



Financial Analysis – Effects of COVID 19

April 28, 2020

The Outlook Covid worksheet projects the GVR Budget on a monthly basis for the calendar year 2020. Adjustments are made for Income and Expense items. The following percentages are percentages of monthly budget amount. In other words, 90% reflects a 10% reduction in the monthly budget.

This is the second analysis prepared and reflects the furloughs that are now in place for approximately 80% of the workforce. Also, January through April amount are updated based on actual experience.

The largest reduction in income is for Capital Revenue. New Member and Initial fees are reduced to 25% of budget in the 2nd Quarter and growing back to 60% of budget by year end. This results in a \$1,440,000 reduction in combined Membership Revenue for the year. It is interesting to note that Capital revenue is actually ahead of budget for the 1st quarter but the forecast allows for a significant decrease in the 2nd and 3rd quarters. This category is the hardest to predict and has the most impact on the bottom line. Our previous forecast projected a \$1,600,000 decrease in Membership revenue and we have improved it to a \$1,440,000 reduction.

Recreational and Instructional Income is eliminated completely \$0 April – July and grows to 80% of the original budget by 4th Quarter resulting in a \$250,000 reduction in Income. This income is offset by some expenses discussed below.

Investment has not been reduced but keep in mind that much of this income is for designated funds and is not for operations.

Advertising income is reduced significantly but is a small part of the budget.

The overall Income is reduced by \$1,771,00 or 15.5%

Payroll and Fringes which are the largest part of the expense budget are reduced due to furloughs which started late April with staff phasing back into service to 100% by November 2020. Taxes and 401k expenses are reduced accordingly but insurance remains at 100%. The total net savings are projected to be \$645,000

Conferences and training expenses are reduced by almost 50% (0% for 2nd and 3rd qtr.)

Recreation Contracts reflect big reductions in 2nd and 3rd Qtr. to 0% resulting \$220,000 in savings

Supplies 2nd Qtr. and 3rd Qtr. 50% increasing back in 4th Qtr. to 90%

For Utilities, the major reduction is Gas 50% 2nd Qtr. and growing back to 100% by December and Electricity reflects a slight reduction. Total utilities are reduced by \$140,000 for the year

Furniture & Equip expenditures are reduced slightly resulting in \$53,000 in savings
Vehicles reduced to 50% in 2nd Qtr. growing to 100% by 4th Qtr. Resulting in \$30,000 in savings

Info. Technology – no change (licenses etc.)

Facility Maintenance reduced to 75% of budget in the 2nd Qtr. growing to 100% by 4th quarter. This results in \$121,000 of savings

Major Projects significant reductions 50% in 2nd Qtr. growing slowly to 100% in 4th Qtr. Resulting in \$70,000 in expense savings.

Travel \$0 2nd Qtr. and 3rd Qtr. - 100% 4th Qtr.

Other Operating Expenses, 50% April growing to 100% by October

Depreciation reduced in 2nd and 3rd Qtr. for Purchased Assets only resulting in \$97,000 of non-cash savings.

The total Operating Expenses are projected to be \$1,628,000 (17%) under budget.

For this analysis, the Gross surplus is the best number to use because it doesn't include non-cash capital gains and losses.

The gross surplus will be down by \$142,000. Because we budgeted a \$249,000 surplus, we project to still have a \$106,000 gross surplus. Most of the expense savings is program expenses of \$260K and Facilities \$517K (\$97K depreciation) and Payroll \$645,000. Please keep in mind that this includes \$372,000 of investment income. Capital Revenue is the biggest variable in our forecast. To date, we are ahead of budget. This forecast includes a 1.4million reduction in capital revenue for the year. With the adjustments we made, we still expect to have a small surplus in 2020.

In general, Program Revenue will be offset with Program expense reductions. Capital fee reduction is the biggest variable. Looking at monthly deficits, no year to date deficit puts GVR in a cash crisis. Our latest cash Requirements Report had a projected operation cash balance of \$4,000,000. There are significant losses on some investments but they are not included in the above analysis because they primarily impact the board designated reserve funds.

