

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

September 2025 and the Three Months Ended

09/30/25

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
September 30, 2025

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					
1,312,530	1,315,310	(2,780)	1,244,091	68,439	Membership	3,941,989	3,955,020	(13,031)	3,743,967	198,022
4,895	6,110	(1,215)	6,480	(1,585)	Recreation	15,557	16,979	(1,422)	18,643	(3,086)
381,595	370,455	11,140	369,021	12,574	Golf Fees	1,087,289	1,036,229	51,060	1,036,069	51,220
90,783	75,233	15,550	74,719	16,064	Sports Pavilion	199,022	151,402	47,620	152,680	46,342
2,360	(101)	2,461	161	2,199	Special Events	2,790	(3,903)	6,693	(1,924)	4,714
77,717	80,746	(3,029)	80,429	(2,712)	Ancillary Revenue	190,805	178,016	12,789	175,295	15,510
1,741	1,941	(200)	1,175	566	Merchandise Sales (net)	6,674	6,458	216	9,892	(3,218)
29,664	39,236	(9,572)	38,387	(8,723)	Food and Beverage (net)	78,555	93,557	(15,002)	87,462	(8,907)
12,720	12,651	69	34,522	(21,802)	Interest Income - Operating	12,720	13,953	(1,233)	47,256	(34,536)
548	214	334	230	318	Other Income	864	735	129	777	87
1,914,553	1,901,795	12,758	1,849,215	65,338	Operating Revenues Total	5,536,265	5,448,446	87,819	5,270,117	266,148
					Operating Expenses					
1,492,094	1,523,630	31,536	1,451,348	(40,746)	Wages And Benefits	4,371,978	4,515,192	143,214	4,265,978	(106,000)
274,321	293,255	18,934	270,596	(3,725)	Utilities	830,755	868,607	37,852	860,430	29,675
255,569	269,235	13,666	231,317	(24,252)	Repair and Maintenance	643,239	653,221	9,982	653,364	10,125
455,208	509,960	54,752	393,399	(61,809)	Landscape Maintenance	636,411	674,369	37,958	582,015	(54,396)
63,461	62,186	(1,275)	55,936	(7,525)	Supplies and Services	159,141	162,495	3,354	145,070	(14,071)
21,584	32,890	11,306	10,271	(11,313)	Equipment	65,556	82,534	16,978	58,962	(6,594)
76,141	76,277	136	70,669	(5,472)	Taxes, Licenses and Insurance	229,552	233,640	4,088	216,410	(13,142)
37,940	38,555	615	34,050	(3,890)	Interest & Financial Expense	101,870	99,303	(2,567)	99,228	(2,642)
58,814	76,502	17,688	57,359	(1,455)	Operating Expenses	176,482	189,782	13,300	153,178	(23,304)
32,403	16,544	(15,859)	6,278	(26,125)	Legal and Professional	52,731	34,537	(18,194)	53,131	400
17,064	12,643	(4,421)	8,552	(8,512)	Employee Related Expenses	55,871	48,057	(7,814)	35,947	(19,924)
2,784,599	2,911,677	127,078	2,589,775	(194,824)	Operating Expenses Total	7,323,586	7,561,737	238,151	7,123,713	(199,873)
(870,046)	(1,009,882)	139,836	(740,560)	(129,486)	Operating Cash Inflow/(Outflow)	(1,787,321)	(2,113,291)	325,970	(1,853,596)	66,275
					Capital Related					
85,168	88,080	(2,912)	90,818	(5,650)	Investment Income - Reserves	256,613	252,885	3,728	260,748	(4,135)
(5,000)	(4,229)	(771)	(4,030)	(970)	Investment Fees	(15,650)	(14,723)	(927)	(14,030)	(1,620)
0	0	0	(138,326)	138,326	Investment - Realized Gain (Loss)	(65)	0	(65)	(138,326)	138,261
465,817	0	465,817	436,396	29,421	Investment - Unrealized Gain (Loss)	860,516	0	860,516	1,239,352	(378,836)
0	0	0	0	0	Contributed Capital	0	0	0	0	0
459,400	463,719	(4,319)	445,600	13,800	Asset Preservation Fee	1,388,800	1,446,105	(57,305)	1,389,600	(800)
98,450	99,333	(883)	93,917	4,533	Estimated Reserve Fund Allocation	294,606	297,081	(2,475)	280,993	13,613
(17,544)	0	(17,544)	42,450	(59,994)	Gain/(Loss) on Asset Disposal	(6,189)	0	(6,189)	35,902	(42,091)
(433,415)	(512,472)	79,057	(472,665)	39,250	Depreciation Expense	(1,356,712)	(1,552,726)	196,014	(1,429,717)	73,005
652,876	134,431	518,445	494,160	158,716	Capital Related Total	1,421,919	428,622	993,297	1,624,522	(202,603)
(217,170)	(875,451)	658,281	(246,400)	29,230	Revenues Over/(Under) Expenses	(365,402)	(1,684,669)	1,319,267	(229,074)	(136,328)

