

FINANCE:

Financials:

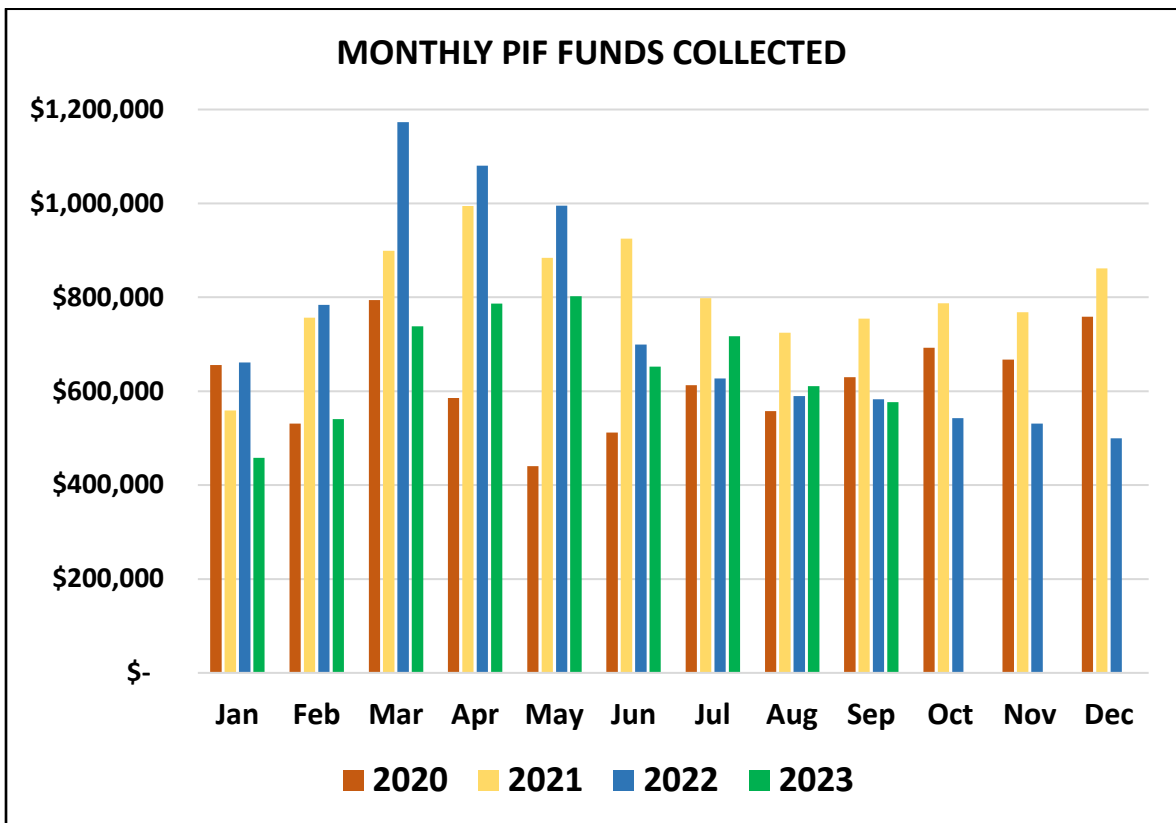
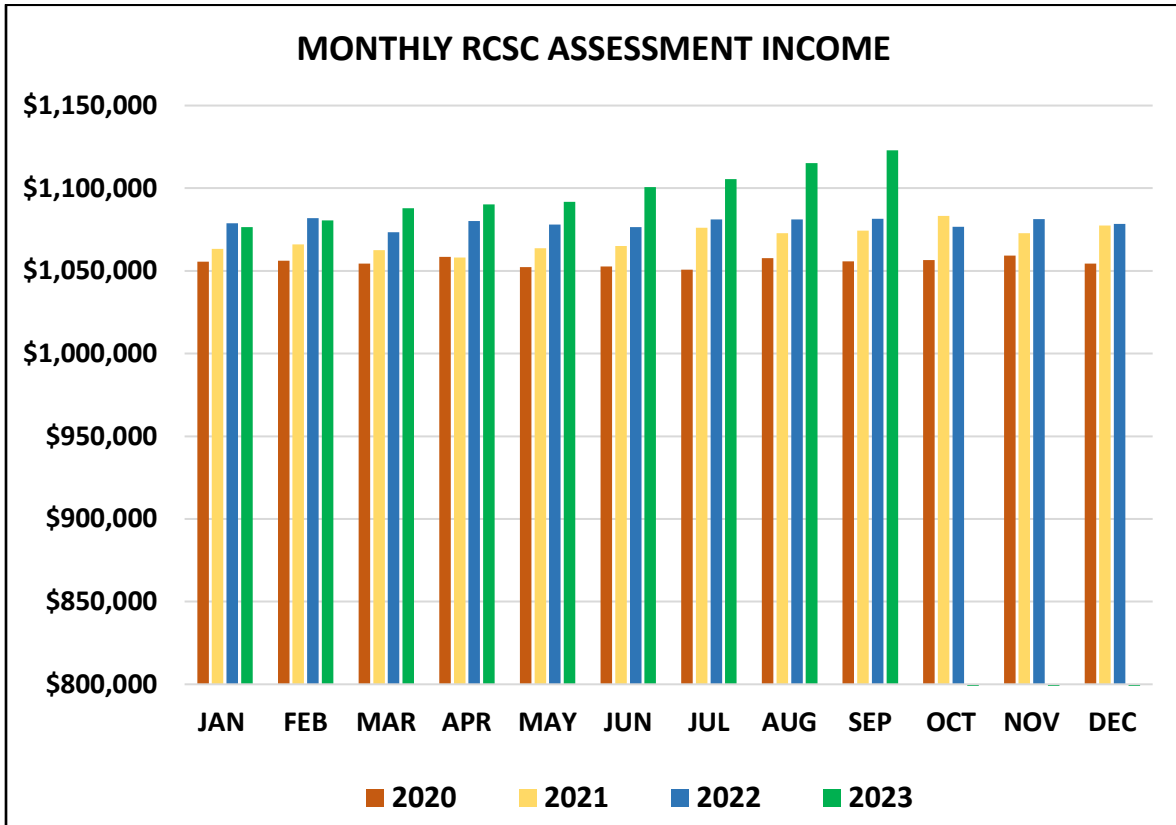
The Recreation Centers of Sun City, Inc. (RCSC) ended September within its operating and capital budget year to date. All Divisions except Food & Beverage have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$106.9k) unfavorable year to date due to food and liquor sales being negatively impacted by weather in Q1 2023, and Building and Equipment repairs at the cafes being \$29.5k over budget. Operating Income for September totaled \$2,002k and was \$152.8k favorable to budget due primarily to booking of \$155.3k in unbudgeted revenue from the AZ Tourism Board golf water reduction grant. Operating expenses for the month were \$1,874k and \$85.2k unfavorable to budget due to the timing of the Grounds and Building Projects. Year to date Net Operating Excess was \$2,675k and favorable to budget by \$1,015k (38%). This favorable year to date Operating Excess was due to Wages and Benefits being \$615.9k favorable to budget, and Projects being \$190.5k favorable to budget due to the timing of project completion.