GVR Budget Worksheet Summary III



2020 Outlook Covid-19

Revenue

Expenses

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	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	Ver 2.0 2020 Budget	2020 Bud. Vs 2020 Outlook
	1	2	3	4	5	6	7	8	9	10	11	12	Total			
	Actual	Actual	Actual	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook				
Member Dues	563,634	563,201	561,100	561,554	560,810	560,810	560,810	560,810	560,810	560,810	560,810	560,810	6,735,966	6,717,125		
LC,Trans., Crd Fees.	120,301	64,498	64,547	13,825	2,204	2,462	5,679	8,704	11,476	24,210	38,073	64,762	420,740	618,000		
Capital Revenue	195,444	185,594	282,528	65,400	55,402	76,870	42,291	58,914	58,414	73,747	79,093	101,468	1,275,164	2,535,200		
Membership Revenue	879,378	813,293	908,175	640,780	618,415	640,141	608,780	628,427	630,700	658,766	677,975	727,039	8,431,870	9,870,325	(1,438,455) (14.6%)	
Programs	26,448	66,063	39,994	461	-	-	-	2,496	1,387	9,674	24,062	43,127	213,711	336,000		
Instructional	100,432	67,538	42,628	(113)	-	-	5,802	7,655	9,075	34,301	35,434	28,985	331,737	460,000		
Recreational Revenue	126,880	133,601	82,622	348	-	-	5,802	10,151	10,462	43,975	59,496	72,112	545,448	796,000	(250,552) (31.5%)	
Investment Income	26,675	31,083	27,202	24,482	24,384	26,983	19,065	46,717	37,403	25,800	22,463	60,470	372,727	377,651	(4,923) (1.3%)	
Advertising Income	21,157	23,209	2,730	8,069	1,319	1,878	7,298	3,426	10,355	8,932	8,123	3,876	100,371	110,000		
Cell Tower Lease Inc.	3,403	3,403	3,403	2,210	3,163	3,154	1,123	3,204	3,204	5,203	3,163	3,163	37,797	36,000		
Comm. Revenue	24,560	26,612	6,133	10,279	4,483	5,031	8,422	6,630	13,559	14,135	11,286	7,039	138,168	146,000	(7,832) (5.4%)	
Other Income	13,763	31,950	6,092	(2,945)	13,360	613	12,868	2,139	955	1,429	2,505	184	82,912	100,500		
Facility Rent/Leases	9,354	8,077	3,385	-	-	671	627	1,359	4,498	1,799	20,334	2,162	52,266	100,000		
Marketing Events	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000		
Other Revenue	23,117	40,027	9,477	(2,945)	13,360	1,283	13,495	3,498	5,453	3,228	22,839	2,346	135,178	203,500	(68,322) (33.6%)	
Total Operating Revenue	1,080,611	1,044,616	1,033,609	672,944	660,641	673,439	655,564	695,423	697,577	745,904	794,059	869,006	9,623,392	11,393,476	(1,770,083) (15.5%)	
Major Proj.-Rep. & Maint.	21,125	17,786	13,493	8,036	3,021	16,179	13,745	25,283	8,273	17,570	16,656	34,444	195,610	265,148		
Facility Maintenance	12,561	25,133	55,008	43,481	33,719	69,957	82,062	88,644	37,172	23,687	53,640	59,052	584,116	704,554		
Fees & Assessments	669	(6,326)	123	3,821	411	16	15,896	28,848	24,462	56	742	51	68,770	78,716		
Utilities	92,260	82,479	79,302	26,047	48,793	53,069	53,801	64,269	50,643	52,011	59,775	89,806	752,256	892,031		
Depreciation	137,880	137,880	137,880	137,880	134,564	143,672	141,677	144,597	153,616	167,868	167,868	167,868	1,773,250	1,869,644		
Furniture & Equipment	9,823	14,498	4,930	4,996	15,337	18,717	15,414	22,881	19,026	5,613	4,547	77,044	212,828	264,764		