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
September 30, 2025

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - September was favorable to Budget by \$658K and favorable to Prior Year (hereinafter PY) by \$29K. Year to date (hereinafter YTD) was favorable to budget by \$1,319K and unfavorable to prior year by \$136K.

NET OPERATING CASH INFLOW/(OUTFLOW) - September was favorable to Budget by \$140K and unfavorable to PY by \$129K. YTD was favorable to Budget by \$326K and favorable to PY by \$66K.

OPERATING REVENUES - September revenues were favorable to Budget by \$13K and favorable to PY by \$65K. YTD was favorable to Budget by \$88K and favorable to PY by \$266K.

Golf Fees - September revenues were favorable to Budget by \$11K and favorable to PY by \$13K. YTD was favorable to Budget by \$51K and to favorable to PY by \$51K. September rounds were favorable to Budget by 354 and favorable to PY by 354. YTD rounds were favorable to Budget by 1,894 and favorable to PY by 1,894.

Sports Pavilion - September revenues were favorable to Budget by \$16K and favorable to PY by \$16K. YTD favorable to Budget by \$48K and favorable to PY by \$46K. Bowling lineage is favorable by 13,242 YTD.

Ancillary Revenue - September revenues were unfavorable to Budget by \$3K and unfavorable to PY by \$3K. YTD revenues are favorable to budget by \$13K and favorable to PY by \$16K. Due to driving range and golf cart increased sales.

Merchandise Sales - September net revenues were unfavorable to Budget by \$7K and unfavorable to PY by \$12K. YTD net revenues were favorable to budget by \$9K and unfavorable to PY by \$7K.

Food & Beverage - September revenues were unfavorable to Budget by \$10K and unfavorable to PY by \$9K. YTD unfavorable to Budget by \$15K and unfavorable to PY by \$9K. Due to Lizard Acres closure.

EXPENSES - September Operating Expenses were favorable to budget by \$127K and unfavorable to PY by \$195K. YTD was favorable to Budget by \$238K and unfavorable to PY by \$200K.

Wages & Benefits - September expenses were favorable to Budget by \$32K and unfavorable to PY by \$41K. YTD favorable to Budget by \$143K and unfavorable to PY by \$106K. YTD favorable due to \$67K employee health insurance rebate on positive claims results from CY 2024.

Utilities - September expenses were favorable to Budget by \$19K and unfavorable to PY by \$4K. YTD favorable to Budget by \$38K and favorable to PY by \$30K. Due to Phone/Internet and Trash savings.

Repairs & Maintenance - September expenses were favorable to Budget by \$14K and unfavorable to PY by \$24K. YTD is unfavorable to Budget by \$4K and favorable to PY by \$34K.

Landscape Maintenance - September expenses were favorable to Budget by \$55K and unfavorable to PY by \$62K. YTD is favorable to Budget by \$38K and unfavorable to PY by \$54K.

Equipment - September expenses were favorable to Budget by \$11K and unfavorable to PY by \$11K. YTD expenses are favorable to Budget by \$17K and unfavorable PY by \$7K.

