

RCSC Management Report: January 30, 2025

FINANCE:

Financials:

The Recreation Centers of Sun City, Inc. (RCSC) ended December within its capital budget year-to-date. RCSC ended the month with an actual year-to-date **Net Operating Deficit of (\$9.4k)** which was (\$1,575k) unfavorable to budget. The Facilities division was \$97.4k favorable to budget year-to-date due primarily to Wages being \$99.3 favorable to budget. The Finance division was (\$268.4k) unfavorable to budget due to Wages & Benefits (\$141.3k) unfavorable and Consulting (\$42.6k) unfavorable. The Non-Golf division was (\$119.7k) unfavorable due to Building Repair (\$282.4k) unfavorable to budget. Golf has generated a Net Operating Deficit of (\$1,042k) year-to-date and was (\$1,284k) unfavorable to budget. Golf Revenue is (\$255.4k) below budget due to Daily Public Green Fees below budget by (\$107.2k) and Non-Resident Pass fees (\$110.5k) below budget. Golf Operating Expenses were (\$1,090k) over budget due to expenditures in Employer Paid Medical (\$127.4k), Vegetation Management (\$226.2k), Rolling Stock Parts (\$103.9k), Sprinkler Repair Parts (\$94.6k), Chemicals (\$126.9k), and Pump/Well Electric (\$95.9k). **The overall RCSC year-to-date Net Operating Deficit variance was more than offset by total Interest and Investment Income from Unrestricted, Capital, and PIF funds totaling \$3,188k, which was \$2,010k favorable to Budget.**

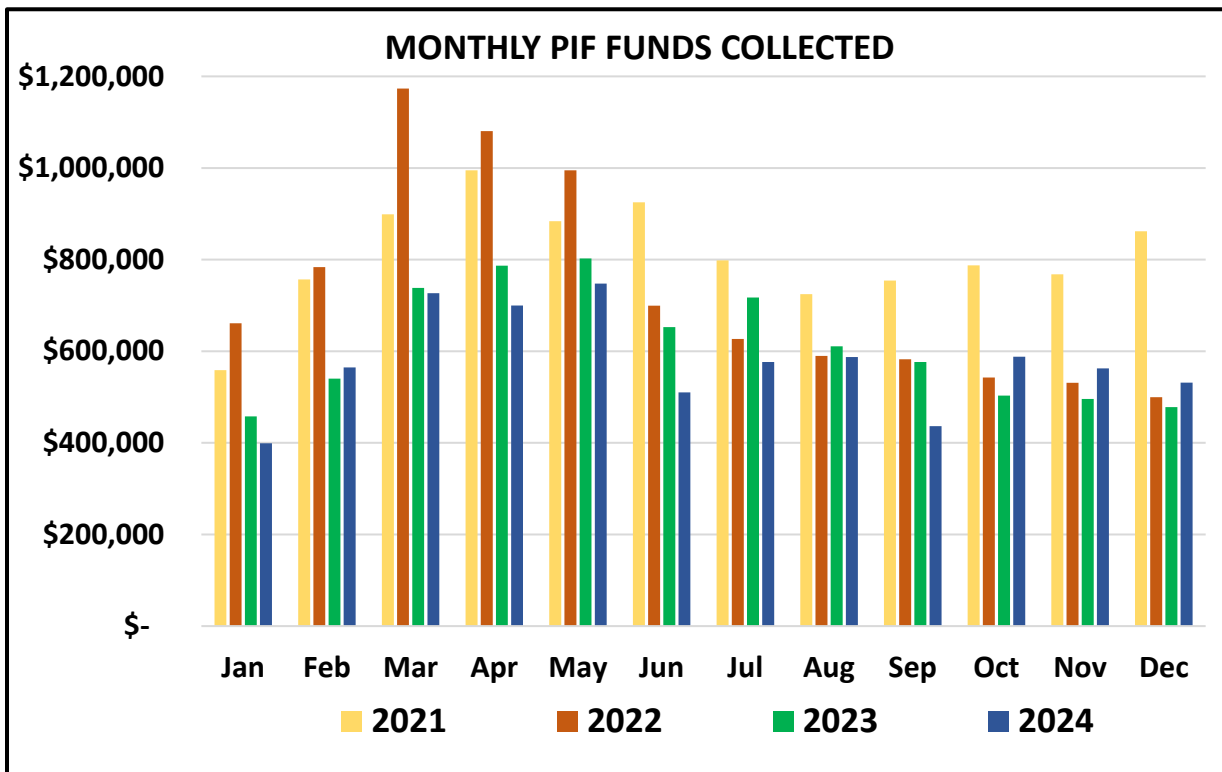
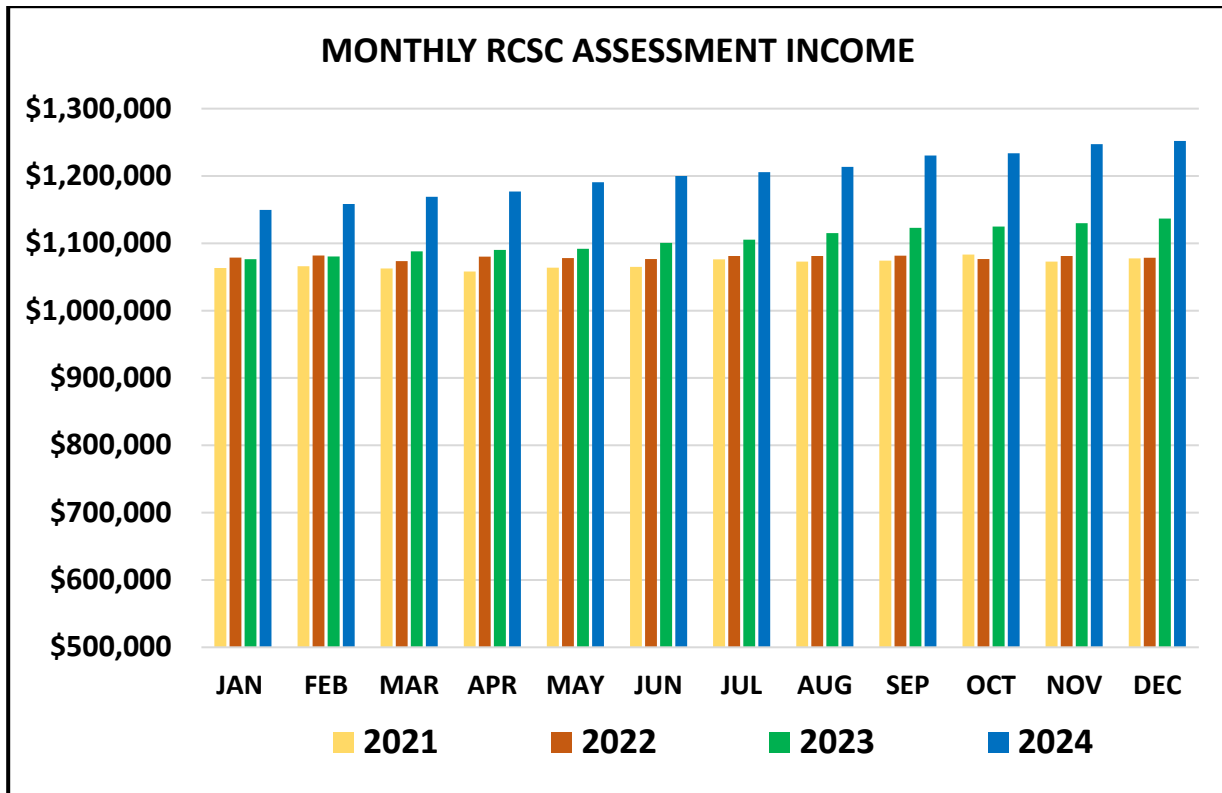
Total Operating Income for December totaled \$2,445k and was \$110.6k favorable to budget due to Guest and Cardholder Greens Fees being \$53.1k and \$16.6k favorable to budget, respectively. Operating Expenses for the month were \$1,913k and (\$40.8k) unfavorable to budget.

