

RECREATION CENTERS OF SUN CITY WEST



Arizona's Premier Active Adult Golf Community

FINANCIAL REPORT

October 2025 and the Four Months Ended

10/31/25

Recreation Centers of Sun City West, Inc.
Summary of Revenues & Expenses
October 31, 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					
1,340,086	1,339,718	368	1,269,313	70,773	Membership	5,282,075	5,294,738	(12,663)	5,013,280	268,795
7,436	8,625	(1,189)	9,083	(1,647)	Recreation	22,993	25,603	(2,610)	27,727	(4,734)
658,087	648,587	9,500	622,697	35,390	Golf Fees	1,745,375	1,684,816	60,559	1,658,765	86,610
119,103	108,298	10,805	107,378	11,725	Sports Pavilion	318,125	259,699	58,426	260,058	58,067
22,263	13,711	8,552	12,778	9,485	Special Events	25,053	9,808	15,245	10,854	14,199
70,582	71,026	(444)	69,817	765	Ancillary Revenue	261,387	249,040	12,347	245,109	16,278
15,711	10,940	4,771	6,135	9,576	Merchandise Sales (net)	22,386	17,398	4,988	16,028	6,358
39,517	42,805	(3,288)	39,162	355	Food and Beverage (net)	118,069	136,363	(18,294)	126,622	(8,553)
0	651	(651)	33,832	(33,832)	Interest Income - Operating	12,720	14,604	(1,884)	81,088	(68,368)
518	438	80	461	57	Other Income	1,382	1,172	210	1,238	144
2,273,303	2,244,799	28,504	2,170,656	102,647	Operating Revenues Total	7,809,565	7,693,241	116,324	7,440,769	368,796
					Operating Expenses					
1,647,613	1,758,920	111,307	1,568,751	(78,862)	Wages And Benefits	6,019,594	6,274,117	254,523	5,834,732	(184,862)
226,980	274,255	47,275	247,398	20,418	Utilities	1,057,733	1,142,867	85,134	1,107,829	50,096
197,460	179,563	(17,897)	188,408	(9,052)	Repair and Maintenance	840,700	832,785	(7,915)	841,772	1,072
384,817	586,216	201,399	655,535	270,718	Landscape Maintenance	1,021,230	1,260,585	239,355	1,237,550	216,320
60,322	73,325	13,003	55,721	(4,601)	Supplies and Services	219,467	235,822	16,355	200,787	(18,680)
17,081	25,855	8,774	10,141	(6,940)	Equipment	82,638	108,389	25,751	69,105	(13,533)
77,756	82,124	4,368	75,458	(2,298)	Taxes, Licenses and Insurance	307,306	315,765	8,459	291,867	(15,439)
47,862	55,940	8,078	49,258	1,396	Interest & Financial Expense	149,730	155,242	5,512	148,487	(1,243)
94,611	58,733	(35,878)	42,190	(52,421)	Operating Expenses	271,095	248,517	(22,578)	195,368	(75,727)
4,419	19,813	15,394	20,340	15,921	Legal and Professional	57,149	54,351	(2,798)	73,471	16,322
9,363	15,917	6,554	11,400	2,037	Employee Related Expenses	65,234	63,976	(1,258)	47,346	(17,888)
2,768,284	3,130,661	362,377	2,924,600	156,316	Operating Expenses Total	10,091,876	10,692,416	600,540	10,048,314	(43,562)
(494,981)	(885,862)	390,881	(753,944)	258,963	Operating Cash Inflow/(Outflow)	(2,282,311)	(2,999,175)	716,864	(2,607,545)	325,234
					Capital Related					
85,487	85,916	(429)	88,587	(3,100)	Investment Income - Reserves	342,101	338,801	3,300	349,335	(7,234)
(5,000)	(5,247)	247	(5,000)	0	Investment Fees	(20,650)	(19,970)	(680)	(19,030)	(1,620)
0	0	0	0	0	Investment - Realized Gain (Loss)	(65)	0	(65)	(138,326)	138,261
214,836	0	214,836	(706,002)	920,838	Investment - Unrealized Gain (Loss)	1,075,352	0	1,075,352	533,350	542,002
0	0	0	0	0	Contributed Capital	0	0	0	0	0
400,400	465,801	(65,401)	447,600	(47,200)	Asset Preservation Fee	1,789,200	1,911,906	(122,706)	1,837,200	(48,000)
98,665	99,668	(1,003)	94,333	4,332	Estimated Reserve Fund Allocation	393,271	396,749	(3,478)	375,326	17,945
5,300	0	5,300	(1,291)	6,591	Gain/(Loss) on Asset Disposal	(889)	0	(889)	34,611	(35,500)
(434,810)	(497,688)	62,878	(458,020)	23,210	Depreciation Expense	(1,791,523)	(2,050,414)	258,891	(1,887,737)	96,214
364,878	148,450	216,428	(539,793)	904,671	Capital Related Total	1,786,797	577,072	1,209,725	1,084,729	702,068
(130,103)	(737,412)	607,309	(1,293,737)	1,163,634	Revenues Over/(Under) Expenses	(495,514)	(2,422,103)	1,926,589	(1,522,816)	1,027,302

