AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, October 22, 2025 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Kathi Bachelor (President), Candy English (Vice President), Beth Dingman (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau, Bev Lawless, Lanny Smith, Jodie Walker, Scott Somers (non-voting)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
2. **Amend/Adopt Agenda**
3. **Presentation**
   A. **Quarterly Financial Report (Webster)**
4. **President's Report**
5. **CEO Report**
6. **Committee Reports**
   A. Audit - Lawless
   B. Board Affairs - English
   C. Fiscal Affairs - Johnson
   D. Investments - Smith
   E. Nominations & Elections - Dingman
   F. Planning & Evaluation - Reynolds
7. **Consent Agenda –** Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
   A. Minutes:
      1) BOD Regular Meeting Minutes: September 24, 2025
      2) BOD Work Session Minutes: October 8, 2025
   B. Financial Statements:
      1) September Financials
8. **Action Items**
   A. Approval of the 2026 Budgets and Fee Schedule (Webster)
   B. Approve N&E Recommendation of Record Date (Dingman)
   C. FAC Recommended Corporate Policy Manual (CPM) Change to Part 6 Section 2, 6.2.6.A (Johnson)
9. **Member Comments** - Please limit comments to two (2) minutes. Speakers are asked to provide their name and GVR member number. This time is for comments, not for questions and answers.
10. **Adjournment**

** GVR encourages the Board and members to voice concerns and comments in a professional, business-like, and respectful manner.*

Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2025

	January through December 2025				PROJECTION FOR TOTAL YEAR 2025				
	2025 Annual Budget	January - September YTD Budget	January - September Jan - Sept Actual	% of Variance	Projected October - Dec 2025	Total Jan-Dec 2025 Projected	Approved Budget 2025	Total Projected Variance	% of Budget Variance
Revenue:									
Member Dues	$ 7,350,040	$ 5,512,530	$ 5,522,567	0.2%	$ 1,840,856	$ 7,363,423	$ 7,350,040	$ 13,383	0.2%
LC,Trans., Crd Fees.	729,472	548,466	557,919	1.7%	$ 185,973	$ 743,892	$ 729,472	$ 14,420	1.9%
Capital Revenue	2,724,900	2,097,150	2,196,406	4.7%	$ 672,135	$ 2,868,541	$ 2,724,900	$ 143,641	5.0%
Recreation	1,109,718	814,059	613,178	(24.7%)	$ 264,393	$ 877,570	$ 1,109,718	$ (232,148)	(26.5%)
Investment Income	435,000	331,031	362,411	9.5%	$ 120,804	$ 483,215	$ 435,000	$ 48,215	10.0%
Communication	48,919	36,689	37,810	3.1%	$ 12,603	$ 50,414	$ 48,919	$ 1,495	3.0%
Other Revenue	214,600	180,850	95,652	(47.1%)	$ 36,767	$ 132,419	$ 214,600	$ (82,181)	(62.1%)
Total Revenue	12,612,649	9,520,775	9,385,943	(1.4%)	$ 3,133,531	$ 12,519,474	$ 12,612,649	$ (93,175)	(0.7%)
Expenditures:									
Facilities & Equipment NO DEPRECIATION	$ 1,984,343	$ 1,445,383	$ 1,477,334	(4.1%)	$ 537,445	$ 2,014,778	$ 1,984,343	$ (30,435)	(1.5%)
Personnel	5,813,616	4,363,641	4,262,038	2.3%	$ 1,440,679	$ 5,702,717	$ 5,813,616	$ 110,899	1.9%
Program	885,896	653,144	505,376	22.6%	$ 218,459	$ 723,835	$ 885,896	$ 162,061	18.3%
Communications	224,900	168,675	151,487	10.2%	$ 50,496	$ 201,983	$ 224,900	$ 22,917	10.2%
Operations	692,800	519,100	495,330	4.6%	$ 165,110	$ 660,440	$ 692,800	$ 32,360	4.7%
Corporate Expenses	815,978	579,232	589,485	(1.8%)	$ 226,495	$ 815,980	$ 815,978	$ (2)	(0.0%)
Total Expenditures	10,417,533	7,729,174	7,481,050	2.1%	2,638,683	10,119,733	10,417,533	297,800	2.9%
Excess Revenues Over Exp.	$ 2,195,116	$ 1,791,601	$ 1,904,893		$ 494,848	$ 2,399,741	$ 2,195,116	$ 204,625	
Transfers and Adjustments:									
Non Reserve Capital Projects	(22,486)	(16,865)	(13,000)		$ (9,486)	$ (22,486)	$ (22,486)	$ -	0.0%
Remove Income From Reserves	(278,400)	(208,800)	(240,707)		$ (80,236)	$ (320,943)	$ (278,400)	$ (42,543)	-15.3%
Reserve Funding Initiatives	(547,770)	(410,828)	(403,041)		$ (134,347)	$ (537,388)	$ (547,770)	$ 10,382	1.9%
Reserve Funding MRR A & MRR-B	(1,620,460)	(1,620,460)	(1,620,460)		$ -	$ (1,620,460)	$ (1,620,460)	$ -	0.0%
MRR Expenses paid by Reserve	200,000	150,000	130,326		$ 43,442	$ 173,768	$ 200,000	$ (26,232)	13.1%
Deduct Reserve Investment Exp.	74,000	55,500	40,487		$ 33,496	$ 73,983	$ 74,000	$ (17)	0.0%
Modified Accrual Basis Surplus	-	(259,851)	(201,502)		347,717	146,215	-	146,215	

This report is not a GAAP compliant statement. Non cash adjustments such as Depreciation of Fixed Assets have been removed to establish a Modified Accrual report. The purpose of this report is to give a high level summary of GVRs performance for comparison to the Zero Surplus Budget goal for the fiscal year.

