUNDS	39,164,672		40,494,213		(1,329,541)

<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	812,571	777,188	3,518,038
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(249,521)	(416,004)	4,650,773
Un-Realized Gains (Losses) ***	805,352	150,239	(3,591,544)
Ending Balance	28,037,103	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	135	80%
FY 2022-23	\$ 3,500	8	7	21	28	18	25	26	9	14	13	7	12	188	156	83%
FY 2023-24 Bud	\$ 3,600	7	8	20	27	17	24	24	8	13	12	6	6	171	148	86%
FY 2023-24	\$ 3,600	6	8	17	33	26	25	19	12	13				159	159	100%
														% of Budget YTD	108%	
														% of Prior Year YTD	102%	
Kachina Golf Card Sales																
FY 2021-22	\$ 895	11	21	49	99	153	67	88	60	58	29	23	16	674	606	90%
FY 2022-23	\$ 895	15	14	63	94	152	74	84	49	62	38	25	17	687	607	88%
FY 2023-24 Bud	\$ 895	15	14	59	92	148	71	82	47	59	34	23	22	666	587	88%
FY 2023-24	\$ 895	9	17	63	100	151	76	89	51	52				608	608	100%
														% of Budget YTD	104%	
														% of Prior Year YTD	100%	
Coyote Golf Card Sales																
FY 2021-22	\$ 325	15	7	22	106	166	121	108	68	51	38	26	14	742	664	89%
FY 2022-23	\$ 325	8	11	37	123	186	128	127	64	53	29	14	14	794	737	93%
FY 2023-24 Bud	\$ 325	8	11	35	123	185	128	125	63	52	28	14	6	779	730	94%
FY 2023-24	\$ 325	14	12	24	139	185	122	138	63	37				734	734	100%
														% of Budget YTD	100%	
														% of Prior Year YTD	100%	
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	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	55	93%
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	55	83%
FY 2023-24	\$ 1,339	1	4	4	8	12	9	14	0	3				55	55	100%
														% of Budget YTD	100%	
														% of Prior Year YTD	95%	

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	1,848	80%
FY 2022-23	\$90/\$99	90	122	122	250	297	231	309	276	318	241	160	111	2,527	2,015	80%
FY 2023-24 Bud	\$ 90	40	125	125	250	300	250	300	275	320	250	175	115	2,525	1,985	79%
FY 2023-24	\$90/\$180	30	44	356	241	270	203	270	246	256				1,916	1,916	100%
														% of Budget YTD	97%	
														% of Prior Year YTD	95%	

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	31,117				30,873

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	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	689				677

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	792				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	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	74				68

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	232,680	80%
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	234,516	81%
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	232,045	80%
FY 2023-24		18,980	0	16,814	30,684	32,846	26,685	33,920	33,625	34,366				227,920	227,920	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	1,222	71%
FY 2022-23	\$ 275	95	88	82	80	83	82	74	82	101	131	154	144	1,196	767	64%
FY 2023-24 Bud	\$ 275	96	89	83	81	84	83	75	83	103	133	156	146	1,214	779	64%
FY 2023-24	\$ 275	114	92	71	76	74	95	72	78	133				805	805	100%
														% of Budget YTD	103%	
														% of Prior Year YTD	105%	
Asset Preservation Fees																
FY 2021-22	\$ 3,700	115	106	109	116	139	135	115	110	196	180	163	129	1,613	1,141	71%
FY 2022-23	\$ 4,200	98	85	79	76	75	75	69	76	100	112	141	129	1,115	733	66%
FY 2023-24 Bud	\$ 5,000	89	77	72	69	68	68	63	69	91	102	128	117	1,014	667	66%
FY 2023-24	\$ 5,000	107	80	70	79	77	89	69	75	117				763	763	100%
														% of Budget YTD	114%	
														% of Prior Year YTD	104%	