Recreation Centers of Sun City West, Inc.
Financial Statement Notes
October 31, 2025

EXCESS OF REVENUES OVER/(UNDER) EXPENSES - October was favorable to Budget by \$607K and favorable to Prior Year (hereinafter PY) by \$1,163K. Year to date (hereinafter YTD) was favorable to budget by \$1,927K and favorable to prior year by \$1,027K.

NET OPERATING CASH INFLOW/(OUTFLOW) - October was favorable to Budget by \$391K and favorable to PY by \$259K. YTD was favorable to Budget by \$717K and favorable to PY by \$325K.

OPERATING REVENUES - October revenues were favorable to Budget by \$29K and favorable to PY by \$103K. YTD was favorable to Budget by \$116K and favorable to PY by \$369K.

Golf Fees - October revenues were favorable to Budget by \$10K and favorable to PY by \$35K. YTD was favorable to Budget by \$61K and favorable to PY by \$87K. October rounds were favorable to Budget by 888 and favorable to PY by 888. YTD rounds were favorable to Budget by 2,782 and favorable to PY by 2,782.

Sports Pavilion - October revenues were favorable to Budget by \$11K and favorable to PY by \$12K. YTD favorable to Budget by \$58K and favorable to PY by \$58K. Bowling lineage is favorable by 16,965 YTD.

Special Events - October revenues were favorable to Budget by \$9K and favorable to PY by \$9K. YTD favorable to Budget by \$15K and favorable to PY by \$14K.

EXPENSES - October Operating Expenses were favorable to budget by \$362K and favorable to PY by \$156K. YTD was favorable to Budget by \$601K and unfavorable to PY by \$44K.

Wages & Benefits - October expenses were favorable to Budget by \$111K and unfavorable to PY by \$79K. YTD favorable to Budget by \$255K and unfavorable to PY by \$185K. YTD favorable due to \$67K employee health insurance rebate on positive claims results from CY 2024. Unfilled Golf and Landscape positions creating favorable variance on FTEs.

Utilities - October expenses were favorable to Budget by \$47K and favorable to PY by \$20K. YTD favorable to Budget by \$85K and favorable to PY by \$50K. Due to Phone/Internet and Trash savings. Rainfall creating positive variance to prior year and budget because the well pumps are running less.

Repairs & Maintenance - October expenses were unfavorable to Budget by \$18K and unfavorable to PY by \$9K. YTD is unfavorable to Budget by \$8K and favorable to PY by \$1K.

Landscape Maintenance - October expenses were favorable to Budget by \$201K and favorable to PY by \$271K. YTD is favorable to Budget by \$239K and favorable to PY by \$216K. Due to timing on fertilizers and chemicals bulk purchase in prior year.

Supplies and Services - October expenses were favorable to Budget by \$13K and unfavorable to PY by \$5K. YTD expenses are favorable to Budget by \$16K and unfavorable to PY by \$19K.

Operating Expense - Other - October expenses were unfavorable to Budget by \$36K and unfavorable to PY by \$52K. YTD expenses are favorable to Budget by \$23K and unfavorable to PY by \$76K. Upgrade to security panels and budgeted service contract software.

Legal & Professional - October expenses were favorable to Budget by \$15K and favorable to PY by \$16K. YTD expenses are unfavorable to Budget by \$3K and favorable to PY by \$16K.

CAPITAL RELATED REVENUES & EXPENSES - October was favorable to Budget by \$216K and favorable to PY by \$905K. YTD is favorable to Budget by \$1,210K and favorable to PY by \$702K.

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 October there were \$215K in realized/unrealized gain, compared to realized/unrealized loss of \$706K in PY. YTD total realized/unrealized gains are \$1,075K as compared to \$395K realized/unrealized gain in PY.