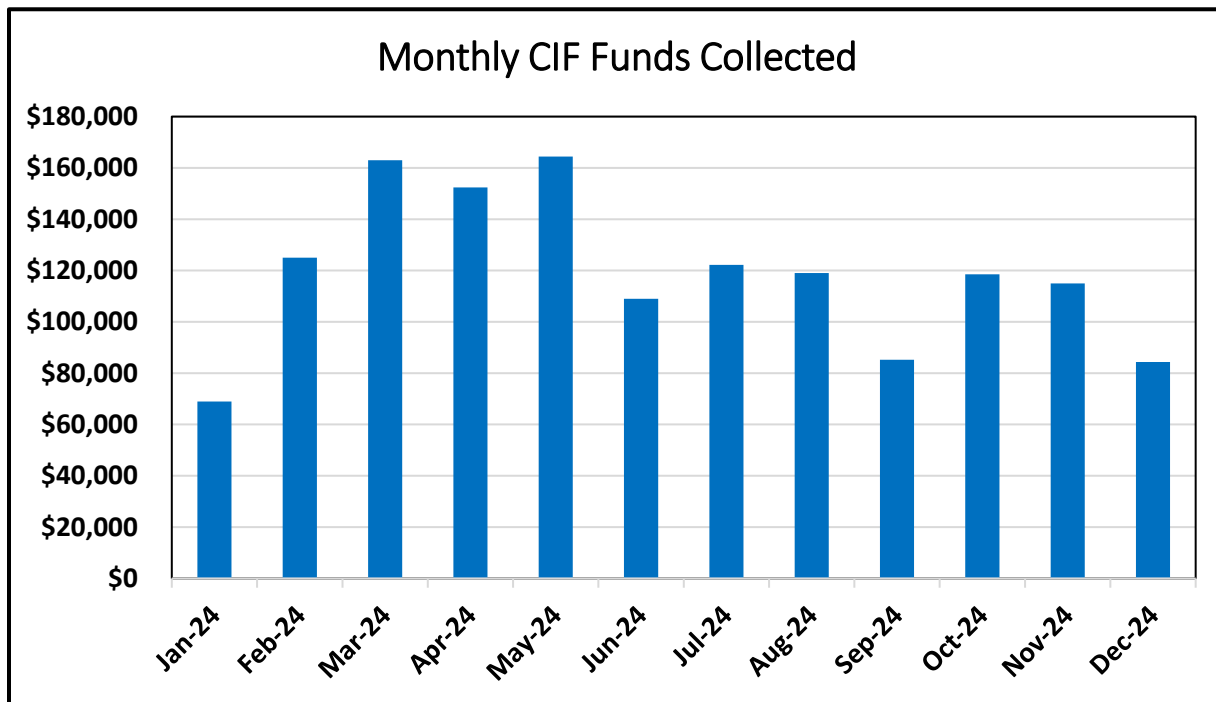
Cardholder Services:

Payments on past due assessments in December were 11.6% of past due balances. Overall accounts receivable increased in the month by 1.0% and are up 26.2% from the end of 2023. Overall accounts receivable for past due balances increased in December by (2.0%). November assessments went 30 days past due at a rate of 6.8% and October assessments went 60 days past due at a rate of 3.3%.