Operating Expense - Other - September expenses were favorable to Budget by \$18K and unfavorable to PY by \$1K. YTD expenses are favorable to Budget by \$13K and unfavorable to PY by \$23K.

Legal & Professional - September expenses were unfavorable to Budget by \$16K and unfavorable to PY by \$26K. YTD expenses are unfavorable to Budget by \$18K and favorable to PY by \$0K. Due to increase in Legal fees.

CAPITAL RELATED REVENUES & EXPENSES - September was favorable to Budget by \$518K and favorable to PY by \$159K. YTD is favorable to Budget by \$993K and unfavorable to PY by \$203K.

Investment Income - September revenues were unfavorable to the Budget by \$3K and unfavorable to PY by \$6K. YTD was favorable to Budget by \$4K and unfavorable to PY by \$4K.

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 September there were \$466K in realized/unrealized gain, compared to realized/unrealized gain of \$298K in PY. YTD total realized/unrealized gains are \$860K as compared to \$1,101K realized/unrealized gain in PY.

APF Fees - September APF fees were unfavorable to Budget by \$4K and favorable to PY by \$14K. YTD is unfavorable to Budget by \$57K and unfavorable to PY by \$1K. YTD 7 APF transactions behind Budget and 13 behind Prior Year.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending September 30, 2025 and June 30, 2024

	<u>September-25</u>	<u>June-25</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$7,485,517	\$10,677,430
Accounts Receivable (net)	185,152	230,263
Notes Receivable	316,101	440,432
Inventories	197,609	192,438
Prepaid and Other Assets	442,516	622,301
Total Current Assets	8,626,895	12,162,864
Board Reserve Funds	33,692,888	32,575,824
<u>Fixed Assets</u>		
Land & Building	115,695,031	115,594,245
Furniture, Fixtures & Equipment	26,637,129	26,364,650
Vehicles	2,128,251	2,057,681
Fixed Assets	144,460,411	144,016,576
Accumulated Depreciation	(90,928,693)	(89,665,756)
Fixed Assets-Net Book Value	53,531,718	54,350,820
Construction In Progress	6,349,954	4,604,210
Total Fixed Assets	59,881,672	58,955,030
Total Assets	102,201,455	103,693,718
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	1,175,157	1,291,664
Payroll Related Liabilities	904,965	1,174,790
Association Events & Other Program Payables	333,373	238,984
Charter Clubs Payables	67,843	57,543
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	36,122,883	35,505,473
Total Liabilities	38,604,221	38,268,454
<u>Members' Equity</u>		
Retained Earnings	63,962,636	61,156,548
Surplus (Deficit)	(365,402)	4,268,716
Total Equity	63,597,234	65,425,264
TOTAL LIABILITIES AND EQUITY	102,201,455	103,693,718

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

	Three Months Ended September 2025	Fiscal Year Ended June 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (1,828,030)	\$ 4,268,717
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,356,712	5,581,504
(Gain) / Loss on Disposals of Fixed Assets	6,189	(27,788)
Net (Gains) / Loss on Investments	(860,451)	(974,376)
Asset Preservation & Facility Investment Fees	(1,388,800)	(5,707,900)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	169,442	38,580
Inventories	(5,171)	(231)
Prepaid expenses and other assets	179,785	(64,391)
Accounts payable and accrued expenses	(281,643)	758,740
Deferred income	617,410	328,060
Net cash provided by (used in) operating activities	(2,034,557)	4,200,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(2,315,546)	(8,359,803)
Proceeds from Disposal of Fixed Assets	26,000	60,245
Asset Preservation & Facility Investment Fees	1,388,800	5,707,900
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	2,214,740
Net (purchase) redemption of investments	(256,613)	(5,616,895)
Net cash provided by (used in) investing activities	(1,157,359)	(5,993,813)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,191,916)	(1,792,898)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,677,434	12,470,332
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 7,485,517	\$ 10,677,434

Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>September 2025</u>	<u>% Total</u>	<u>June 2025</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	13,980	0.19%	13,980	0.13%	-
Short-term Operating Cash Investments	3,925,030	52.43%	-	0.00%	3,925,030
Checking and Sweep Account	3,546,507	47.38%	10,663,450	99.87%	(7,116,944)
Total Cash and Cash Equivalents	7,485,517	100.00%	10,677,430	100.00%	(3,191,913)
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	457	0.00%	454	0.00%	3
Total Cash Investments	457	0.00%	454	0.00%	3
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	24,802,623	73.61%	24,322,253	74.66%	480,370
Equities	8,889,808	26.38%	8,253,116	25.34%	636,692
Total Fund Investments	33,692,431	100.00%	32,575,370	100.00%	1,117,062
Total Reserve Funds	33,692,888	100.00%	32,575,824	100.00%	1,117,065
TOTAL FUNDS	41,178,405		43,253,254		(2,074,849)

<u>Investment Activity</u>	<u>FY2025-26 YTD</u>	<u>FY2024-25</u>	<u>Inception (FY15-23)</u>
Beginning Balance	32,575,824	28,199,294	-
Investment Transfers-In	-	2,214,740	21,761,027
Investment Earnings	256,613	1,187,415	5,357,847
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(65)	1,874	4,001,948
Un-Realized Gains (Losses) ***	860,516	972,502	(2,740,513)
Ending Balance	33,692,889	32,575,824	28,199,294