APF Fees - October APF fees were unfavorable to Budget by \$65K and unfavorable to PY by \$47K. YTD is unfavorable to Budget by \$123K and unfavorable to PY by \$48K. YTD 19 APF transactions behind Budget and 24 behind Prior Year.

Recreation Centers of Sun City West, Inc.

Balance Sheets for month ending October 31, 2025 and June 30, 2024

	<u>October-25</u>	<u>June-25</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$6,832,073	\$10,677,430
Accounts Receivable (net)	163,314	230,263
Notes Receivable	324,994	440,432
Inventories	219,363	192,438
Prepaid and Other Assets	420,187	622,301
Total Current Assets	7,959,931	12,162,864
Board Reserve Funds	33,993,211	32,575,824
<u>Fixed Assets</u>		
Land & Building	115,699,046	115,594,245
Furniture, Fixtures & Equipment	26,956,822	26,364,650
Vehicles	2,128,251	2,057,681
Fixed Assets	144,784,119	144,016,576
Accumulated Depreciation	(91,342,426)	(89,665,756)
Fixed Assets-Net Book Value	53,441,693	54,350,820
Construction In Progress	6,539,831	4,604,210
Total Fixed Assets	59,981,524	58,955,030
Total Assets	101,934,666	103,693,718
<u>LIABILITIES AND EQUITY</u>		
<u>Liabilities</u>		
Accounts Payable-Trade & Other	836,939	1,291,664
Payroll Related Liabilities	1,045,751	1,174,790
Association Events & Other Program Payables	349,110	238,984
Charter Clubs Payables	63,843	57,543
Notes Payable		
Deferred Membership Dues/Fees & Golf Revenues	36,171,901	35,505,473
Total Liabilities	38,467,544	38,268,454
<u>Members' Equity</u>		
Retained Earnings	63,962,636	61,156,548
Surplus (Deficit)	(495,514)	4,268,716
Total Equity	63,467,122	65,425,264
TOTAL LIABILITIES AND EQUITY	101,934,666	103,693,718

Recreation Centers of Sun City West, Inc.

Statement of Cash Flows

	Four Months Ended October 2025	Fiscal Year Ended June 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ (1,958,142)	\$ 4,268,717
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	1,791,523	5,581,504
(Gain) / Loss on Disposals of Fixed Assets	889	(27,788)
Net (Gains) / Loss on Investments	(1,075,287)	(974,376)
Asset Preservation & Facility Investment Fees	(1,789,200)	(5,707,900)
Reserve for Uncollectible Accounts	-	-
Increase (decrease) in cash resulting from changes in		
Receivables (net)	182,387	38,580
Inventories	(26,925)	(231)
Prepaid expenses and other assets	202,114	(64,391)
Accounts payable and accrued expenses	(467,338)	758,740
Deferred income	666,428	328,060
	(2,473,551)	4,200,915
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land improvements, buildings and equipment	(2,850,207)	(8,359,803)
Proceeds from Disposal of Fixed Assets	31,300	60,245
Asset Preservation & Facility Investment Fees	1,789,200	5,707,900
Cash Flow Funding Transfer (to) / from Reserves (Net)	-	2,214,740
Net (purchase) redemption of investments	(342,100)	(5,616,895)
	(1,371,807)	(5,993,813)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,845,359)	(1,792,898)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	10,677,434	12,470,332
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 6,832,075	\$ 10,677,434

Recreation Centers of Sun City West, Inc.

Cash and Investment Balances

<u>Account</u>	<u>October 2025</u>	<u>% Total</u>	<u>June 2025</u>	<u>% Total</u>	<u>Change</u>
General Fund					
Petty Cash/Change Funds	14,580	0.21%	13,980	0.13%	600
Short-term Operating Cash Investments	3,925,030	57.45%	-	0.00%	3,925,030
Checking and Sweep Account	2,892,463	42.34%	10,663,450	99.87%	(7,770,987)
Total Cash and Cash Equivalents	6,832,073	100.00%	10,677,430	100.00%	(3,845,357)
Reserve Fund					
<u>Cash/Money Market/CD's</u>					
JP Morgan	-	0.00%	-	0.00%	-
CapTrust	2,267,456	6.67%	454	0.00%	2,267,002
Total Cash Investments	2,267,456	6.67%	454	0.00%	2,267,002
<u>Mutual Fund Investments</u>					
Vanguard					
Fixed	-	0.00%	-	0.00%	-
Equities	-	0.00%	-	0.00%	-
CapTrust					
Fixed	22,646,938	66.62%	24,322,253	74.66%	(1,675,315)
Equities	9,078,817	26.71%	8,253,116	25.34%	825,701
Total Fund Investments	31,725,755	93.33%	32,575,370	100.00%	(849,615)
Total Reserve Funds	33,993,211	100.00%	32,575,824	100.00%	1,417,388
TOTAL FUNDS	40,825,285		43,253,254		(2,427,969)