Payments from third-party collections firms totaled \$34,901 in December and totaled \$476,284 year-to-date. December payments made through the online Web Portal totaled \$217,579 from 393 property owners. Year-to-date online portal payments total \$2,840,965 from 5,202 property owners.

In December, property transfer balances increased by 0.7%. Outstanding balances related to property transfers represent 59% of all receivables and 59% of past due balances. December trustee sale notices on Sun City AZ properties remained at 29, and properties owned by lending institutions remained at zero.





Safety & Compliance:

Safety kicked off December by participating in Arizona Division of Occupational Safety and Health webinars on Office Safety and Hazard Recognition, as well as Heat Stress Requirements and Recommendations. These sessions provided critical insights that help us better prepare staff to manage common risks and keep our facilities safe year-round. December also saw the successful launch of our SafetyPlusWeb (“SPW”) training segment for all employees. This platform provides essential safety education, ensuring that everyone is well-informed and empowered to prevent accidents.

Another major milestone in December was the start of our Safety Data Sheet project. We gathered and entered all SDS information for chemicals used by employees across our centers into SPW. This not only ensures compliance with OSHA regulations but also enhances safety for members by enabling staff to quickly access critical information in case of an incident.

In preparation for January's STOP for Safety classes, we worked closely with our STOP trainers to finalize course materials and schedules. Our goal is to equip supervisors with the tools they need to foster a culture of safety across all RCSC properties. Fourteen STOP Observations have been entered between November 21 and January 3, demonstrating a growing commitment to proactive safety monitoring. As part of our ongoing improvements, we have begun moving incident reporting online to gather improved data and identify reporting trends. Our goal is to have all employees reporting incidents online through SPW by March 1. A plan for an improved incident report process for members is forthcoming, with both online and paper reporting options remaining available.

INCIDENTS REPORTED - December: 22, YTD 616

CUSTOMER ENGAGEMENT - December: 14, YTD 936

Note: More detail on incident types and trends are being revamped and will be included in future reports.

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Human Resources:

Human Resources opened 6 requisitions during the month of December and filled 2 requisitions, ending the month with 12 open positions. Year-to-date, HR has opened 150 requisitions and filled 143 open positions. The time to fill requisition in December was 50 days due to the long recruiting period to replace the Senior Project Manager position in Facilities. The December 2024 Turnover rate was 0.9%, and the year-to-date annualized Turnover was 29.5%. This rate compares favorably to the 33.5% year-to-date annualized Turnover rate as of December 2023. In December, HR completed Open Enrollment for Employee Medical benefits for all employees for 2025.

Information Technology:

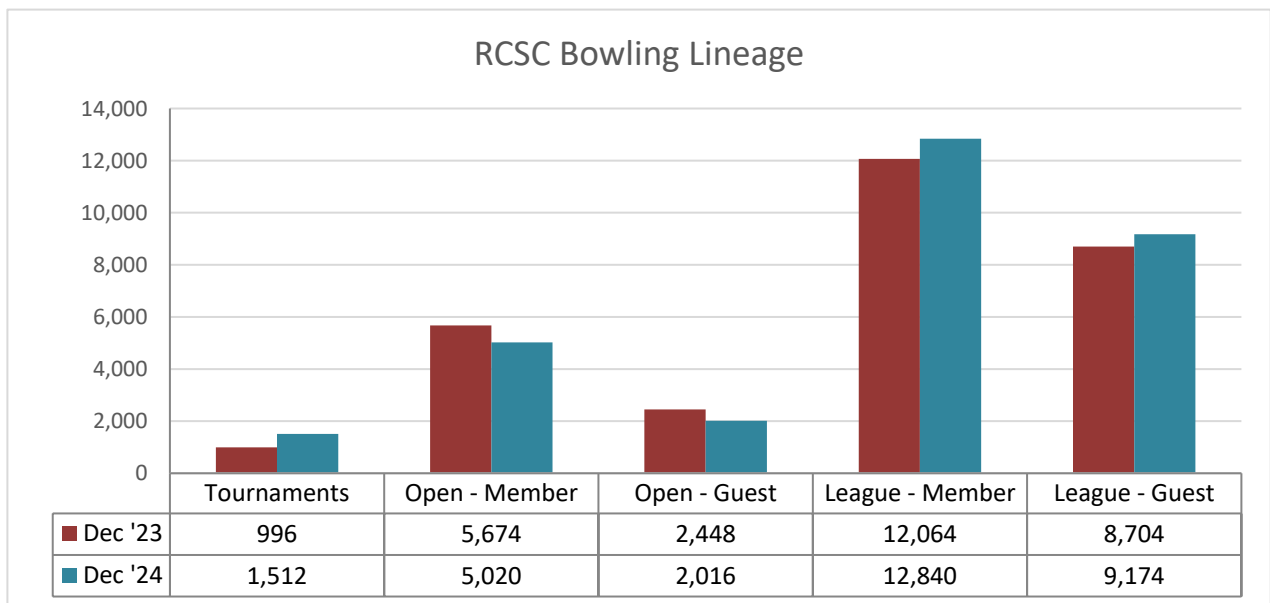
In December, the Information Technology team received 105 new service requests, and closed 107 requests by month end, leaving 3 tickets remaining open. On average, IT closed service requests in less than one day in December. Year-to-date, IT has opened 1,305 tickets and closed 1,312 tickets.