Vehicles	6,429	6,325	3,902	1,256	2,988	1,826	1,826	4,188	2,469	4,029	4,401	4,170	43,809	73,624		
Facilities & Equipment	280,745	277,775	294,639	225,516	238,833	303,437	324,421	378,710	295,661	270,835	307,629	432,436	3,630,638	4,148,480	517,842 12%	
Wages, Benfts., PR Exp.	351,782	391,017	412,228	354,907	188,492	188,492	233,935	294,526	355,117	532,675	355,117	355,117	4,013,404	4,616,520		
Conferences & Training	1,460	1,793	4,870	-	-	-	-	-	-	5,997	11,963	20,355	46,438	88,000		
Personnel	353,242	392,810	417,097	354,907	188,492	188,492	233,935	294,526	355,117	538,673	367,080	375,472	4,059,842	4,704,520	644,678 14%	
Food & Catering	2,951	2,781	5,844	334	-	-	715	1,468	912	7,161	3,944	2,938	29,049	45,031		
Recreation Contracts	88,982	114,932	94,439	4,933	-	-	-	-	-	48,304	47,175	13,783	412,547	632,750		
Bank & Credit Card Fees	29,117	21,854	6,449	55	3,156	1,508	765	818	1,552	2,719	2,390	2,762	73,143	96,146		
Program	121,050	139,567	106,732	5,322	3,156	1,508	1,481	2,286	2,463	58,183	53,509	19,483	514,740	773,927	259,187 33%	
Communications	8,047	7,759	9,314	4,033	9,099	7,636	9,292	8,133	7,629	8,117	8,513	9,325	96,898	104,149		
Printing	372	4,209	18,477	1,000	1,767	5,541	22,774	1,996	1,225	22,445	3,467	18,603	101,877	94,497		
Advertising	-	-	630	-	-	5,000	-	-	-	-	-	-	5,630	5,000		
Communications	8,419	11,967	28,421	5,033	10,866	18,178	32,066	10,129	8,854	30,562	11,980	27,928	204,405	203,646	(759) (0%)	
Supplies	21,924	18,557	15,992	15,992	14,388	12,856	19,594	23,342	15,913	12,302	16,269	36,864	223,993	344,127		
Postage	253	1,203	6,492	150	89	190	140	241	100	3,180	2,967	5,914	20,919	18,500		
Dues & Subscriptions	1,735	1,004	664	-	315	133	85	405	2,151	746	1,059	269	8,564	8,102		
Travel & Entertainment	-	4,468	300	-	-	-	-	-	-	2,192	6,927	49	13,935	16,580		
Other Operating Expense	26,548	19,367	4,550	15,162	10,376	12,180	11,838	10,920	19,338	13,660	12,752	22,063	178,753	178,260		
Operations	50,460	44,599	27,998	31,304	25,167	25,359	31,656	34,908	37,501	32,079	39,974	65,159	446,164	565,568	119,404 21%	
Information Technology	4,357	4,953	5,004	3,650	10,415	5,565	966	659	5,339	760	59,484	6,225	107,378	114,900		
Professional Fees	29,180	26,567	14,620	5,449	18,399	6,411	32,381	12,884	24,814	22,726	8,126	51,776	253,331	311,749		
Commercial Insurance	25,266	28,973	27,777	27,501	2,937	2,651	55,982	28,045	28,045	30,332	15,517	9,376	282,403	280,000		
Taxes	-	-	-	-	-	-	-	-	4,998	13,002	-	-	18,000	18,000		
Provision for Bad Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	24,000		
Corporate Expenses	58,804	60,493	47,401	36,599	31,751	14,628	89,329	41,588	63,196	66,820	83,127	67,377	661,112	748,649	87,536 12%	
Total OperatingExpenses	872,720	927,211	922,288	658,681	498,266	551,601	712,888	762,147	762,793	997,153	863,298	987,854	9,516,901	11,144,790	(1,627,889) (17%)	
Gross surplus(Rev-Exp)/ Net Cash Flow	207,891	117,405	111,321	14,263	162,375	121,838	(57,325)	(66,724)	(65,216)	(251,249)	(69,239)	(118,848)	106,492	248,686	(142,194) (57.2%)	