Green Valley Recreation, Inc.
Investments Performance
January through December 2025

Fund	January 1, 2025		September 30, 2025		RETURN ON INVESTMENT - Year To Date - Actual	Year To Date - Benchmark *	One Year (12 months) - Actual	One Year (12 months) - Benchmark *
Maintenance Repair & Replacement (Corient)	$	7,586,789	$	7,503,443	7.3%	8.4%	7.4%	7.4%
MRR - Part B Pools and Spas (Corient)	$	1,200,643	$	1,667,314	9.6%	8.4%	9.6%	7.4%
Initiatives (Corient)	$	993,706	$	1,309,260	3.8%	6.7%	3.8%	5.4%
Emergency (Corient)	$	635,469	$	560,635	11.6%	13.1%	11.3%	13.4%
Total Designated Reserves	$	10,416,607	$	11,040,653				
Operating Investment Fund Part A Short Term - JP Morgan	$	1,008,955	$	582,846	3.1%	3.1%	3.1%	3.0%
Operating Investment Fund Part B Long Term - JP Morgan	$	1,008,091	$	1,702,531	7.3%	6.1%	7.1%	6.1%
Total Invested Operating Cash	$	2,017,046	$	2,285,377				

Green Valley Recreation, Inc
Statement of Financial Position
September 30, 2025

	Current September 30, 2025	Prior Year September 30, 2024	Increase (Decrease)	
Assets				
Total Operating Cash	2,651,125	2,790,711	(139,586)	(5%)
Accounts Receivable (net)	438,008	303,832	134,176	44%
Designated Investments	11,040,726	10,439,291	601,435	6%
Prepaid Expenses & Inventory	412,687	341,454	71,234	21%
Total Current Assets	14,542,547	13,875,288	667,259	5%
Fixed Assets				
Net Fixed Assets	23,572,392	22,676,517	895,875	4%
Oper. & Finance ROU	36,447	72,483		
Total Assets	38,151,386	36,624,288	1,527,098	4%
Liabilities				
Accounts Payables	522,673	317,935	204,738	64%
Deffered Dues & Fees	2,127,373	1,906,281	221,092	12%
Short Term Liabilities	127,479	391,830	(264,351)	(67%)
Long Term Liabilities	52,988	90,621	(37,633)	(42%)
Total Liabilities	2,830,513	2,706,667	123,846	5%
Total Net Assets	35,320,873	33,917,622	1,403,252	4%
Net Assets				
Board Designated Net Assets	11,040,653	10,439,292	601,361	6%
Unrestricted Net Assets	22,697,162	22,242,849	454,313	2%
Net Change Year-To-Date	1,583,059	1,235,481	347,578	
Total Net Assets	35,320,873	33,917,622	1,403,251	4.14%

GVR

MINUTES

BOARD OF DIRECTORS MEETING
Wednesday, September 24, 2025 - 2pm
West Center Auditorium / Zoom

Directors: Kathi Bachelor (President), Candy English (Vice President), Beth Dingman (Secretary) Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau (arrived 2:20pm), Bev Lawless (left the meeting at 3:22pm), Lanny Smith, Jodie Walker, Scott Somers (non-voting)

Director Absent: Dave Barker

Staff Present: Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO)

Visitors: 12 Including support staff

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The President being in the chair and the Secretary being present.
   President Bachelor called the meeting to order at 2:02pm MST. Secretary Dingman called the roll; quorum established.

2. **Amend/Adopt Agenda**
   MOTION: Director Johnson moved, Director Walker seconded to adopt the Agenda.
   Passed: unanimous

3. **President Report**
   - Thanked people in the audience for attending the meeting.
   - Artisan Shop Grand Opening on October 1 at 10am with a Ribbon Cutting

4. **CEO Report**
   - Desert Hills Center had a big transformation with the Locker Rooms being remodeled and opened up two weeks ago; the pool was closed for a period of time to replace some infrastructure for $250,000 coming out of the MRR-A fund; both pool and spa are open; there were plumbing issues and leakage of rain, due to the palm trees that were removed; a water hose broke in the ice machine causing a flood; a sewer line back up due to flushable wipes causing a plugged pipe (Flushable wipes are not flushable since they stick to the pipes); and the exterior of the building was painted.
   - Del Sol Clubhouse exterior was painted.
   - Abrego South Pool had core samples taken and it shows compaction issues due to improper construction in the 1970s when the pool and locker room were built. There has been a series of leaks for a number of years, from possibly the spa, contributing to water issues under the deck. The consultant recommendation is to replace the soil around the pool and the locker room, which means the pool and locker room need to be removed. The big question is does it make sense and is it cost effective to replace

the pool and locker room, considering it is the lowest used pool and would cost an estimate of $2 million or more to replace the pool. No decision has been made yet.
- The draft budget has come before the Fiscal Affairs Committee (FAC) and the FAC will bring a recommendation to discuss to the Board at the Work Session in October and then approval for later in the month at the Regular Board meeting.
- Board Affairs Committee (BAC) is bringing forth potential Bylaw changes for the 2026 ballot at this meeting.

5. **Committee Reports – Reports have been submitted and placed on files.**
   A. Audit
   B. Board Affairs
   C. Fiscal Affairs
   D. Investments
   E. Nominations & Elections
   F. Planning & Evaluation

6. **Consent Agenda**
   MOTION: Director Dingman moved, Director Walker seconded to approve Consent Agenda.
   Passed: unanimous
   A. Minutes:
      - BOD Regular Meeting Minutes: August 27, 2025
      - BOD Work Session Minutes: September 10, 2025
   B. Financial Statements:
      - May, July, August Financials

7. **Action Items**
   A. Approve Board Affairs Committee (BAC) Recommended Bylaw Changes for the 2026 Ballot

   First recommendation from the BAC is on Term Limits with three options offered for the Board to review and choose one to move forward to the 2026 ballot: 1) Changing only the time served between terms from one to three years; or 2) The original recommendation of removing the word "consecutive" and removing the last sentence "A former Director may be re-elected after one (1) or more years absent from the Board."; or 3) Removing the language as time served as an appointed Director for the partial terms served for a resigning Director.

   MOTION: Director Bachelor moved, Director Lawless seconded to adopt Option 2 by removing "consecutive" and removing the last sentence "A former Director may be re-elected after one (1) or more years' absence from the Board". Both Mover and Seconder agreed to make a Friendly Amendment by adding to "not including time served as an appointed Director, if less than one (1) year."

   MOTION: President Bachelor called the question, Director seconded
   Passed: 7 yes / 3 no (English, Garneau, Walker)

   VOTE ON MOTION
   Failed: 4 yes (Bachelor, Dingman, Lawless, Reynolds) / 6 no

   MOTION: Director Garneau moved, Director Johnson seconded to accept Option 1 which states changing only the time served between terms from one year to three years. Section 1 last two sentences would read: "No Director may serve more than two (2)

consecutive terms including time served as an appointed Director. A former Director may be re-elected after three (3) or more years' absence from the Board."
Passed: 6 yes / 4 no (Dingman, English, Hillyer, Reynolds)

CEO Somers continued reviewing the proposed Bylaw changes by reviewing Article VIII Section 1 Standing Committees. The BAC recommendation is to eliminate and transfer the duties of the Nominations and Elections Committee into the BAC, and eliminate and transfer the Planning and Evaluation Committee to the Fiscal Affairs Committee (FAC).