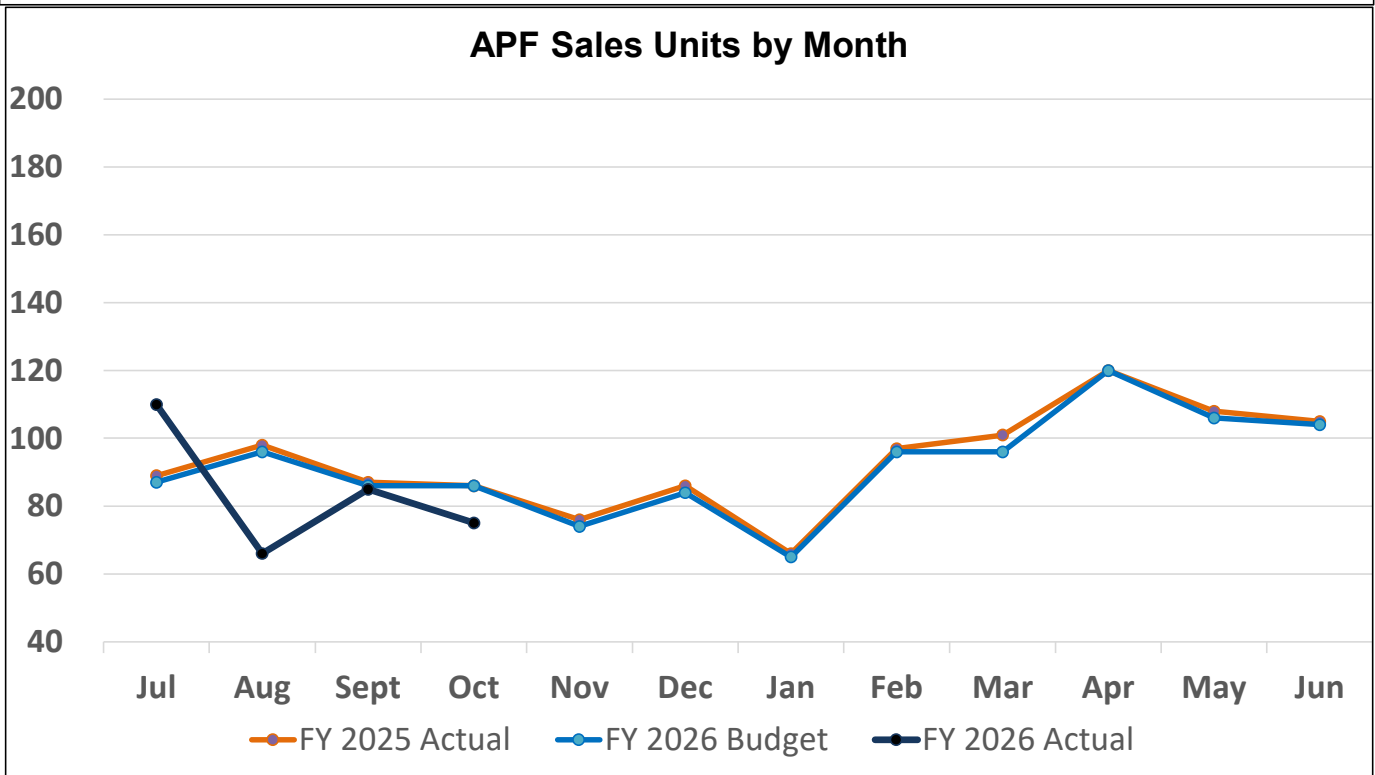
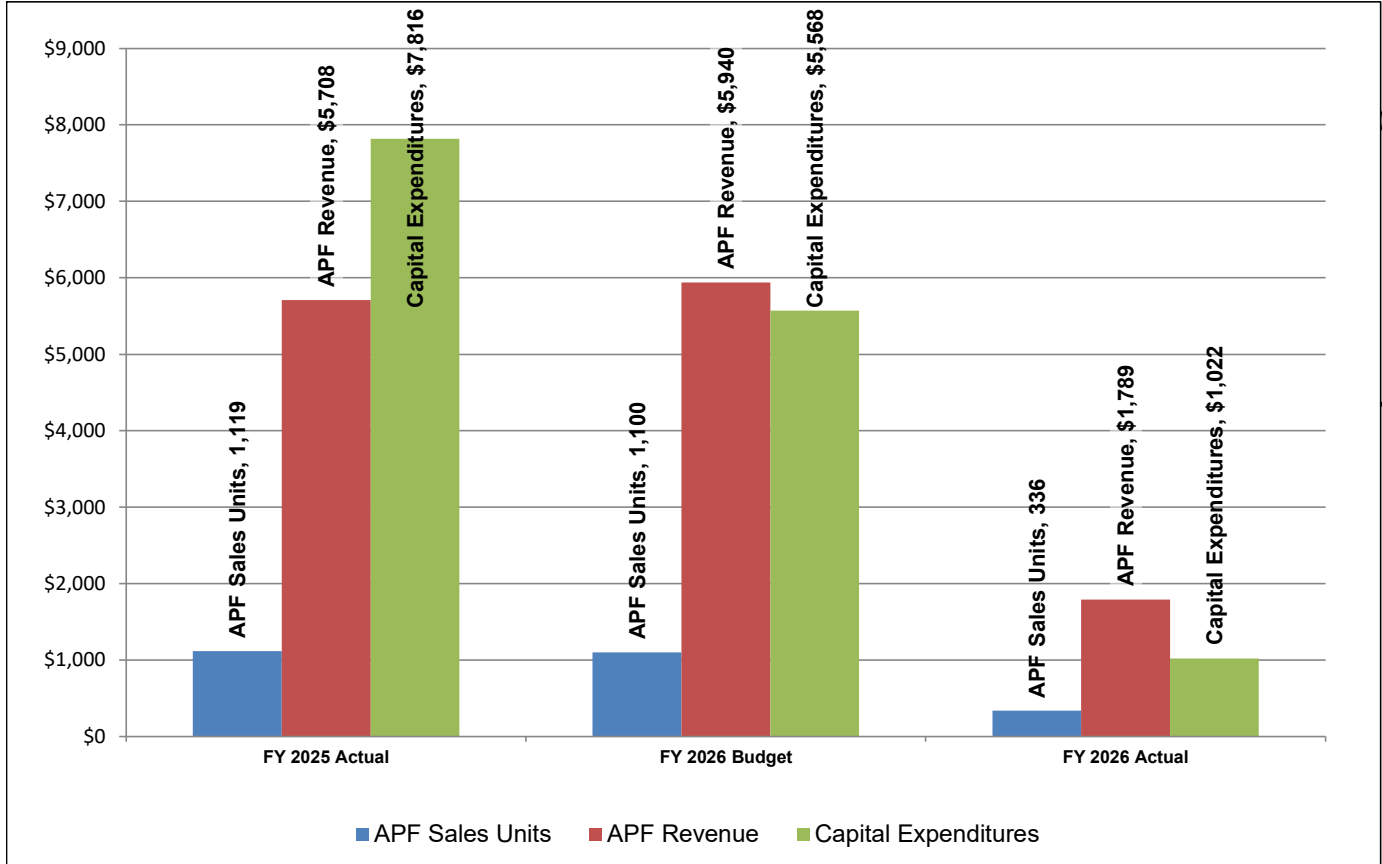
<u>Investment Activity</u>	<u>FY2025-26 YTD</u>	<u>FY2024-25</u>	<u>Inception (FY15-23)</u>
Beginning Balance	32,575,824	28,199,294	-
Investment Transfers-In	-	2,214,740	21,761,027
Investment Earnings	342,101	1,187,415	5,357,847
Advisor Fees	-	-	(181,015)
Realized Gains (Losses)	(65)	1,874	4,001,948
Un-Realized Gains (Losses) ***	1,075,352	972,502	(2,740,513)
Ending Balance	33,993,212	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