Cardholder Services:

Payments on past due assessments in September were 14.9% of past due balances. Overall accounts receivable decreased in September by (3.2%) and are down (3.0%) since the end of 2022. Overall accounts receivable past due balances decreased in September by (3.3%). August assessments went 30 days past due at a rate of 6.7% and July assessments went 60 days past due at a rate of 3.0%.

Payments from third-party collections firms totaled \$38,200 in September, and total \$219,081 year to date. September payments made through the online Web Portal totaled \$172,458 from 349 property owners. Year to date online portal payments total \$1,793,062 from 3,651 property owners.

In September, property transfer balances decreased by (5.3%). Outstanding balances related to property transfers represent 53% of all receivables and 54% of past due balances. September trustee sale notices on Sun City AZ properties decreased by five to 23, and properties owned by lending institutions remained at 1.



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Information Technology:

In September, the Information Technology team received 72 new service requests, and closed 82 requests by month end, leaving 4 tickets remaining open. On average, IT closed service requests in less than one day in September. Year to date, IT has opened 690 tickets, and closed 686 tickets.

The new networking service - SDWAN - is fully implemented at Willow and Lakes Maintenance, B&I, and Quail Run. The IT closets at both North and Quail have been organized, toned out and labeled. The new TEG Server is online at the new Server Room, waiting for the migration from the old TEG machine to the new server, which is planned for November. The new network environment is complete at Lakeview, and IT has begun migrating users from the old network environment to the new equipment. IT is also beginning to rewire the Wifi environment at Lakeview to improve wifi access for clubs and members there.

Human Resources:

Human Resources added 16 new requisitions during the month of August and filled 17 requisitions, ending the month with 6 open positions. Year to date, HR has opened 140 requisitions, and filled 141 open positions. The time-to fill requisition KPI in August was 11.5 days.

HR has begun to update the new employee orientation paperwork and will continue working on that in October. HR also completed salary benchmark data collection for the 2024 Budget and has begun to prepare for the Open Enrollment meetings for the 2024 employee medical insurance renewals.

BUILDINGS & INFRASTRUCTURE:

PROJECTS:

In Process:

Mountain View Rec Center Phases 1 and 2 (PIF) Status: Red

- Budget: \$27.3M. Total Cost to date: \$391,467.
- Project suspended per Board direction, 04/05/23.

Sun Bowl Softball Field Improvements (PIF) Status: Yellow

- Budget: \$1.0M. Total Cost to date: \$48,950.
- 3 bids received 6/20/23; Bids subsequently rejected by the Board.
- 2 additional bids received 08/31/23.
- Board Packet for authorization available as of 09/19/23.

Viewpoint Lake Repair (PIF) Status: Green

- Budget: \$8.0M. Total Cost to date: \$6.9M.

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- Viewpoint Lake refill process began 08/04/23.
- Project to be completed by the end of October 2023.

Recently Completed

Fairway Recreation Center

- Fabricated and replaced a 35'x64' shade canopy at Best Friends Dog Club. Project was completed on 10/03/23 at a cost of \$10,384. Contractor: Total Shade.

Marinette Recreation Center

- Repaired patches of deteriorating pool deck rubber material with a new binder product and re-rolled entire pool deck surface with binder. Complete rebuild of the deck at the outdoor shower area with new Rubber Stone product. Project was completed on 09/15/23 at a cost of \$22,365. Contractor: Rubber Stone.