MOTION: Director Johnson moved, Director Walker seconded to implement the changes to the Committee structures with Article VIII Section 1 to read: "The Board of Directors shall establish the following Standing Committees: Board Affairs, Fiscal Affairs, and Investments, and may establish additional committees which shall be identified in the Corporate Policy Manual."
Passed: 7 yes / 2 no (English, Walker)

CEO Somers continued reviewing the proposed Bylaw changes including Article VIII Section 3 Composition of Committees; Section 4 Subcommittees, and Section 5 Open Meetings.

MOTION: Director Garneau moved, Director Walker seconded to accept the proposed changes in Article VIII Section 3, 4, and 5 to read: Article VIII Section 3 Section 3: Composition of Committees "The Chairperson of the Audit Committee shall be nominated by the President of the Board and the Finance Director of the Corporation with Board approval. The Chairperson of each Standing and other Special Committee(s) of the Board shall be a member of the Board nominated by the President with Board approval~~. The committee member appointment process shall be determined by Board policy within the Corporate Policy Manual and may be amended from time to time~~ Committee members shall be appointed by the Board of Directors as determined by the process outlined in the CPM. Committee members shall be members of The Corporation and/or members of the operations staff. ~~Committee members shall be selected by the Chairperson of the committee.~~ The President shall be an ex-officio member of all committees excluding ~~Nominations & Elections, and~~ the Audit Committee."
Section 4: Subcommittees
Except for the ~~Nominations & Elections and the~~ Audit Committees, each committee shall have the power to appoint subcommittees from among GVR members and may delegate to such subcommittee any of its duties and powers.
Section 5: Open Meetings
With the exception of the Audit Committee, all other Committee meetings, subcommittee meetings and working session meetings are ~~closed or~~ open ~~meetings at the discretion of each such Committee~~ to members of the Corporation.
Passed: unanimous

8. **Member Comments -** 0

9. **Adjournment**
MOTION: Director Walker moved, Director Garneau seconded to adjourn the meeting at 3:39pm.
Passed: unanimous

MINUTES

BOARD OF DIRECTORS WORK SESSION
Wednesday, October 8, 2025, 2pm
WC Room 2 / Zoom

Directors Present: Kathi Bachelor (President), Candy English (Vice President), Beth Dingman (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Left meeting at 3:15pm) (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Marge Garneau (left meeting at 3:45pm), Bev Lawless, Lanny Smith, Jodie Walker, Scott Somers (non-voting)

Staff Present: Steve Kindred (Recreation Program Director), Chris McNeely (Human Resources Director), Nanci Moyo (Administrative Supervisor), Antoinette Snow (Field Service Manager), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors:

AGENDA TOPIC

1. **Call to Order / Roll Call**
   Work Session Called to Order at 2:06pm by President Bachelor. Secretary Dingman called the roll.

2. **Amend / Approve Agenda**
   MOTION: Director Dingman moved / Director Lawless seconded to approve the Agenda.
   Passed: unanimous

3. **Staff Presents the Recommended Fee Schedule, Operating Budget, and Capital Improvement Plan, and Capital Budget**
   CEO Somers reviewed the budget:
   - 2026 Budget Goal meets GVR's Mission, Goal 4 of the Strategic Plan, Bylaws Article 3, Section 2, and CPM 5.5.2.
   - Timeline and Titles of the budget preparation and reviews:
     - Staff developed a draft budget for the Fiscal Affairs Committee (FAC) to review called the **Original Staff Budget** which included: 2026 dues rate increase from $530 to $540 (1.9 percent); Membership Change Fee and Initial Fee increase from $3,100 to $3,200 (3.2 percent); Personnel cost included a recommended $109,895 (2.5 percent) aggregate increase in wages, decrease of 2.8 full-time equivalents for a total of 88 Full Time Equivalents in 2026; and no allowance for Non-Reserve Capital projects.
     - The FAC's recommendation (after two FAC meetings) called the **Revised Budget Updated by FAC** included: eliminating the Member Change Fee refunds which increases funding to the Initiatives by approximately $30,080 in 2026; increase wages by $259,995 (5.9 percent) to fully implement the three-year

compensation plan which includes a payroll tax increase of $11,483; increase professional fees by $10,000 to allow for improved digital marketing; amend the Tenant Fee structure and rates; increase member dues from $530 to $545 (2.8 percent); and increase MRR-B Pools and Spas fund by $7,761 to meet the 7 percent escalation in annual funding goal. Two additional FAC recommendations were to require clubs with dedicate space request for expansion to enter into a MOU with GVR and investigate pilot program on financing options for the voluntary deed restricted properties interested in GVR joining GVR.

    - Staff prepared updates to FAC based on updated wage information called **Staff Revisions to FAC Updates** including: total revenue increase of $364,436 (2.9 percent); decrease aggregate wage increase to $177,601 (4 percent) from first provided $259,995 (5.9 percent) increase to maintain recommended market labor wage rates; dues rate revision from current $530 to $538 (1.5 percent); MCF and Initial Fee for 2026 increase from $3100 to $3200 (3.2 percent); the elimination of the MCF refunds adds $150,000 in revenue for 2026 and $300,000 increase in revenue in 2027 and beyond; anticipated dues increase for 2027 is $557 (3.5 percent), 2028 increase to $567 (1.8 percent), and 2029 increase to $581 (2.5 percent).