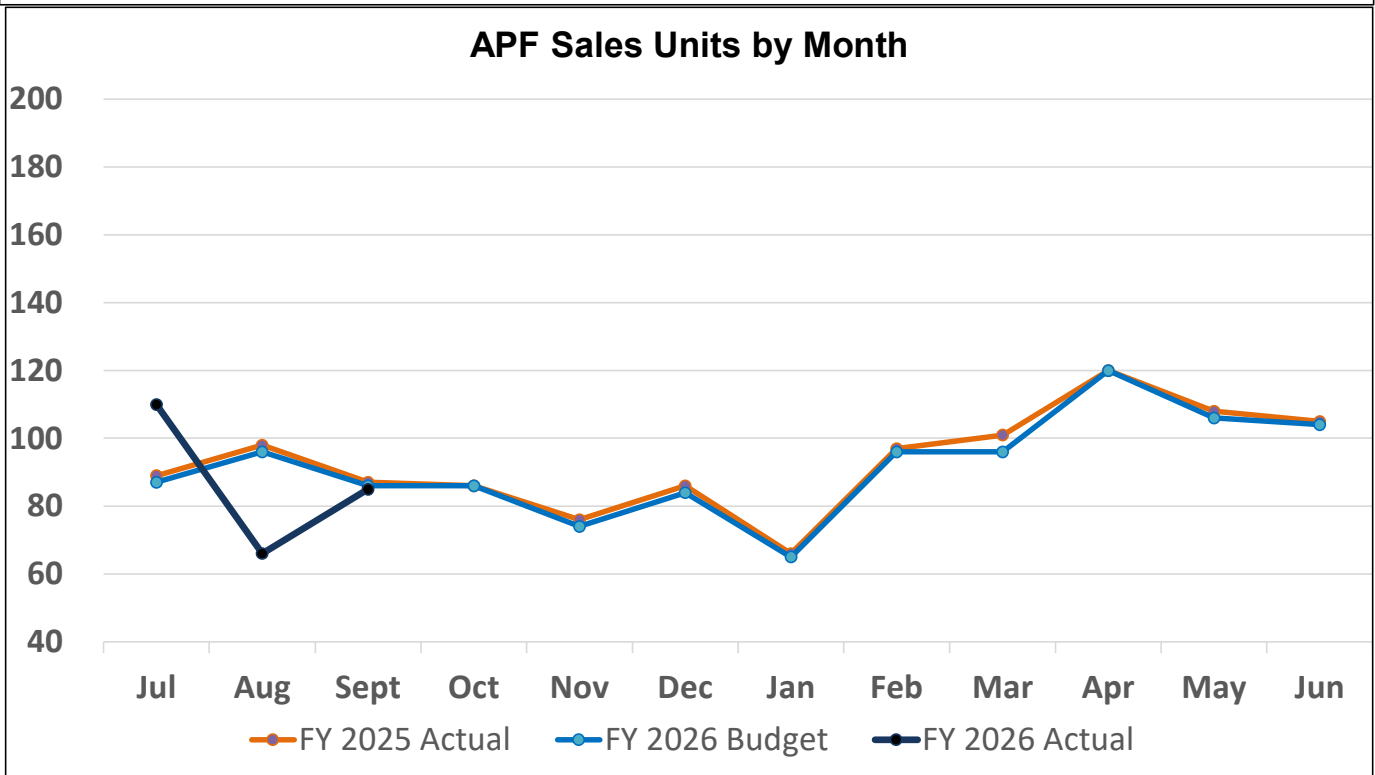
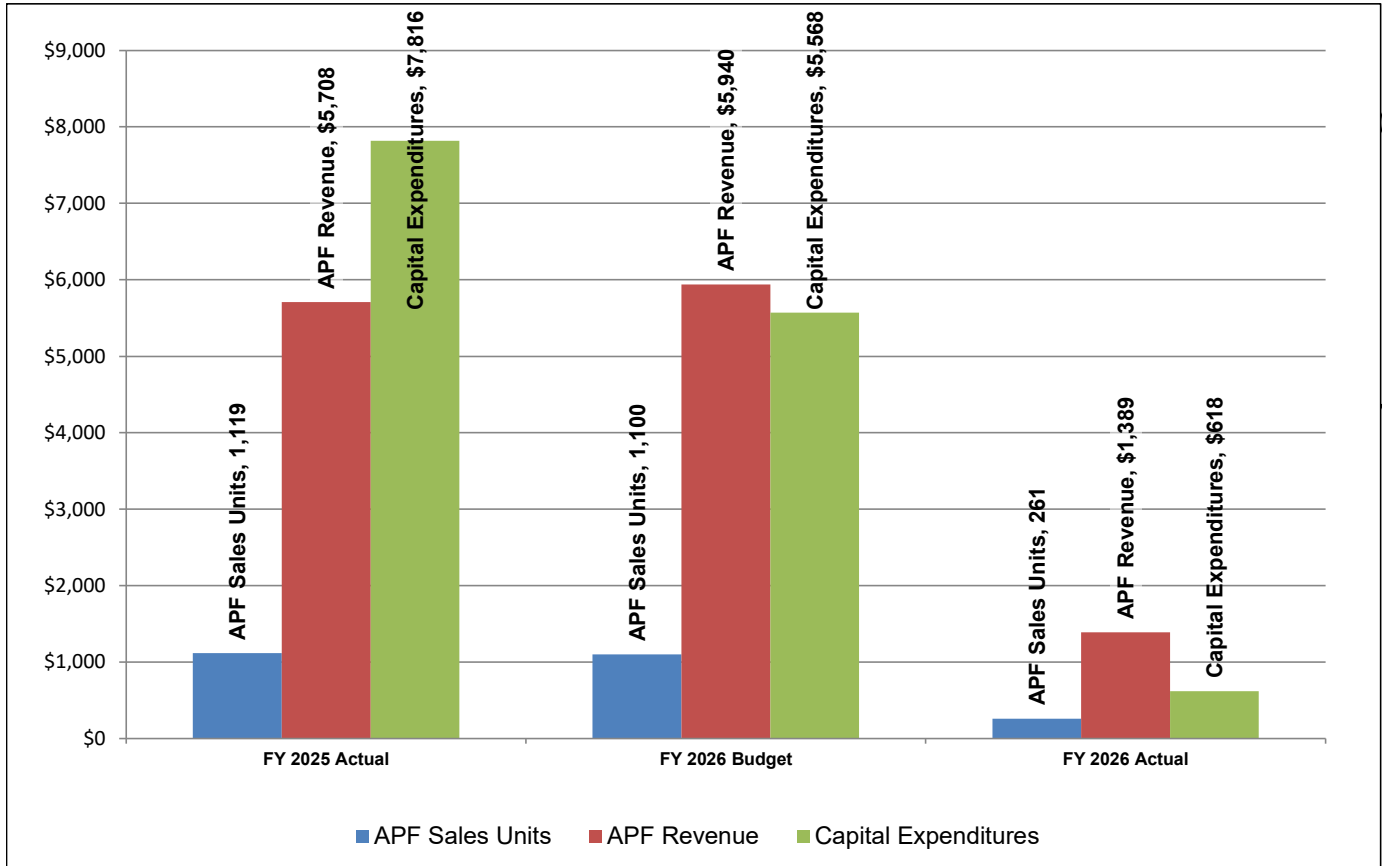
*** Unrealized Gains (Losses) are the difference between the basis (cost) of Investments & the market value at any point in time. Reserves Funds are invested based on a long-term investment strategy (Fi12) and over time Unrealized Gains (Losses) have historically fluctuated both up and down depending 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.