Oakmont Recreation Center

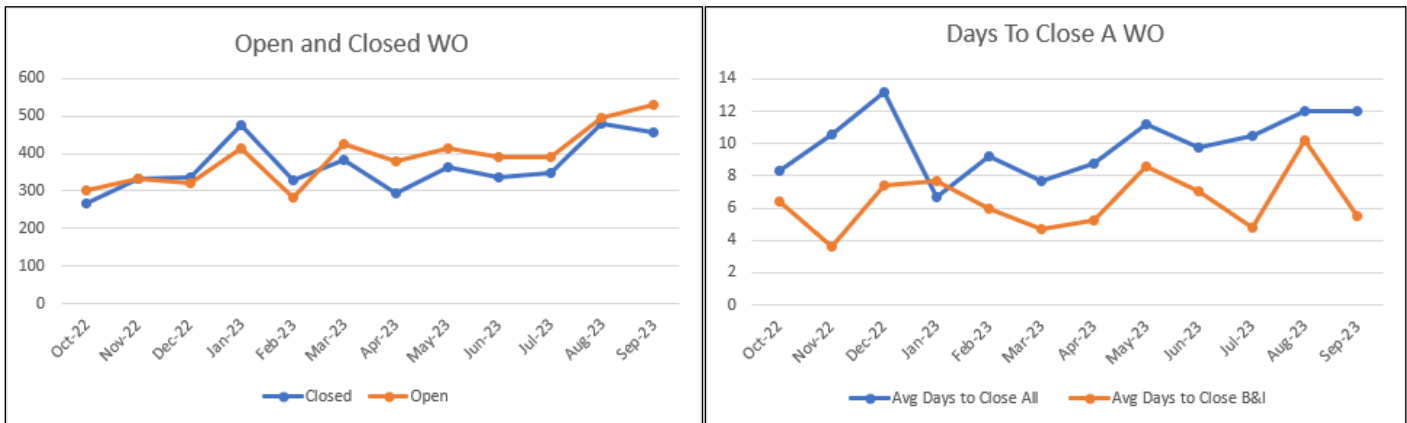
- Installed 3 bollards and repaired stucco wall at trash enclosure. Project was completed on 10/05/23 at a cost of \$4,990. Contractor: DFG Builders LLC.

Sundial Recreation Center

- Improved drainage area for A/C condensate. The existing drainage system was over-saturated. Project was completed on 09/25/23 at a cost of \$14,310. Contractor: DFG Builders LLC.
- Replaced playing surface on all 18 holes at the mini-golf course. Project was completed on 09/27/23 at a cost of \$56,563. Contractor: Baker Brothers.

WORK ORDERS (Skilled Trades Repair and Maintenance):

- B&I opened 530 new work orders and completed 455 work orders in September. The average time to close a work order in September was 10 days. B&I has completed a total of 3,441 work orders in 2023.



SOLAR:

New Issues: Mountain View Inverter Number 13, Lakeview Inverters Number 5 & 10, Qual Run Inverter Number 13: Units are down.

Open Issues:

Willow Maintenance Inverter Number 3, 7, and 9. Lakeview Inverter Number 9. Bell Lanes Inverter Number 5, Bell Rec Center Inverter #8:

- Kortman emailed Firmer on 05/03/23 requesting what action is being taken on the warranty replacement units. These units have been down since last fall.
- Firmer has filed for chapter 11 bankruptcy; working with Kortman Electric and Nexus Integrated Solutions to come up with an alternative Inverter product.

Mountain View Inverter Number 13:

- Experiencing outages consistently during midday timeframes. Kortman is investigating.

Production Data:

After including September's production data, the lifetime to date production versus expected went down slightly to 2.15%. The percentage of inverters producing above expected went down to 71%.

GOLF & GROUNDS:

Superintendent Update:

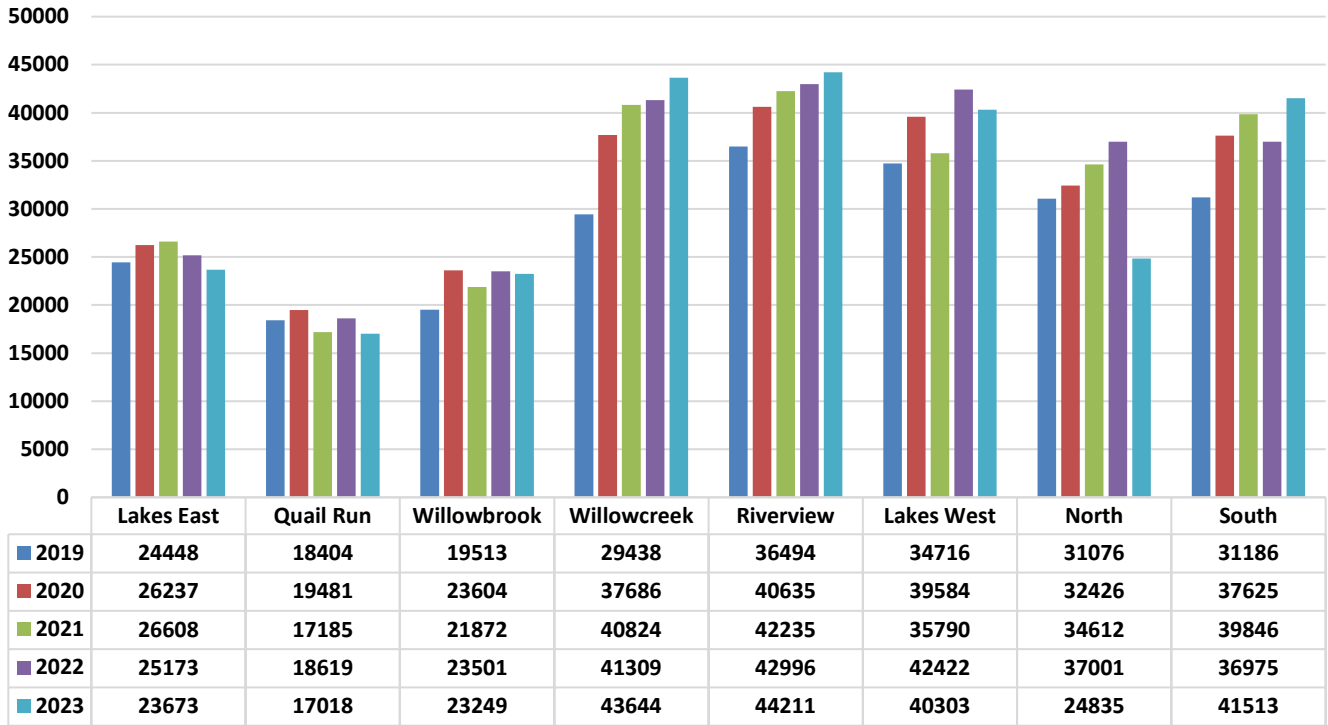
After battling heat and weed pressure throughout the Summer, we head into Fall very optimistic that RCSC's eight golf courses will be nothing short of an enjoyable experience. Our teams have put forth extraordinary effort to regain control, and we are moving forward with great momentum. We expanded overseed on our green banks, and moved to a straight Perennial Ryegrass (as opposed to a blend of seed varieties) that should provide golfers with optimal conditions from Tee to Green.