- Dues increases have not kept up with cost-of-living index or inflation, with the MCF rate outpacing the increase in dues. Membership Change Fee is based on housing sales which is not a consistent income source due to fluctuation in housing sales.
- Revenue summary will increase to $480,00 (4.4 percent) mainly coming from the increase in the MCF and the Initial Fee by $100 and stopping the MCF refund mid-year. Total operating revenue for 2026 is $364,436 (2.9 percent).
- Recommended Fees and Dues changes: Tenant fee will change from 4-12 months for one fee to 6-12 months for one fee. All tenant fees will go up by $5 from 1-7 days to 3 months. The 4-month tenant fee will be $180, 5-month will be $215, the 6-12 month tenant fee will be $250. Additional card fee will increase to $35 every year for the next five years from the increase of $140 for 2026. This is to keep this fee closer to $235. The Guest Card Annual pass will increase by $5 to $85. The Guest Card Daily pass will decrease to $10 with an issuance fee of $5 to encourage people to keep the card.
- Expense budget summary: The total operating expenses is up to $175,238 (1.5 percent).
- Capital Budget: Planning and Evaluation (P&E) and FAC recommended removal of $1.6 million from the Maintenance Repair and Replacement B – Pools and Spas fund (MRR-B) for the replacement of the Abrego South pool. Removal of $750,000 from the Initiatives Fund for the Abrego South locker room building. Include a $100,000 in the 2026 Initiatives Fund for demolition of the South Abrego pool and locker room. P&E recommended and FAC revised to include $20,000 for ADA projects to the Non-Reserve Capital budget.
- Capital 5-year Plan Recommended by P&E and Amended by FAC: 2026 Del Sol Clubhouse Parking Lot Note; West Center Lobby improvements; Las Campanas Fitness to expand to Cypress; West Center Club expansion for Lapidary and Woodworking; Las

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Campanas third tennis court moved out to 2030; Santa Rita Arts League lower-level expansion moved to 2030; Pickleball Court fencing; Abrego Pool Demolition; Santa Rita Springs Fitness Center expansion.

- Maintenance Repair and Replacement A (MRR-A) Facilities Fund: The Reserve Study recommends expending $2.2 million in 2026. Staff recommends an additional $300,00 for work needing done in 2026 for a total of $2.5 million. The contingency account or Emergency fund is kept at $500,000.
- FAC recommended Total Budget: $15,637,567

First and Second Discussion Points:

1) Membership Change Fee Refunds: an average of 95 to 100 people a year receive the MCF refund. General consensus of the Board is to keep the MCF refund.
2) Replace Abrego pool, spa, locker room and shower:
General consensus of the Board was to keep the replacement of the pool, spa and locker room building in the budget.

CEO Somers presented Plan B option: If the Board chooses to not eliminate the MCF refund the Initiatives funding is estimated to be reduced by approximately $30,000 in 2026 and $60,000+ in forecasted years 2027 through 2029; and dues increase from current $530 to proposed rate of $545 (2.8 percent) for 2026.

4. Member Comments

5. Adjournment
MOTION: Director Lawless moved, Director Dingman seconded to adjourn at 4:20pm
Passed: unanimous

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GVR
GREEN VALLEY RECREATION
P.O. Box 586 Green Valley AZ 85622
520.625.3440

Fiscal Affairs

Financial Report

As of September 30, 2025

The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through September 30, 2025 and include the financial statements as of September 30, 2025. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the September 30, 2025 total year to date Increase in Net Assets based on GVR's 2025 Financial Statements:

	GVR 2025				**Budget Variance**	
Month	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets	Homes Sold	Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-25	$133,252	$163,241	$296,493	68	$28,958	$88,851
Feb-25	$197,621	($54,698)	$142,923	61	($106,588)	$173,361
Mar-25	$49,086	($253,006)	($203,920)	105	($71,726)	($28,963)
Apr-25	$109,237	($34,106)	$75,131	94	($3,304)	($67,602)
May-25	$73,170	$211,175	$284,345	93	($10,722)	($32,672)
Jun-25	$230,846	$250,208	$481,054	78	$30,869	$88,870
Jul-25	($70,262)	$44,371	($25,891)	65	($18,331)	($54,839)
Aug-25	$139,505	$204,530	$344,035	73	($5,490)	$38,346
Sep-25	$24,432	$164,456	$188,888	68	$21,502	($23,844)
Oct-25			$0			
Nov-25			$0			
Dec-25			$0			
Total YTD '25	**$886,887**	**$696,171**	**$1,583,058**	**705**	**($134,832)**	**$181,508**

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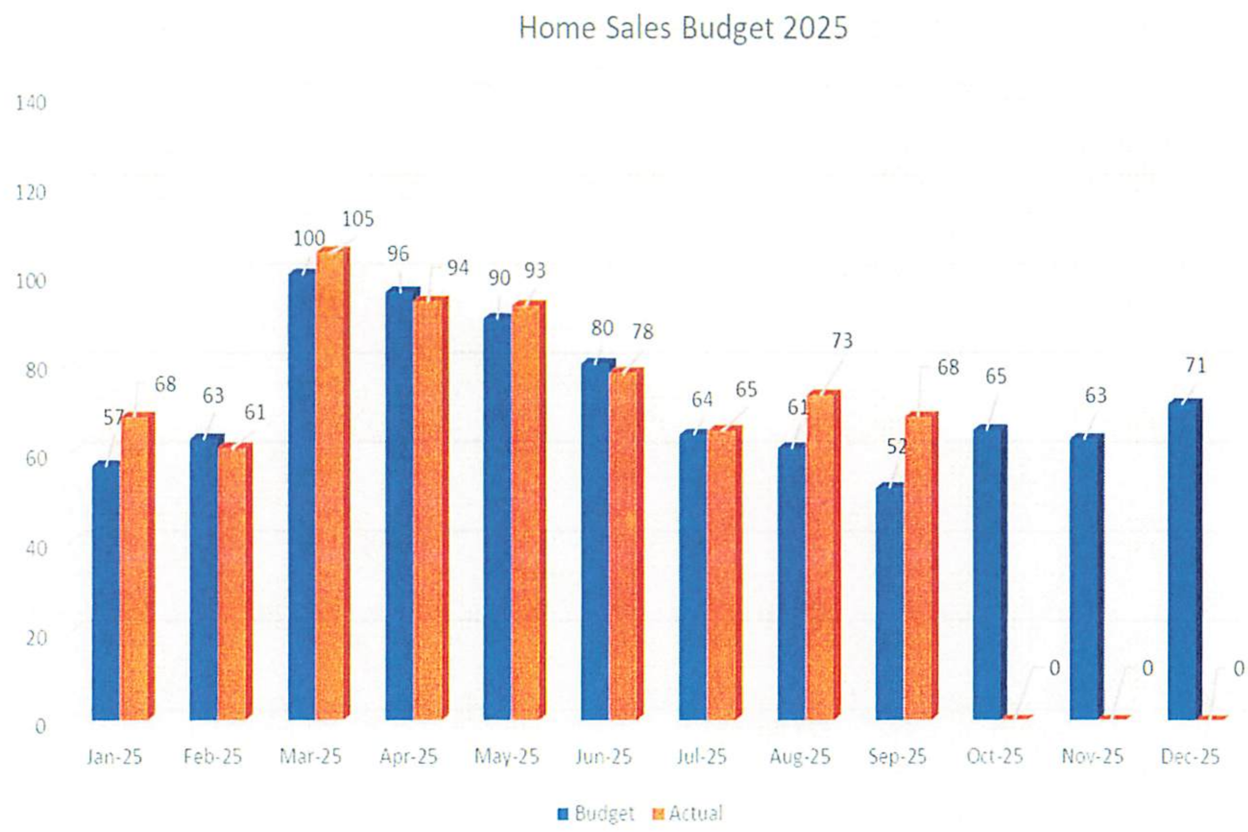
- While the preceding table illustrates the performance for the year 2025 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2025 budget.
- There were 68 Home Resales during the month of September. This number of sales is 16 (24%) more than budgeted for September and 6 (10%) more than September of the prior year. Year to date, GVR is 42 (6%) home sales greater than budgeted. GVR offsets home sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 6 and the current allowance is $92,700 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through September, 2025.