IT successfully upgraded the Active Directory using the new cloud-based VM that has more RAM, a faster processor, and runs in the Windows 2022 operating system. IT also deployed new Print Servers running in Windows 2022 to improve the speed and reliability of printing. IT completed the new switches and Wi-Fi access point at Lakes East/West. IT is still on target to have active fiber connections to almost all RCSC facilities by end of year 2024. Nine facilities have had fiber connections completed, with three installations still pending with Cox.

NON-GOLF:

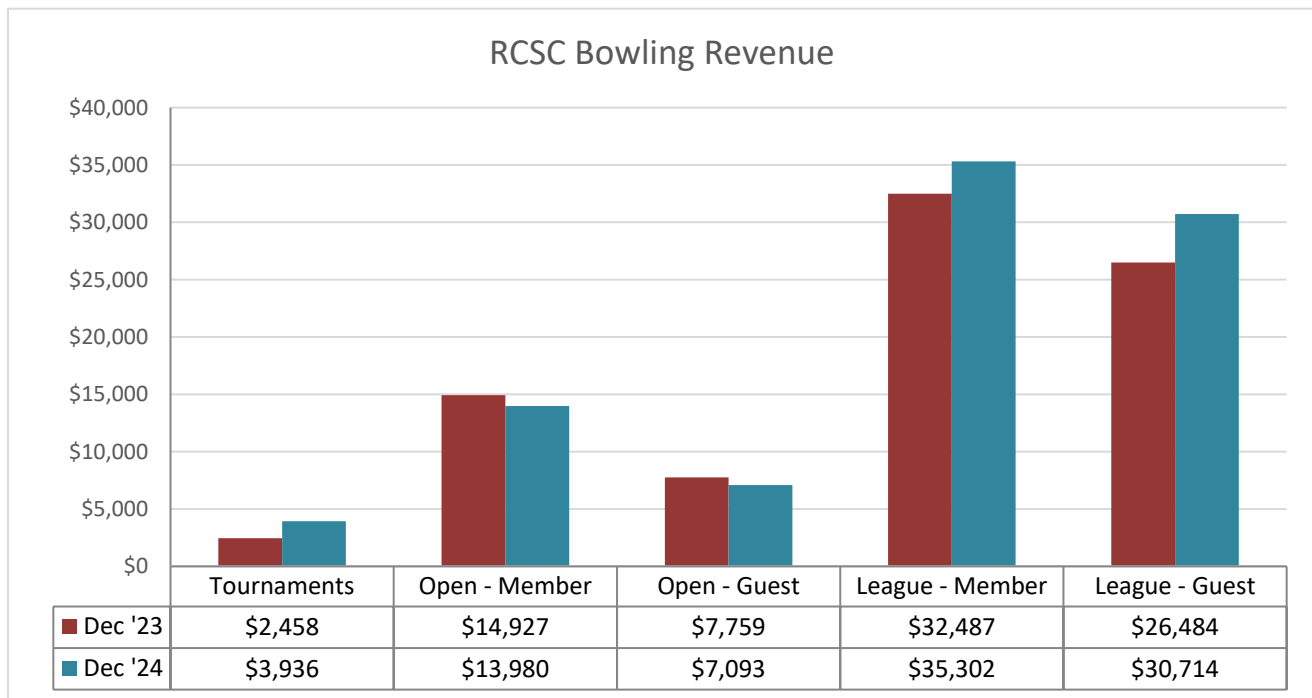
Bowling:

In December of 2024, Bowling lineage totaled 31,115, compared to 30,365 in December of 2023, an increase of 2%. Year-to-date lineage through December 2024 totaled 339,823 lines, compared to 336,346 through December 2023, a 1% increase.



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Bowling Revenue in December 2024 totaled \$91,024 which was an 8% increase over the December 2023 revenue of \$84,115. Year-to-date, 2024 Bowling revenue is \$970,409, or 5% greater than the total revenue through December of 2023.



Welcome Center:

In December, the Welcome Center had 259 visitors, with the top reasons for visiting being to pick up club brochures, get directions, collect the *Independent* newspaper, and obtain a map of Sun City. Among these visitors, sixteen were new residents seeking information about the community, and two were prospective residents from Missouri who completed surveys showing interest in Sun City's amenities, particularly the pools. Additionally, three individuals participated in Sun City Experience tours, one current resident and two non-residents. The Welcome Center also managed 39 phone calls during the month, including 16 from residents, 3 from realtors, and 20 from non-residents.

Clubs:

The club's office is currently busy processing the 2025 officer lists and 2024 financials, with over half of the submissions already received. December attendance sheets, due in January have been collected, while 2025 attendance sheets have been distributed to all clubs. Discover Sun City AZ was a big success for the Clubs. Many clubs are utilizing their annual allotment of 500 free copies to prepare handouts for the event. Updated club forms will soon be posted online for easy access. Officer Training is being completed at the end of January; the training included updates to Board Policy 12 and the Rules and Regulations template.