We were really excited to open Willowcreek, North, Lakes East and Quail on Saturday, October 14th. The weather has been great during the grow in, with minimal wind, so our courses are in great shape. A gentle reminder for you and your playing partners: please abide by the cart restrictions, and fix all ball marks on the greens. South, Lakes West, Riverview and Willowbrook began overseeding on Monday, October 16th. The weather was favorable; however, the afternoon winds will certainly kept us on our toes during grow in. We are excited to have you all back playing this Fall.

Pro Shops:

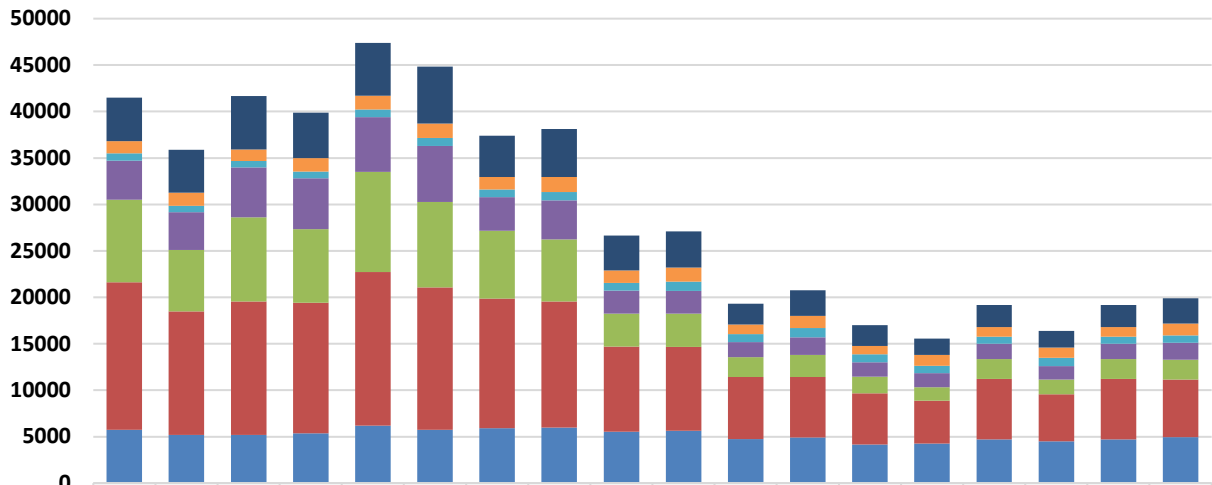
Year to Date total rounds played in 2023 was 258,446, which was 9,550 rounds less than the same timeframe in 2022. The main cause of the drop was the closure of the front nine holes at North to replace the turf with Tif Tuf grass.

YTD Rounds Played by Course



■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023

YTD Rounds Comparisons by Month



	Jan-22	Jan-23	Feb-22	Feb-23	Mar-22	Mar-23	Apr-22	Apr-23	May-22	May-23	Jun-22	Jun-23	Jul-22	Jul-23	Aug-22	Aug-23	Sep-22	Sep-23
Public - 18 Hole	4674	4637	5779	4901	5699	6139	4428	5161	3757	3874	2268	2739	2226	1770	2376	1804	2376	2721
Non Resident no fee	1327	1401	1238	1445	1484	1552	1348	1607	1328	1506	1021	1341	892	1165	1039	1120	1039	1269
Staff	762	683	687	730	821	859	844	902	843	1010	851	998	884	789	766	873	766	789
Guest	4200	4068	5377	5471	5898	6023	3618	4196	2487	2451	1624	1864	1548	1510	1651	1461	1651	1839
Cardholder Daily	8915	6608	9053	7913	10788	9207	7276	6684	3547	3567	2143	2389	1781	1433	2126	1578	2126	2130
Annual fee	15857	13302	14363	14074	16510	15324	13949	13563	9136	9033	6662	6500	5514	4625	6527	5059	6527	6181
Annual no fee	5753	5200	5182	5358	6202	5741	5930	5994	5551	5645	4757	4930	4152	4268	4702	4506	4702	4966

■ Annual no fee ■ Annual fee ■ Cardholder Daily ■ Guest ■ Staff ■ Non Resident no fee ■ Public - 18 Hole

A breakdown of year-to-date rounds by type reveals:

- 33.9% of total YTD rounds were played by Member Surcharge Passholders
- 18.0% of total YTD rounds were played by Member No Fee Passholders
- 16.0% of total YTD rounds were played by Cardholder Daily golfers
- 13.0% of total YTD rounds were played by Public golfers
- 11.2% of total YTD rounds were played by Guests
- 4.8% of total YTD rounds were played by Non-Resident Passholders

Total Golf Revenue year to date was \$6,251k and was \$518k favorable to Budget. Guest greens fees and Tournament income were \$98k and \$58k favorable to budget, respectively, and \$379k in unbudgeted Grant revenue has been booked out of the \$525k grant received from the AZ Tourism Board.