- The number of homes sold through the first two weeks of October are 31 and we expect another 36 by the end of the month for a total of 67 homes during October 2025. The budget for October is 65 and the surplus will result in 2 (3%) homes over budget for

B

October. This projection will result in GVR being an estimated 44 (6%) homes over budget for the first 10 months of 2025.

- GVR has added 15 new Member Households so far this year (page 6). The 2025 Budget includes 18 new households for the entire year.
- The September 2025 Statement of Financial Position (page 2) reports the Total Net Assets to be $35,320,873 which is a $1,583,059 increase for the year (page 2 and 3) and includes $696,171 of Unrealized Gains on Investments for September 2025 year to date.
- The September 30 Operational cash on hand is $365,748 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals $2,651,125 which is a $417,602 decrease during the month of September. The cash projections for 2025 are on pages 7 and 8.
- The Net Fixed Assets are $23,572,392 as of September 30, 2025 (page 2). Total net Capital Purchases for the year to date are $2,086,800.
- Total Current Liabilities are $2,777,525 (page 2). This includes 3 months of Deferred Dues revenue for 2025.
- Designated Net Assets equal $11,040,726 (detailed on pages 4 – 5) which reflects a net decrease of $41,856 for the month of September, 2025. The year-to-date net unrealized gains on investments are $696,171 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is $9,385,943 which is 1.4% under budget and 7% more than the prior year.
- The total expenses for the year are $8,499,056 which is $181,508 (2.1%) under budget and 2% more than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year-to-date September 30, 2025:

EXPENSES YTD SEPTEMBER 2025

Expense Category	Total Expenses	Variance Pos. (Neg.)	%	Summary
Facilities & Equipment	2,495,340	(98,567)	-4%	Furniture & Equipment is 38% over budget
Program Expenses	505,376	147,768	23%	Program expenses are $147K under budget Recreational income is $201K under budget
Communi-cations	151,487	17,188	10%	Advertising and printing are both under budget
Operational Expenses	495,330	23,770	5%	Dues and Subscriptions are 69% over budget
Corporate Expenses	589,485	(10,253)	-2%	IT Software expenses are $13K under budget and Professional fees are $27K over budget. Insurance 3% over budget.
Personnel & Benefits	4,262,038	101,603	2%	Wages are $172K (5%) under budget. Benefits are $88K (15%) over budget.
TOTAL EXPENSES	**8,499,056**	**181,509**	**2.1%**	under budget

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Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: September 30, 2025 and Dec 31, 2024

	September 30, 2025	September 30, 2025 Total	Dec 31, 2024	Dec 31, 2024 Total
ASSETS				
Current Assets				
Cash/Cash Equivalents		365,748		2,642,024
Accounts Receivable		438,008		293,785
Prepaid Expenses		390,761		242,974
Maintenance Inventory		21,927		-
Designated Investments (Charles S./SBH)				
Emergency - Fund	560,635 (1)		635,469 (18)	
MRR - Fund	7,503,441 (2)		7,586,789 (19)	
Initiatives - Fund	1,309,337 (3)		993,706 (20)	
Pools & Spas - Fund	1,667,314 (4)		1,200,643 (21)	
Total Designated Investments (CS/SBH)	11,040,726 (5)		10,416,607 (22)	
Undesignated Invest. (JP Morgan Long Term)	1,702,531 (6)		1,008,091 (23)	
Undesignated Invest. (JP Morgan)	582,846 (7)		1,008,955 (24)	
Investments		13,326,103 (8)		12,433,653 (25)
Total Current Assets		**14,542,547**		**15,612,436**
Fixed Assets				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased fixed Assets		35,296,134		33,209,334
Sub-Total		53,313,219		51,226,419
Less - Accumulated Depreciation		(29,740,826)		(28,756,044)
Net Fixed Assets		**23,572,392** (9)		**22,470,375** (26)
Operating Lease ROU, Net of Accum. Amortization		-		-
Finance Lease ROU, Net of Accum. Amortization		36,447		36,447
Total Assets		**38,151,386**		**38,119,258**
LIABILITIES				
Current Liabilities				
Accounts Payable		522,673		384,710
Deferred Dues Fees & Programs		1,999,020		3,452,625
Accrued Payroll		128,354		247,487
Compensation Liability		-		-
MCF Refund Liability		92,700		195,000
In-Kind Lease Liability -Current		1,146		4,000
Operating ROU Liability - Current		-		-
Financing ROU Liability - Curent		33,633		33,633
Total Current Liabilities		**2,777,525**		**4,317,455**
In-Kind Lease Liability - LT		42,667		42,667
Notes Payable		-		11,000
Financing ROU Laibility - LT		10,321		10,321
Total Long Term Liabilities		**52,988**		**63,988**
TOTAL NET ASSETS		**35,320,873** (10)		**33,737,815** (27)
NET ASSETS				
Temporarily Designated:				
Board Designated:				
Emergency		560,635 (11)		635,469 (28)
Maint - Repair - Replacement		7,503,443 (12)		7,586,789 (29)
Initiatives		1,309,260 (13)		993,706 (30)
Pools & Spas		1,667,314 (14)		1,200,643 (31)
Sub-Total		**11,040,653** (15)		**10,416,607**
Unrestricted Net Assets		22,697,162		23,321,207
Net change Year-to-Date		1,583,059 (16)		-
Unrestricted Net Assets		**24,280,221** (17)		**23,321,207**
TOTAL NET ASSETS		**35,320,873**		**33,737,815**

Green Valley Recreation, Inc.