	October			Year to Date		
	Actual	Budget	Var over/(under)	Actual	Budget	Var over/(under)
APF Sales Units	75	86	(11)	336	355	(19)
APF Revenue (000's)	\$ 400	\$ 466	\$ (65)	\$ 1,789	\$ 1,912	\$ (123)
Capital Expend. (000's)	\$ 404	\$ 500	\$ (96)	\$ 1,022	\$ 1,400	\$ (378)



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	64	33%
FY 2024-25	\$ 3,800	7	5	23	33	31	20	16	7	20	14	8	14	198	68	34%
FY 2025-26 Bud	\$ 3,900	7	4	22	33	30	20	16	6	9	11	4	10	170	66	39%
FY 2025-26	\$ 3,900	6	5	25	34									70	70	100%
														% of Budget YTD	107%	
														% 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	189	27%
FY 2024-25	\$ 895	8	10	62	105	136	74	97	59	49	35	14	22	671	185	28%
FY 2025-26 Bud	\$ 895	8	10	59	102	132	69	94	47	59	34	23	14	653	180	28%
FY 2025-26	\$ 895	9	12	53	114									188	188	100%
														% of Budget YTD	105%	
														% of Prior Year YTD	102%	
Coyote Golf Card Sales																
FY 2023-24	\$ 325	14	12	24	139	185	122	138	63	37	35	15	12	796	189	24%
FY 2024-25	\$ 325	9	10	31	145	155	117	141	69	36	27	18	12	770	195	25%
FY 2025-26 Bud	\$ 325	9	10	30	144	155	117	139	63	52	28	14	12	773	193	25%
FY 2025-26	\$ 325	10	8	38	143									199	199	100%
														% of Budget YTD	103%	
														% of Prior Year YTD	102%	
CNP Frequent Play Card Sales																
FY 2023-24	\$ 1,575	0	0	1	1	3	3	2	1	0	1	0	1	13	2	15%
FY 2024-25	\$ 1,600	1	0	0	1	2	1	3	0	1	1	0	0	10	2	20%
FY 2025-26 Bud	\$ 1,600	1	0	0	1	2	1	3	1	0	0	0	0	9	2	22%
FY 2025-26	\$ 1,600	0	0	0	3									3	3	100%
														% of Budget YTD	150%	
														% of Prior Year YTD	150%	
Twilight Golf Card Sales																
FY 2023-24	\$ 1,339	1	4	4	8	12	9	14	9	3	9	5	5	83	17	20%
FY 2024-25	\$ 1,500	4	4	6	9	10	17	16	6	9	4	0	3	88	23	26%
FY 2025-26 Bud	\$ 1,550	4	4	6	9	10	17	16	4	0	6	2	2	80	23	28%
FY 2025-26	\$ 1,550	6	2	7	11									26	26	100%
														% of Budget YTD	114%	
														% of Prior Year YTD	113%	

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	671	29%
FY 2024-25	\$90/\$180	57	71	99	160	268	212	255	285	250	197	133	98	2,085	387	19%
FY 2025-26 Bud	\$90/\$180	57	71	99	160	268	212	255	285	250	197	133	98	2,085	387	19%
FY 2025-26	\$90/\$180	77	72	101	186									436	436	100%
														% of Budget YTD		113%
														% of Prior Year YTD		113%

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	28,202									28,179

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	200									195

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	657									653

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	739									737

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	10									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									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	66,478	23%
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	86,231	27%
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	84,442	27%
FY 2025-26		24,432	17,836	24,922	34,217									101,407	101,407	100%
														% of Budget YTD	120%	
														% of Prior Year YTD	118%	
Transfer Fee (Home Sale)																
FY 2023-24	\$ 275	114	92	71	76	74	95	72	78	133	127	111	105	1,148	353	31%
FY 2024-25	\$ 275	83	94	78	90	78	89	75	95	114	129	118	114	1,157	345	30%
FY 2025-26 Bud	\$ 275	92	100	94	93	80	96	79	108	132	130	118	117	1,239	379	31%
FY 2025-26	\$ 275	112	77	90	80									359	359	100%
														% of Budget YTD	95%	
														% of Prior Year YTD	104%	
Asset Preservation Fees																
FY 2023-24	\$ 5,000	107	89	63	79	84	93	86	84	134	124	104	100	1,147	338	29%
FY 2024-25	\$ 5,200	89	98	87	86	76	86	66	97	101	120	108	105	1,119	360	32%
FY 2025-26 Bud	\$ 5,400	87	96	86	86	74	84	65	96	96	120	106	104	1,100	355	32%
FY 2025-26	\$ 5,400	110	66	85	75									336	336	100%
														% of Budget YTD	95%	
														% of Prior Year YTD	93%	