Asset Preservation Fees & Capital Expenditures

	September			Year to Date		
	Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
APF Sales Units	85	86	(1)	261	269	(8)
APF Revenue (000's)	\$ 459	\$ 464	\$ (4)	\$ 1,389	\$ 1,446	\$ (57)
Capital Expend. (000's)	\$ 106	\$ 150	\$ (44)	\$ 618	\$ 400	\$ 218



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 2023-24	\$ 3,600	6	8	17	33	26	25	19	12	13	16	9	10	194	31	16%
FY 2024-25	\$ 3,800	7	5	23	33	31	20	16	7	20	14	8	14	198	35	18%
FY 2025-26 Bud	\$ 3,900	7	4	22	33	30	20	16	6	9	11	4	10	170	33	19%
FY 2025-26	\$ 3,900	6	5	25										36	36	100%
														% of Budget YTD	110%	
														% of Prior Year YTD	103%	
Kachina Golf Card Sales																
FY 2023-24	\$ 895	9	17	63	100	151	76	89	51	52	40	23	18	689	89	13%
FY 2024-25	\$ 895	8	10	62	105	136	74	97	59	49	35	14	22	671	80	12%
FY 2025-26 Bud	\$ 895	8	10	59	102	132	69	94	47	59	34	23	14	653	77	12%
FY 2025-26	\$ 895	9	12	53										74	74	100%
														% of Budget YTD	96%	
														% of Prior Year YTD	93%	
Coyote Golf Card Sales																
FY 2023-24	\$ 325	14	12	24	139	185	122	138	63	37	35	15	12	796	50	6%
FY 2024-25	\$ 325	9	10	31	145	155	117	141	69	36	27	18	12	770	50	6%
FY 2025-26 Bud	\$ 325	9	10	30	144	155	117	139	63	52	28	14	12	773	49	6%
FY 2025-26	\$ 325	10	8	38										56	56	100%
														% of Budget YTD	114%	
														% of Prior Year YTD	112%	
CNP Frequent Play Card Sales																
FY 2023-24	\$ 1,575	0	0	1	1	3	3	2	1	0	1	0	1	13	1	8%
FY 2024-25	\$ 1,600	1	0	0	1	2	1	3	0	1	1	0	0	10	1	10%
FY 2025-26 Bud	\$ 1,600	1	0	0	1	2	1	3	1	0	0	0	0	9	1	11%
FY 2025-26	\$ 1,600	0	0	0										0	0	
														% of Budget YTD	0%	
														% of Prior Year YTD	0%	
Twilight Golf Card Sales																
FY 2023-24	\$ 1,339	1	4	4	8	12	9	14	9	3	9	5	5	83	9	11%
FY 2024-25	\$ 1,500	4	4	6	9	10	17	16	6	9	4	0	3	88	14	16%
FY 2025-26 Bud	\$ 1,550	4	4	6	9	10	17	16	4	0	6	2	2	80	14	17%
FY 2025-26	\$ 1,550	6	2	7										15	15	100%
														% of Budget YTD	107%	
														% of Prior Year YTD	107%	