Summary Statement of Activities

YTD Period: 9 month period ending September 30, 2025

FY Budget Period: Jan 1, 2025 - Dec 31, 2025

	PRIOR YEAR COMPARISON				BUDGET COMPARISON					
	2024 YTD Actual	2025 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%	Fiscal Year Budget	Remaining FY Budget
Revenue										
Member Dues	5,354,428	5,522,567	168,139	3%	5,522,567	5,512,530	10,037	0.2%	7,350,040	1,827,473
LC,Trans., Crd Fees.	517,259	557,919	40,661	8%	557,919	548,466	9,453	2%	729,472	171,553
Capital Revenue	1,876,986	2,196,406	319,420	17%	2,196,406	2,097,150	99,256	5%	2,724,900	528,494
Programs	185,093	241,657	56,564	31%	241,657	441,851	(200,193)	(45%)	629,718	388,061
Instructional	333,295	371,521	38,225	11%	371,521	372,208	(687)	(0%)	480,000	108,479
Recreational Revenue	***518,388***	***613,178***	***94,790***	**18%**	***613,178***	***814,059***	***(200,881)***	**(25%)**	***1,109,718***	***496,540***
Investment Income	***339,333***	***362,411***	***23,078***	**7%**	***362,411***	***331,031***	***31,380***	**9%**	***435,000***	***72,589***
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	36,630	37,810	1,180	3%	37,810	36,689	1,121	3%	48,919	11,109
Comm. Revenue	***36,630***	***37,810***	***1,180***	**3%**	***37,810***	***36,689***	***1,121***	**3%**	***48,919***	***11,109***
Other Income	69,338	81,747	12,408	18%	81,747	146,725	(64,978)	(44%)	169,100	87,353
Facility Rent	19,720	11,045	(8,675)	(44%)	11,045	31,125	(20,080)	(65%)	41,500	30,455
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	3,000	2,854	(146)	(5%)	2,854	3,000	(146)	(5%)	4,000	1,146
Del Sol Café Revenue	-	6	6	0%	6	-	6	0%	-	(6)
Other Revenue	***92,058***	***95,652***	***3,593***	**4%**	***95,652***	***180,850***	***(85,198)***	**(47%)**	***214,600***	***118,948***
Total Revenue	***8,735,083***	***9,385,943***	***650,861***	**7%**	***9,385,943***	***9,520,775***	***(134,832)***	**(1.4%)**	***12,612,649***	***3,226,706***
Expenses										
Major Proj.-Rep. & Maint.	379,263	155,200	224,063	59%	155,200	154,482	(718)	(0%)	206,143	50,943
Facility Maintenance	211,864	341,402	(129,537)	(61%)	341,402	297,172	(44,229)	(15%)	396,230	54,828
Fees & Assessments	4,169	386	3,783	91%	386	1,500	1,114	74%	2,000	1,614
Utilities	792,084	717,918	74,166	9%	717,918	768,006	50,088	7%	1,091,735	373,817
Depreciation	955,515	1,018,006	(62,491)	(7%)	1,018,006	951,390	(66,616)	(7%)	1,268,520	250,514
Furniture & Equipment	197,766	206,367	(8,601)	(4%)	206,367	149,222	(57,145)	(38%)	198,963	(7,404)
Vehicles	69,486	56,061	13,425	19%	56,061	75,000	18,939	25%	100,000	43,939
Facilities & Equipment	***2,610,148***	***2,495,340***	***114,808***	**4%**	***2,495,340***	***2,396,773***	***(98,567)***	**(4%)**	***3,263,591***	***768,251***
Wages	3,273,932	3,317,835	(43,903)	(1%)	3,317,835	3,489,965	172,130	5%	4,653,287	1,335,452
Payroll Taxes	259,519	259,870	(351)	(0%)	259,870	277,661	17,791	6%	370,215	110,345
Benefits	592,700	684,333	(91,633)	(15%)	684,333	596,015	(88,318)	(15%)	790,114	105,781
Personnel	***4,126,151***	***4,262,038***	***(135,887)***	**(3%)**	***4,262,038***	***4,363,641***	***101,603***	**2%**	***5,813,616***	***1,551,578***
Food & Catering	43,113	17,434	25,679	60%	17,434	66,235	48,801	74%	92,310	74,876
Recreation Contracts	348,237	444,269	(96,032)	(28%)	444,269	513,204	68,935	13%	712,086	267,817
Bank & Credit Card Fees	72,284	43,673	28,611	40%	43,673	73,705	30,033	41%	81,500	37,828
Program	***463,634***	***505,376***	***(41,743)***	**(9%)**	***505,376***	***653,144***	***147,768***	**23%**	***885,896***	***380,520***
Communications	81,720	80,527	1,192	1%	80,527	82,425	1,898	2%	109,900	29,373
Printing	63,923	67,142	(3,219)	(5%)	67,142	72,750	5,608	8%	97,000	29,858
Advertising	25,531	3,818	21,713	85%	3,818	13,500	9,682	72%	18,000	14,182
Communications	***171,174***	***151,487***	***19,687***	**12%**	***151,487***	***168,675***	***17,188***	**10%**	***224,900***	***73,413***
Supplies	363,126	391,661	(28,535)	(8%)	391,661	409,825	18,164	4%	547,100	155,439
Postage	9,791	14,557	(4,766)	(49%)	14,557	14,625	68	0%	19,500	4,943
Dues & Subscriptions	9,974	18,832	(8,858)	(89%)	18,832	11,175	(7,657)	(69%)	14,900	(3,932)
Travel & Entertainment	551	1,212	(661)	(120%)	1,212	3,300	2,088	63%	4,400	3,188
Other Operating Expense	58,001	69,069	(11,068)	(19%)	69,069	80,175	11,106	14%	106,900	37,831
Operations	***441,443***	***495,330***	***(53,887)***	**(12%)**	***495,330***	***519,100***	***23,770***	**5%**	***692,800***	***197,470***
Information Technology	90,560	90,227	332	0%	90,227	102,781	12,554	12%	137,041	46,814
Professional Fees	135,687	161,702	(26,015)	(19%)	161,702	134,875	(26,826)	(20%)	170,500	8,798
Commercial Insurance	272,755	323,642	(50,887)	(19%)	323,642	312,889	(10,753)	(3%)	417,185	93,543
Taxes	(259)	-	(259)	100%	-	-	-	0%	53,002	53,002
Conferences & Training	9,761	7,059	2,701	28%	7,059	19,313	12,253	63%	25,750	18,691
Employee Recognition	6,604	6,855	(251)	(4%)	6,855	9,375	2,520	27%	12,500	5,645
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	**515,107**	**589,485**	**(74,378)**	**(14%)**	**589,485**	**579,232**	**(10,253)**	**(2%)**	**815,978**	**226,493**
Expenses	***8,327,656***	***8,499,056***	***(171,400)***	**(2%)**	***8,499,056***	***8,680,564***	***181,508***	**2.1%**	***11,696,781***	***3,197,725***
										-
Gross Surplus(Rev-Exp)	407,426	886,887	479,461	**118%**	886,887	840,211	46,676	**6%**	915,868	28,981
Net. Gain/Loss on Invest.	828,055	696,171	(131,883)		696,171	-	696,171		-	(696,171)
Net from Operations	1,235,481	1,583,059	347,577	**28%**	1,583,059	840,211	742,848		915,868	(667,191)