Lawn Bowl and Grounds

The pace of the greens ranged from a low of 12.2 seconds at Mountain View to a high of 14.0 seconds on Lakeview West. Moisture readings range from a low of 13.0 at Oakmont and a

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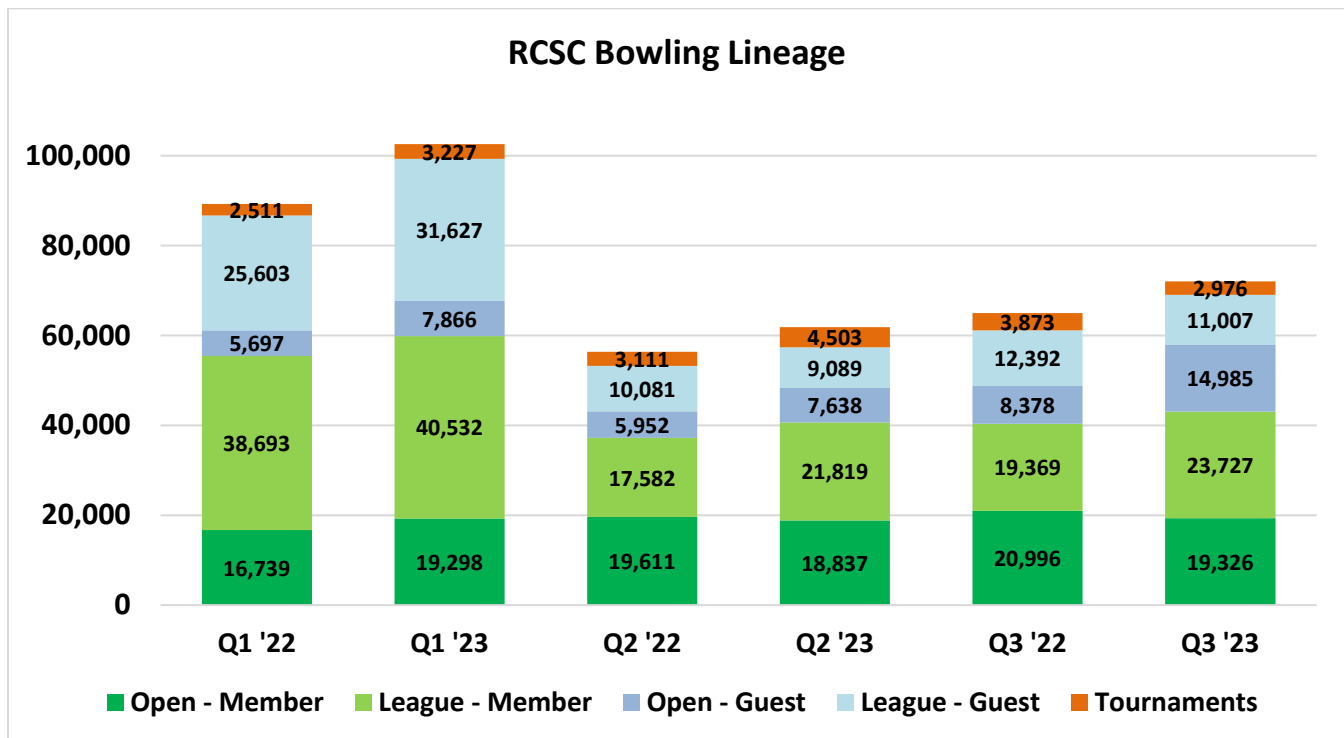
high of 14.8 on Mountain View. The Lawn Bowl team is putting the final touches on the summer leveling program in preparation for the fall and winter season of play.

The softball field has been overseeded, fertilized and is being mowed regularly. With fall preparations completed, the Grounds team is back on normal schedule of trimming, mowing and cleaning up around the centers.

BOWLING:

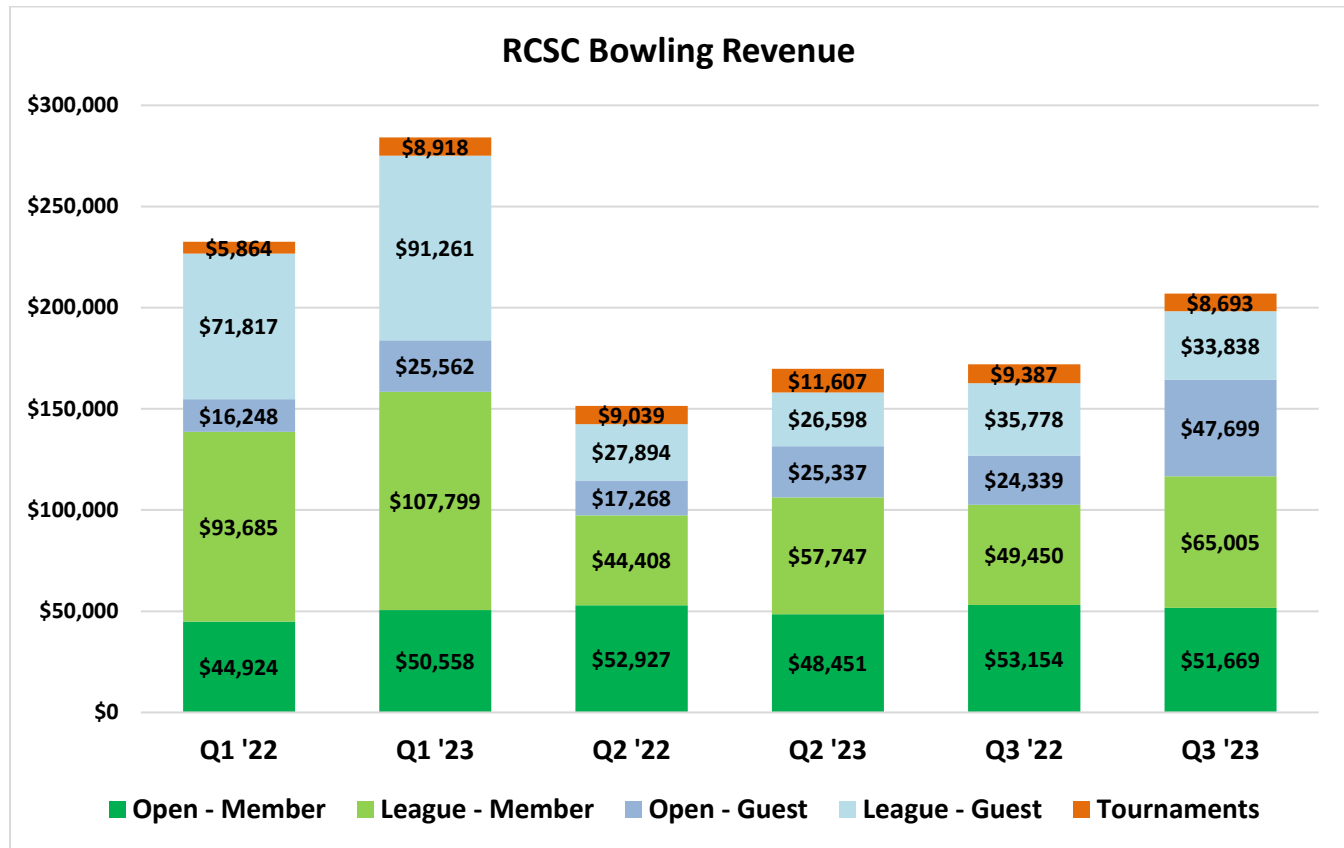
Bowlers are off to a hot start on the lanes. There have been thirteen 300 games and ten 800 series bowled in this league season. Bowl with the Director continued in October and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The October event had 28 people in attendance. This event is free to all RCSC Member/Cardholders. The purpose of this event is for anyone who may be interested in getting back into bowling, for current league bowlers to come by and get some extra practice and coaching, and for an opportunity to chat with Mike Dirmyer about any bowling related topic. The next event is November 2, 2023.

In September 2023, Bowling lineage continued to outpace 2022 totals. September 2023 lineage totaled 30,951, compared to 29,536 in September of 2022, an increase of 5%. Year to date lineage through September 2023 totaled 242,503 lines, compared to 215,961 through September 2022, an increase of 12%.



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Bowling Revenue in September 2023 totaled \$86,806 which was 10% higher than the September 2022 revenue of \$78,744. Year to date, 2023 Bowling revenue was \$660,742, or 19% greater than the total revenue through September of 2022.



OPERATIONS:

Centers Operations:

Several projects have been completed or in progress at RCSC centers that affected the centers. These included:

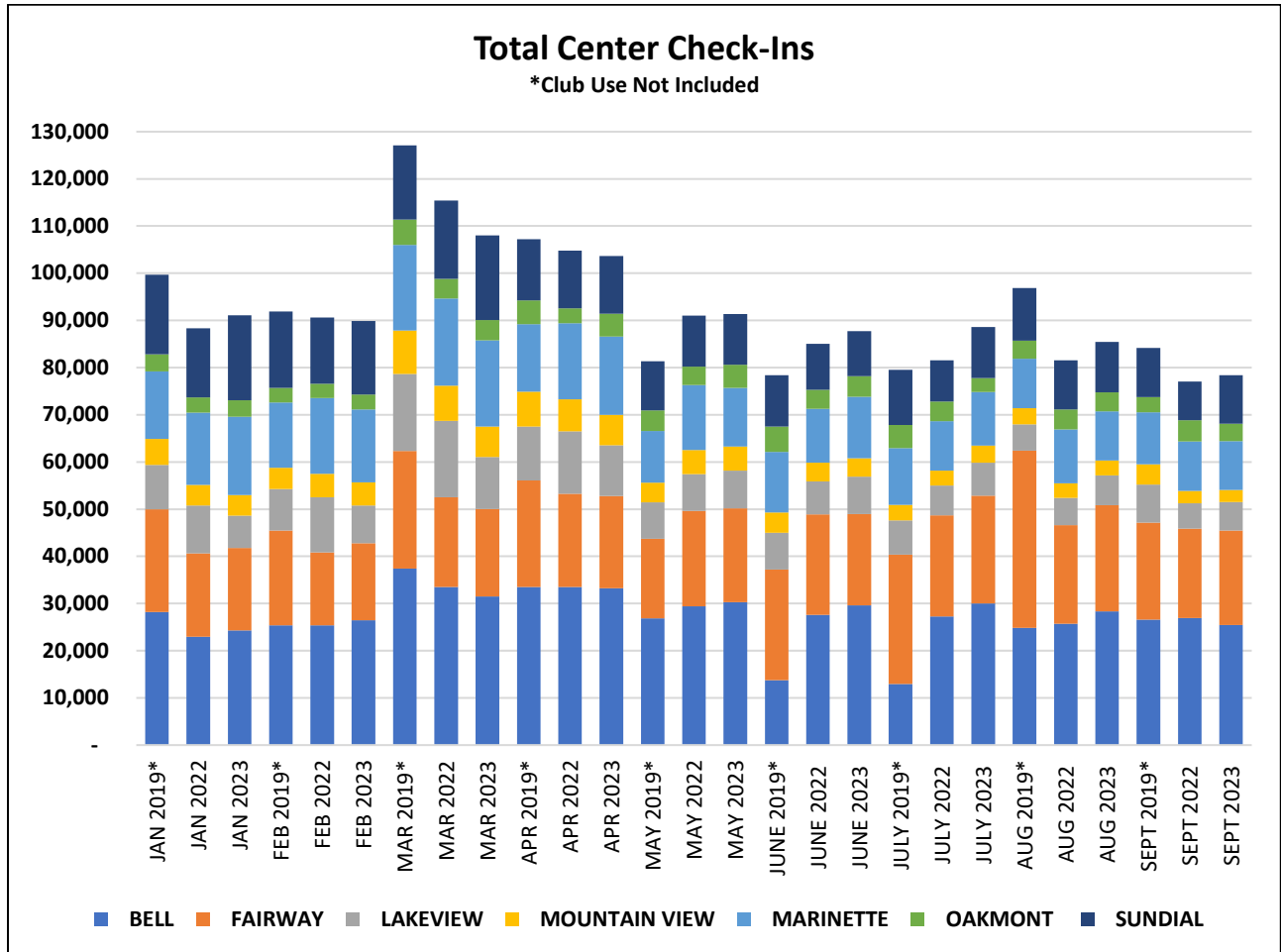
- Repair and resealing of pool deck at Marinette Center.
- Repair and reopening of the mini golf course at Sundial Center.
- Closure of the spas at Lakeview Center for refinishing of the interior surfaces in the spas and repairs in the spa room.

We continue to be in the onboarding processes at Granicus for the new online comment card platform. We anticipate this being completed soon with the platform being available to RCSC to configure user interface screens and back-end workflows. Communication and deployment to come after the platform configuration and validation.

Check-ins for Monitored Activities at recreation centers continue to be relatively flat compared to 2022 as well as below the pre-pandemic levels in 2019 for most months. The

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differences to 2019 are higher than reflected in the graphic due to club use of monitored activity areas not being included in tracking statistics until 4Q2021. Bell and Fairway centers represent over 50% of all monitored activity usage with this pushing up to almost 60% for the summer months in 2023.



Chartered Clubs:

The Chartered Clubs office has been working on the upgrade to the room reservations software over the past several months and is now live on the upgraded application in a hosted cloud-based environment.

MARKETING & COMMUNICATIONS:

Sun City Visitor & Welcome Center:

The center welcomed 434 guests in September, as the team celebrated the 20th anniversary of its location at the Bell Center with a soft launch of an expanded name to include the important word "Welcome." The center is working toward launching a new digital version of welcome letters in partnership with Cardholder Services to align efforts. The center also had visits from touring groups from South Korea and Australia/New Zealand. Efforts are

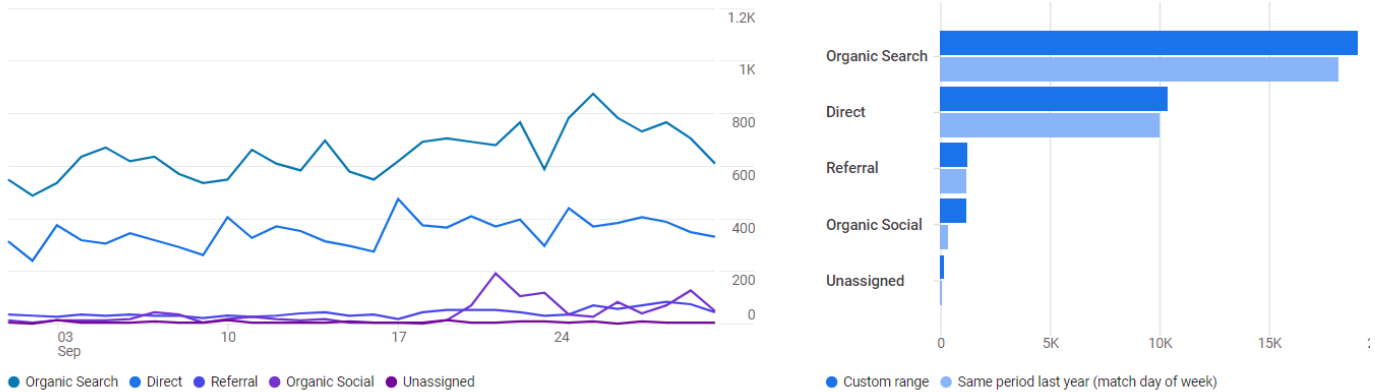
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underway to attract more volunteers to support the center as we work to ensure it is utilized more as a welcome/orientation center for new and current members. The greatest interests in activities expressed by guests included walking, arts and crafts, pickleball, fitness centers and other club activities.

Website:

In September, a small increase in visits to the Website has continued, with guests growing to 17,845 from 17,104 in September 2022. The top sites visited were the home page, the general About Us (RCSC) page, employment page, golf course/pro shops page, concerts page, landing recreation page, cost of living/value page and the portal.