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Activities:

The Activities Team has been busy creating promo materials such as event videos, flyers, and Rec Radio cards with QR codes. A replacement band was booked for the Aretha cancellation, and the Rolling Stones impersonators were a hit at Discover Sun City, promoting their upcoming Sundial Concert on April 2nd. Promotions for upcoming concerts are well underway, with flyers distributed, ticket sales increasing, and infomercials being created for the Winter Series. Planning for the 2026 season has begun.

Centers:

USAGE BY CENTER	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
BELL	23,335	27,732	30,512	31,182	23,151	27,686	30,566	28,751	26,550	27,753	21,831	22,332	321,381
FAIRWAY	18,994	18,620	19,439	19,861	20,064	21,688	21,689	18,859	21,779	19,796	15,800	14,787	231,376
LAKEVIEW	10,129	14,061	17,081	13,036	10,810	7,846	7,138	6,009	4,197	7,557	9,357	9,589	116,810
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	4,758	3,481	3,520	3,540	3,403	4,582	4,295	4,143	52,563
MARINETTE	17,278	18,369	19,496	20,589	11,822	11,541	11,045	10,689	10,910	11,788	13,265	14,045	170,837
OAKMONT	3,119	3,302	4,365	4,182	4,767	4,406	4,635	3,761	835	2,631	2,200	2,598	40,801
SUNDIAL	19,239	17,703	17,990	13,470	11,804	9,319	6,690	11,841	13,897	12,760	12,964	13,800	161,477
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	87,176	85,967	85,283	83,450	81,571	86,867	79,712	81,294	1,095,245

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
BASKETBALL	31	61	106	31	12	18	34	34	32	35	54	70	518
BILLIARDS	2,795	2,607	2,733	2,441	2,188	2,111	2,286	2,150	1,907	2,216	1,958	2,183	27,575
BOATS, PEDAL & ROW	587	1,109	1,435	948	406	130	101	50	109	160	475	455	5,965
BOCCCE (open)	255	206	290	116	17	12	4	3	-	24	75	70	1,072
DARTS	783	833	928	750	616	643	661	552	585	582	554	597	8,084
FISHING	289	191	113	76	98	89	81	58	88	79	142	156	1,460
FITNESS	36,395	34,847	34,557	31,275	27,379	26,500	28,860	28,831	30,651	29,175	28,151	28,430	365,051
WHISPERBALL/RACQUETBALL	322	323	351	270	216	261	304	166	237	241	288	330	3,309
HORSESHOES	120	135	80	25	5	-	3	-	4	21	53	91	537
MINI GOLF	4,317	6,411	8,568	4,760	1,999	802	347	419	799	2,219	3,837	4,749	39,227
PICKLEBALL	10,362	11,240	11,265	13,007	4,897	3,484	2,837	2,891	3,510	5,227	8,136	8,158	85,014
POOLS, SWIMMING	12,704	14,306	20,065	20,085	21,190	20,981	20,189	20,315	14,814	17,766	11,100	11,980	205,495
POOLS, WALKING	3,126	5,466	6,920	11,128	9,581	13,495	13,549	11,977	12,091	10,255	3,975	3,218	104,781
POOLS, WARM WATER	2,296	2,493	2,086	2,029	1,488	1,133	591	1,358	1,703	1,814	1,941	2,036	20,968
SHUFFLEBOARD (open)	794	868	940	569	487	583	503	398	416	463	531	513	7,065
SPA, INDOOR	4,245	4,008	3,784	2,976	2,669	1,865	1,176	2,252	1,746	2,150	2,852	2,971	32,694
SPA, OUTDOOR	4,212	6,080	6,812	7,622	4,045	5,027	3,698	3,118	3,346	4,192	4,510	4,479	57,141
TABLE TENNIS	841	800	904	757	749	635	709	804	843	700	859	839	9,440
TENNIS COURTS	1,119	1,136	1,233	1,004	753	407	404	446	612	857	1,124	1,131	10,226
WALKING, INDOOR	5,579	4,676	4,682	4,810	5,448	6,577	8,093	6,718	6,468	5,744	4,449	4,003	67,247
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	2,933	1,214	853	910	1,610	2,947	4,648	4,835	43,014
TOTAL CENTER USAGE	96,097	104,325	115,428	108,713	87,176	85,967	85,283	83,450	81,571	86,867	79,712	81,294	1,095,883

FACILITIES:

Projects:

In-Work

Mountain View Recreation Center

- triARC Architecture and Design is performing a series of “visioning forums” during the month of January to obtain ideas from members on what they want the future of the Mountain View Recreation Center to be.

Recently Completed

Grand Recreation Center

- Completed upgrades to the lighting, drawers, and tables for the Quilter’s Club on Grand. Project was completed on December 15 for a total of \$8,300. Contractors: Accel Electric, RCSC Trades, and Robert Porter