Green Valley Recreation, Inc.

Statement of Changes in Net Assets

As of Date: September 30, 2025 and Dec 31, 2024

	Totals	Unrestricted Unrestricted	Unrestricted Fixed Assets	Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Net change in net assets-GVR	1,583,059 (16)	1,583,059	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	
Principal Transfers							
Transfers For Funding	-	(2,189,420)	-	-	1,324,805	544,256	320,358
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	-	-	-	-	-	-	-
Depreciation	-	984,782	(984,782)	-	-	-	-
Disposal of Fixed Assets	-	-	-				
Purchase & Contributed Fixed Assets	0	59,652	1,575,407	(135,469)	(1,398,265)	(101,325)	-
Purchases Withdrawals Outstanding	-	725,272	-	-	(556,303)	(168,969)	-
Allocations of Net Change components:							
Investment income	-	(217,951)	-	7,191	163,847	24,530	22,383
Investment Expenses	-	60,485	-	(2,719)	(43,903)	(6,284)	(7,579)
Net Gains (Losses) in Investments	-	(637,491)	-	56,164	426,472	23,347	131,509
Net Change to September 30, 2025	1,583,059 (16)	368,388	590,625	(74,834)	(83,346)	315,555	466,671
Net Assets at, Dec 31, 2024	33,737,815 (27)	850,833	22,470,375 (26)	635,469 (28)	7,586,789 (29)	993,706 (30)	1,200,643 (31)
Net Assets as at, September 30, 2025	**35,320,873** (10)	**1,219,221**	23,061,000 (9)	**560,635** (11)	**7,503,443** (12)	**1,309,260** (13)	**1,667,314** (14)
		$\underbrace{\text{1,219,221 + 23,061,000}}$ **24,280,221** (17)		$\underbrace{\text{Reserve Funds}}$ **11,040,653** (15)			

Footnotes refer to Statement of Financial Position and Statement of Activities

Green Valley Recreation, Inc.

Investment Portfolios

Changes and Market Values

Beginning of Year and Curent Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
Balance Dec 31, 2024 (at Market)	12,433,653 (25)	2,017,046 (24)	635,469 (18)	7,586,789 (19)	993,706 (20)	1,200,643 (21)
Changes since January 1, 2025						
Principal Transfers	3,289,420	1,100,000	-	1,324,805	544,256	320,358
Investment income	324,787	106,836	7,191	163,847	24,530	22,383
Withdrawals	(3,360,331)	(1,000,000)	(135,469)	(1,954,568)	(270,294)	-
Investment Expenses	(60,485)	-	(2,719)	(43,903)	(6,284)	(7,579)
Net Change for 9 Months	193,390	206,836	(130,998)	(509,818)	292,208	335,162
Balance before Market Change at September 30, 2025	12,627,043	2,223,882	504,471	7,076,971	1,285,914	1,535,805
9 Months Net Change in Investments Gain/(Loss)	698,986	61,495	56,164	426,472	23,347	131,509
Balance at September 30, 2025 (at Market)	**$ 13,326,029** (8)	**2,285,377** (6) (7)	**560,635** (1)	**7,503,443** (2)	**1,309,260** (3)	**1,667,314** (4)
				11,040,653 (15)		

Footnotes refer to Statement of Financial Position and Statement of Activities

GVR MEMBER PROPERTIES MONTLY REPORT

GVR
GREEN VALLEY RECREATION

2025	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	*YTD*
NEW MEMBERS	1	2	2	2	1	1	2	3	1	-	-	-	*15*
Total Members (2025)	13,873	13,875	13,877	13,879	13,880	13,881	13,883	13,886	13,887	13,887	13,887	13,887	13,887
Members Last Year (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,871	13,872	13,872	13,872
Members Before Last Year (2023)	13,825	13,829	13,832	13,833	13,834	13,835	13,837	13,841	13,842	13,844	13,847	13,850	13,850
Membershi Change Fee	68	61	105	94	93	78	65	73	68	-	-	-	705
Initial Fee	1	1	1	2	-	1	2	1	1	-	-		10
Transfer Fee (new build no Initial fee)	-	1	-	-	1	-	-	2	-	-	-	-	4
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	1	1	1	2	-	1	2	1	1	-	-	-	10
Transfer Fee (estate planning)	-	-	-	2	-	-	-	-	-	-	-	-	2
Transfer Fee (resale)	68	61	105	94	93	78	65	73	68	-	-	-	705
Transfer Fee Non-Resale	4	8	8	3	1	3	3	2	8	-	-	-	40
Budget Monthly Resales (2025)	57	63	100	96	90	80	64	61	52	65	63	71	862
Monthly Resales (2025)	68	61	105	94	93	78	65	73	68	-	-	-	705
Monthly Delta Actual vs Budget (2024)	↑ 11	↓ (2)	↑ 5	↓ (2)	↑ 3	↓ (2)	↑ 1	↑ 12	↑ 16				↑ 42
Monthly Resales Last Year (2024)	62	55	100	98	94	64	69	58	62	61	43	67	833
Monthly Resales 2 years prior (2023)	75	63	103	118	121	94	83	80	58	75	64	71	1,005
YTD Budget (2025)	57	120	220	316	406	486	550	611	663	728	791	862	862
YTD Resales (2025)	68	129	234	328	421	499	564	637	705	-	-	-	705
YTD Over/(Under) Budget	↑ 11	↑ 9	↑ 14	↑ 12	↑ 15	↑ 13	↑ 14	↑ 26	↑ 42				↓ (157)
YTD Over/(Under) Budget	19%	8%	6%	4%	4%	3%	3%	4%	6%				(18%)
YTD Resales Last Year (2024)	62	117	217	315	409	473	542	600	662	723	766	833	833
YTD Resales Before 2 years prior (2023)	75	138	241	359	480	574	657	737	795	870	934	1,005	1,005
Total Sales (new and resale) (2025)	69	63	107	96	94	79	67	76	69	-	-	-	720
Total Sales (new and resale) Last Year (2024)	64	56	104	99	98	64	70	59	64	66	44	67	855
Total Sales (new and resale) Before 2 years prior (2023)	72	65	103	116	118	93	84	76	59	74	67	74	1,001
MCF Refund	4	8	10	12	8	5	8	8	6				69
HB 2119 (no MCF assessed)	1	2	2	1	0	1	0	1	6				14