Work is underway to make improvements to the Website by the end of the year. We will make the mobile Website, the search bar and other elements more effective as commonly sought after information is added to the site map. The graphic below shows that the majority of guests visit from an organic search, while there are still a large number of direct links visits given regular business that can be done on the site. The organic search results will be improved to more effectively utilize commonly sought after terms as part of the Website maintenance. To assist Members and Cardholders in finding information about specific activities, additional domain names will be registered that reflect these activities. The blog will also allow social media posts to link back to the Website, and we will add an RSS feeds as an option to receive regular updates.

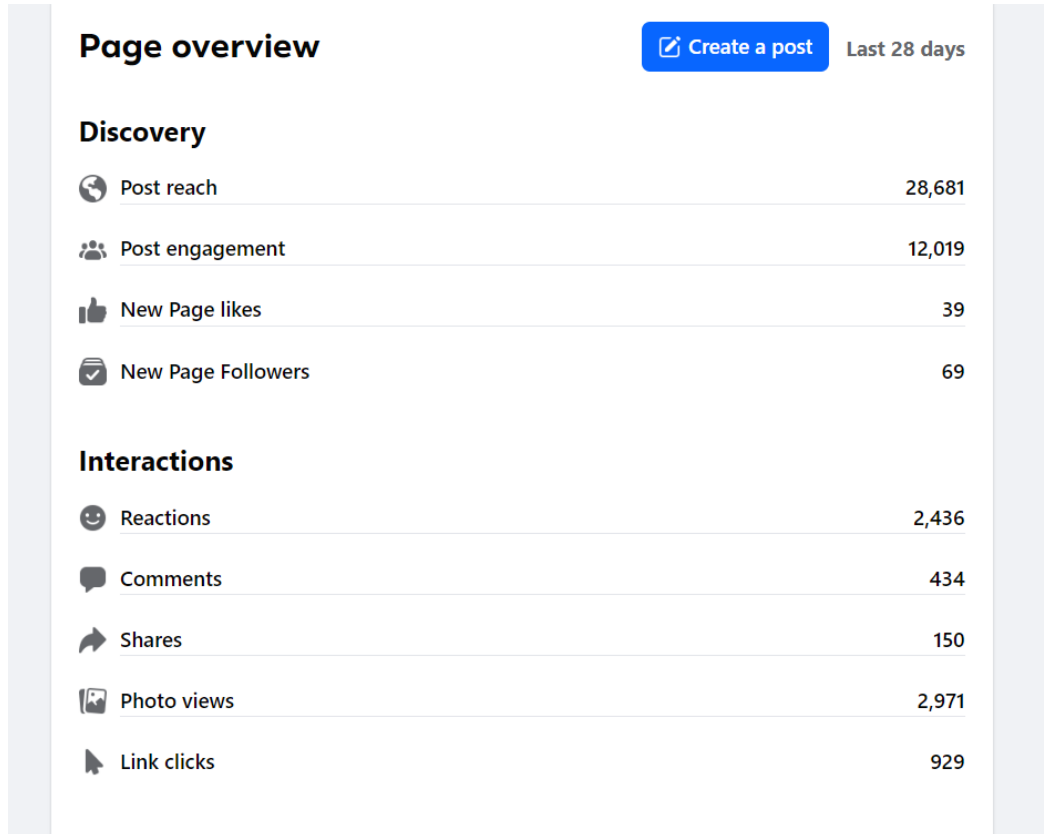


Social Media:

The next steps in regard to social media involves claiming additional professional accounts that either were never claimed or which were claimed but no longer utilized. This includes a wide variety of Google My Business pages that will support Members seeking recreation information when they look up specific addresses/locations. Facebook continues to be an active resource of information, with an average reach of about 30,000 maintained with educational and feature updates. The RCSC Communications team seeks to support Members in all appropriate methods of communication, and we thank those who reach out to provide what have been largely supportive reviews. Below is a monthly update of the

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Facebook activity, which averages roughly 30K individuals reading, and thousands engaging with comments, likes and shares. Nearly 1,000 individuals clicked on links. As the Website improvements launch, that number should increase with improved blog opportunities and pages to send followers to visit.



EVENTS:

The new ticketing system for the RCSC show tickets is in place and up and running. It became necessary to delay the on-sale of Season Tickets to Monday, October 23, 2023, at 8:00am to ensure that there are no glitches in the system either on-line or in person. Season Passes may be purchased on-line at www.suncityaz.org; in person, at Sundial Auditorium located at 14801 N 103rd Ave; or via phone at 623-561-4680, (you must speak to a live agent when purchasing by phone) the opportunity to purchase Season Passes will end November 22, 2023. Individual Show Tickets will now be on sale Monday, November 27, 2023, at 8:00am up until the time of each individual show.

Sun Bowl shows have been enjoyed by all with non-stop dancing. We are still perfecting the Video projection of the performances on the stage.

Tickets are still available for the "Royal Autumn Ball" Senior Prom. This event will take place at Sundial Auditorium on Friday, November 10, 2023, from 6-9pm. This is a free event;

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however, you must get a ticket by Monday, November 6th at the Events and Entertainment office at Sundial Auditorium.

The “Grand Re-Opening” of Lakeview Lake celebration has been postponed. Our goal is to reschedule this event for early December in conjunction with our Annual Boat Parade. Stay tuned for details.

Facility Rentals:

There were 12 Facility rentals in September, 2023 grossing \$7,350 in revenue.