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Oakmont Recreation Center

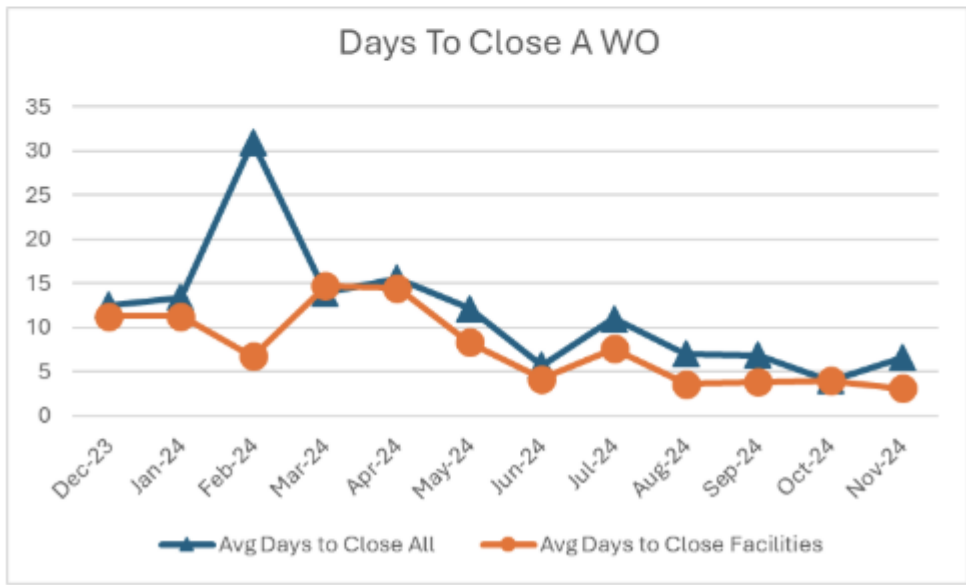
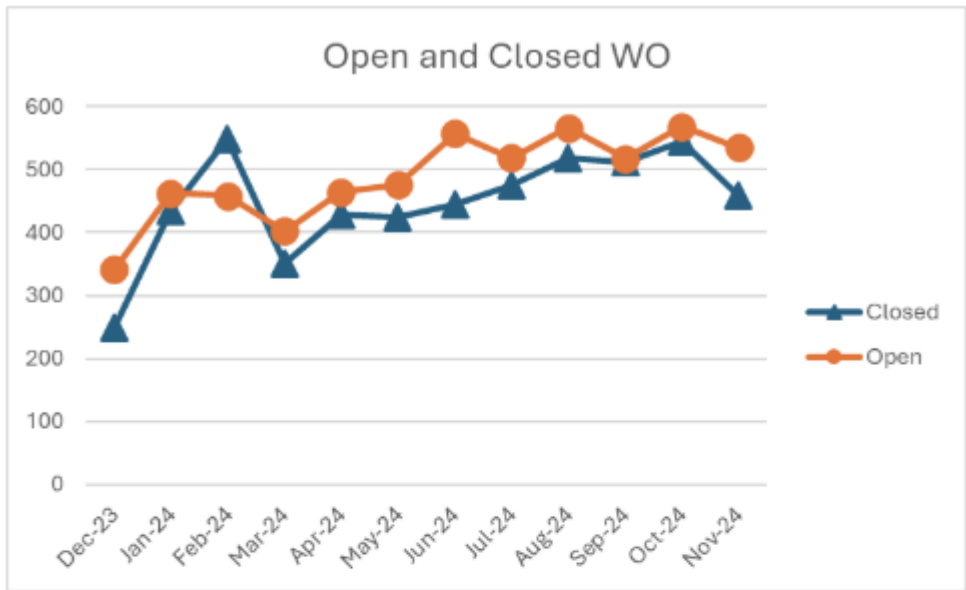
- Completed the installation of our new historic Sun City sign, this is to be the first of many.

Project was completed on December 15 for a total of \$600. Contractor: RCSC Trades

WORK ORDERS (Skilled Trades, Repair and Maintenance):

Skilled Trades:

The Facilities Department opened 428 new work orders in the month of December and completed 416 work orders in the month of December. The average time to close a work order in December 2024 was 4.6 days. The Facilities Department has completed 5,557 work orders as of December 31. We started 54 work orders in the month of January.



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LAWN BOWL AND GROUNDS:

SITE	SPEED	MOISTURE
BELL NORTH	14.9	8.9
BELL SOUTH	15.2	7.8
LAKEVIEW EAST	14.5	10.0
LAKEVIEW WEST	14.2	10.5
OAKMONT	15.0	5.6
MOUNTAIN VIEW	15.5	4.5

- Mowing once a week at .120; rolling and cleaning ditches at lawn bowls three times a week. Vacuuming Fairway carpet twice a week.
- Management approved the Lawn Bowl US Open for the fall of 2025.

Other Grounds Activities -

- Mowing Ballfield twice a week; Grading infield four times a week
- Mowing Lakeview Center once a week
- Cleaning and Mowing Sunbowl every other week
- Trimming trees, bushes, and selected removal of dead vegetation around centers

GOLF:

Pro Shops:

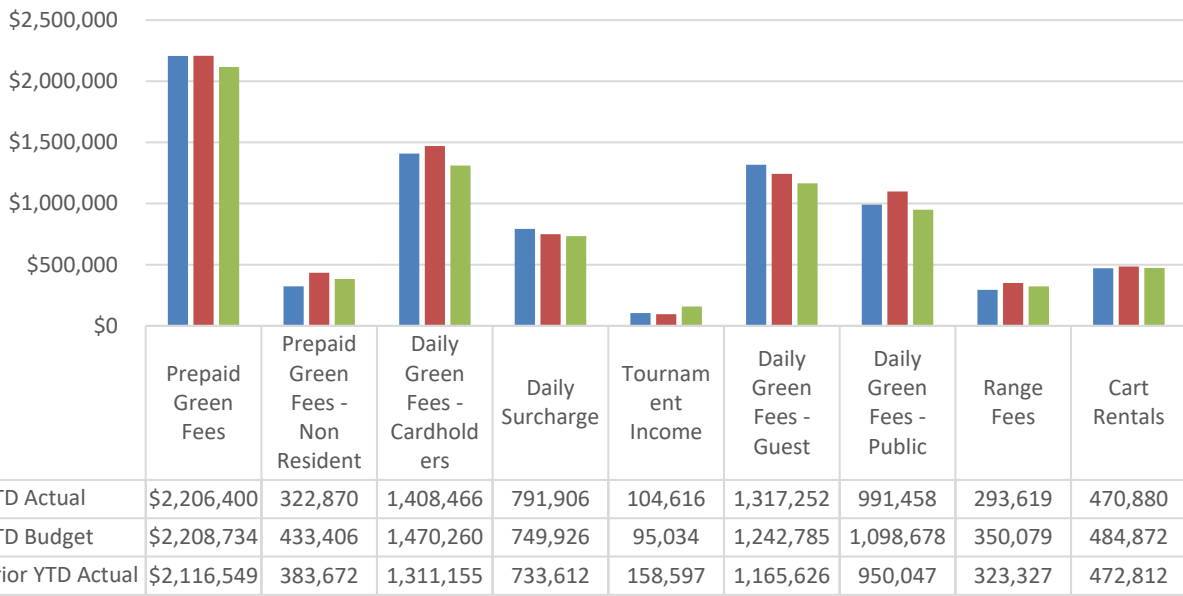
On December 13th, the South Course hosted the “Beat the Pros” event to raise funds for the Sun City Foundation. The event once again lived up to its name with each of the 30 two person teams managing to Beat the Pros. The event raised a total of \$2,098 for the Foundation. We thank everyone that participated and are looking to make changes for next year to increase both fundraising totals and participation.

On March 6th, Lakes East/Lakes West will be hosting the annual Teal Ribbon Tournament. The event is open to ladies and men and no handicap is required. It is a 9-hole event with a 9:30 shotgun start, and lunch follows play at Sundial. Proceeds benefit the University of Arizona Cancer Center for Ovarian Cancer research. The entry fee is \$40.00 per person, entry forms may be picked up and turned into any pro shop.

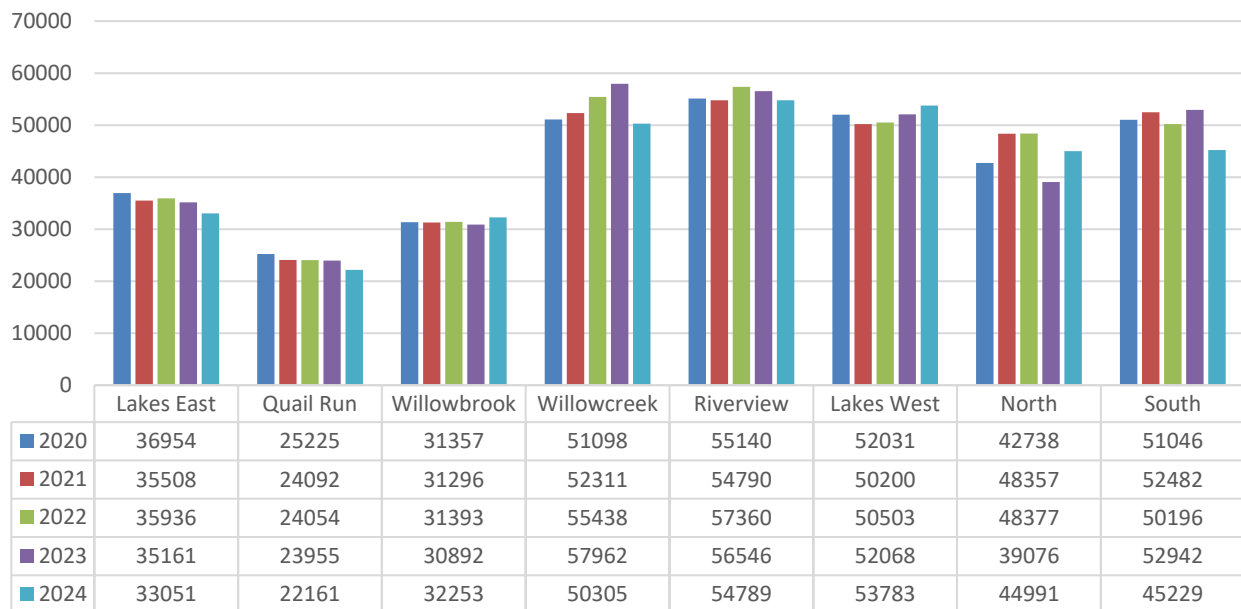
Superintendent Report (Chuck Hyppa)

The preliminary aerification/overseed schedule will be presented to the Golf Advisory Committee in February. We will continue our practice of a single, more aggressive aerification. We will also continue to solid tine aerify more frequently. Solid tines do not impact the green surface to the extent of hollow tines and do not require course closures. Fairway verticutting will begin at the end of April and in two-day blocks. Though it does not eliminate transition related issues, verticutting does open the grass canopy by thinning out the rye grass, allowing the bermuda base to recover from dormancy quicker. Representatives of Golf Advisory will be asked to review the schedule with course committees, to resolve any conflicts ahead of time. The overseed schedule will follow the staggered approach discussed with Golf Advisory in October, which will allow us some flexibility dealing with heat related issues, should they arise.