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 2023-24	\$90/\$180	30	44	356	241	270	203	270	246	256	194	123	75	2,308	430	19%
FY 2024-25	\$90/\$180	57	71	99	160	268	212	255	285	250	197	133	98	2,085	227	11%
FY 2025-26 Bud	\$90/\$180	57	71	99	160	268	212	255	285	250	197	133	98	2,085	227	11%
FY 2025-26	\$90/\$180	77	72	101										250	250	100%
														% of Budget YTD		110%
														% of Prior Year YTD		110%

Members (with No Golf Card)														Average
FY 2023-24		30,718	30,720	30,699	30,764	30,797	30,970	31,047	31,023	31,117	30,842	30,617	30,720	30,836
FY 2024-25		30,572	30,366	29,520	29,375	29,538	29,575	29,859	29,813	28,925	28,341	28,170	28,153	29,351
FY 2025-26		28,172	28,140	28,200										28,171

Unlimited Golf Card Holders														Average
FY 2023-24		184	183	182	184	188	191	187	188	188	189	190	190	187
FY 2024-25		189	186	193	193	197	193	192	189	193	194	193	193	192
FY 2025-26		193	194	194										194

Kachina Golf Card Holders														Average
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	681	679	676	678
FY 2025-26		657	651	647										652

Coyote Golf Card Holders														Average
FY 2023-24		779	774	774	793	797	793	809	802	792	784	782	776	788
FY 2024-25		769	768	767	768	768	770	765	766	761	749	741	745	761
FY 2025-26		738	733	736										736

CNP Freq Play Card Holders														Average
FY 2023-24		11	11	12	11	11	11	10	10	10	11	11	12	11
FY 2024-25		13	13	12	13	12	10	11	10	11	11	11	10	11
FY 2025-26		9	9	9										9

Twilight Golf Card Holders														Average
FY 2023-24		60	68	69	64	65	63	67	71	74	79	79	80	70
FY 2024-25		82	83	85	88	87	91	95	94	96	94	93	93	90
FY 2025-26		95	92	92										93

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 2023-24		18,980	0	16,814	30,684	30,596	26,685	33,920	33,625	34,366	20,711	21,266	21,367	289,014	35,794	12%
FY 2024-25		21,937	8,240	23,771	32,283	31,280	29,405	35,987	33,104	35,686	18,361	24,029	23,507	317,590	53,948	17%
FY 2025-26 Bud		21,482	8,069	23,278	31,613	30,631	28,795	35,240	32,417	34,945	17,980	23,530	23,020	311,000	52,829	17%
FY 2025-26		24,432	17,836	24,922										67,190	67,190	100%
														% of Budget YTD	127%	
														% of Prior Year YTD	125%	
Transfer Fee (Home Sale)																
FY 2023-24	\$ 275	114	92	71	76	74	95	72	78	133	127	111	105	1,148	277	24%
FY 2024-25	\$ 275	83	94	78	90	78	89	75	95	114	129	118	114	1,157	255	22%
FY 2025-26 Bud	\$ 275	92	100	94	93	80	96	79	108	132	130	118	117	1,239	286	23%
FY 2025-26	\$ 275	112	77	90										279	279	100%
														% of Budget YTD	98%	
														% of Prior Year YTD	109%	
Asset Preservation Fees																
FY 2023-24	\$ 5,000	107	89	63	79	84	93	86	84	134	124	104	100	1,147	259	23%
FY 2024-25	\$ 5,200	89	98	87	86	76	86	66	97	101	120	108	105	1,119	274	24%
FY 2025-26 Bud	\$ 5,400	87	96	86	86	74	84	65	96	96	120	106	104	1,100	269	24%
FY 2025-26	\$ 5,400	110	66	85										261	261	100%
														% of Budget YTD	97%	
														% of Prior Year YTD	95%	