YTD Golf Revenue Comparison

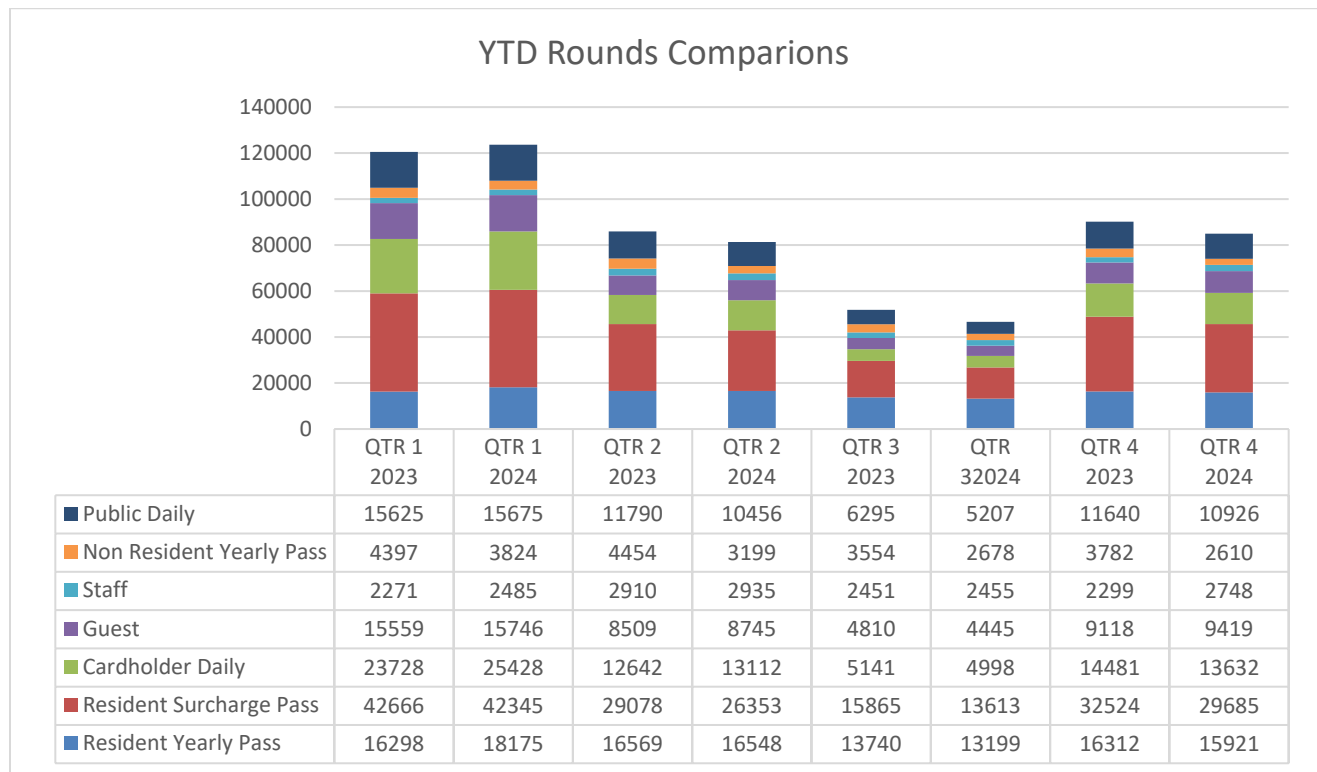


YTD Rounds Played by Course



Summary

Between 2020 and 2024, the golf rounds at various locations showed a mix of trends. **Lakes East** and **Quail Run** experienced consistent declines in rounds, reflecting reduced interest or engagement, while **Willowbrook** maintained steady participation, with a slight increase in 2024. **Willowcreek** saw a notable rise in rounds, peaking in 2023 before a slight dip in 2024, indicating growth. **Riverview** had fluctuations, peaking in 2022 and then decreasing, yet still maintaining a relatively high level of rounds. **Lakes West** showed consistent growth, while **North** and **South** experienced more erratic trends, with fluctuating rounds each year.



- 18.97% of total rounds played by Resident Yearly passholders, **up** from 18.05% last year
- 33.28% of total rounds played by Resident Surcharge passholders, **down** from 34.74% last year
- 16.99% of total rounds played by Resident Cardholders, **up** from 16.07% last year
- 3.66% of total rounds played by Non-Resident Yearly passholders, **down** from 4.64% last year
- 12.56% of total rounds played by Public Golfers, **down** from 13.01% last year
- 11.40% of total rounds played by Guests, **up** from 10.90% last year
- 3.16% of total rounds played by Staff, **up** from 2.85% last year

Snack Shops (Lindsey Armentrout - Snack Shops Manager)

December marked a strong start to our busy season, filled with festive catering events, including Christmas parties, brunches, and providing sustenance for the crowds after exciting golf tournaments. It was a great way to kick off the season, and we were thrilled with the turnout and the opportunity to serve so many guests.

Our shop employees have truly stepped up, helping out at multiple locations during a brief staff shortage. Their dedication and teamwork have been invaluable, and it's a testament to the strength of our team. Meanwhile, our management team has been working hard behind the scenes to optimize staffing hours, ensuring that every customer receives excellent service while maintaining a balanced labor budget.

In terms of physical improvements, our Willow team is excited about the newly installed parking lot and patio lights, which have significantly improved safety for both staff and guests. They're optimistic that the added lighting will also help boost early morning business, making a positive impact on our operations.

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Communication between the League presidents and Snack Shop management has also improved, leading to smoother operations and more satisfied players. This collaboration is already making a difference, and we're excited to see it continue.

As always, we welcome any comments, suggestions, and feedback. We're committed to continuous improvement, and your input helps us get better every day.