GVR Cash Requirements Report
FY 2025

ACTUAL / PROJECTED	Actual Jan-25	Actual Feb-25	Actual Mar-25	Actual Apr-25	Actual May-25	Actual Jun-25	Actual Jul-25	Actual Aug-25	Actual Sep-25	Projected Oct-25	Projected Nov-25	Projected Dec-25
Operating Cash at CHASE												
Beginning of Month Balance	2,605,550	779,611	657,901	335,530	549,024	306,114	512,525	505,041	392,344	370,410	571,104	793,986
Transfer In	-	-	-	400,000	400,000	700,000	600,000	600,000	400,000	500,000	400,000	-
Transfer Out	(3,200,000)	-	-	-	-	-	-	-				(2,500,000)
Cash Receipts	3,872,858	630,928	523,835	514,502	425,459	437,418	336,158	461,618	376,642	508,439	630,628	4,017,437
Cash Disbursements	(2,498,797)	(752,638)	(846,206)	(701,008)	(1,068,369)	(931,007)	(943,642)	(1,174,315)	(798,576)	(807,746)	(807,746)	(807,746)
Net Operating Cash Flow	1,374,061	(121,710)	(322,371)	(186,506)	(642,910)	(493,589)	(607,484)	(712,697)	(421,934)	(299,306)	(177,118)	3,209,692
Ending of Month Balance	779,611	657,901	335,530	549,024	306,114	512,525	505,041	392,344	370,410	571,104	793,986	1,503,677
Operating Investment Accounts (A&B)												
Beginning of Month Balance	2,017,045	5,239,242	5,271,459	5,249,824	4,815,639	4,456,264	3,806,132	3,220,631	2,676,381	2,285,375	1,789,184	1,392,166
Transfer In	3,200,000	-	-	-	-	-	-	-	-	-	-	2,500,000
Transfer Out	-	-	-	(400,000)	(400,000)	(700,000)	(600,000)	(600,000)	(400,000)	(500,000)	(400,000)	-
Earned Income on Investmer	22,197	32,216	(21,635)	(34,185)	40,625	49,869	14,498	55,750	8,994	3,809	2,982	2,320
Ending of Month Balance	5,239,242	5,271,459	5,249,824	4,815,639	4,456,264	3,806,132	3,220,631	2,676,381	2,285,375	1,789,184	1,392,166	3,894,486
MRR Reserve												
Beginning of Month Balance	7,586,789	8,932,180	8,792,174	8,544,684	8,479,442	8,323,249	8,257,278	7,886,033	7,671,929	7,503,443	7,470,468	7,447,260
Transfer In MRR Funding	1,300,102	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(62,207)	(92,950)	(126,240)	(104,707)	(296,369)	(238,365)	(391,604)	(326,541)	(301,461)	(95,020)	(85,020)	(95,020)
Net Earned Income on Invest	107,496	(47,056)	(121,250)	39,464	140,176	172,394	20,359	112,437	132,975	62,045	61,812	52,751
Ending of Month Balance	8,932,180	8,792,174	8,544,684	8,479,442	8,323,249	8,257,278	7,886,033	7,671,929	7,503,443	7,470,468	7,447,260	7,404,991
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	1,200,643	1,542,072	1,530,524	1,488,718	1,485,342	1,538,799	1,587,146	1,602,181	1,633,913	1,667,314	1,675,650	1,684,029
Transfer In MRR B Pool & Spa Funding	320,358	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	21,071	(11,547)	(41,807)	(3,376)	53,458	48,347	15,035	31,733	33,400	8,337	8,378	8,420
Ending of Month Balance	1,542,072	1,530,524	1,488,718	1,485,342	1,538,799	1,587,146	1,602,181	1,633,913	1,667,314	1,675,650	1,684,029	1,692,449
Initiatives Reserve												
Beginning of Month Balance	993,706	1,127,758	1,127,489	1,113,666	1,106,741	1,213,896	1,349,813	1,356,462	1,229,546	1,309,261	1,178,569	1,121,788
Transfer In	135,469	-	-	-	141,813	124,008	52,195	-	85,025	45,648	45,648	45,648
Other Funding	-	-	-	-	-	-	-	-	-		-	-
Other Payments												
Net Earned Income on Invest	4,583	182	(4,678)	(795)	7,691	17,302	(703)	10,398	7,613	10,911	9,821	11,348
Transfer Out	(6,000)	(450)	(9,146)	(6,130)	(42,348)	(5,393)	(44,843)	(137,315)	(12,923)	(187,250)	(112,250)	(103,668)
Ending of Month Balance	1,127,758	1,127,489	1,113,666	1,106,741	1,213,896	1,349,813	1,356,462	1,229,546	1,309,261	1,178,569	1,121,788	1,075,115
Emergency Reserve												
Beginning of Month Balance	635,469	513,004	509,235	496,139	495,486	512,460	529,727	535,191	547,194	560,635	564,373	568,135
Transfer In												
Transfer Out	(135,469)											
Net Earned Income on Invest	13,004	(3,768)	(13,097)	(653)	16,974	17,267	5,464	12,003	13,441	3,738	3,762	3,788
Ending of Month Balance	513,004	509,235	496,139	495,486	512,460	529,727	535,191	547,194	560,635	564,373	568,135	571,923
Total Reserve Accounts	12,115,013	11,959,423	11,643,207	11,567,010	11,588,404	11,723,965	11,379,867	11,082,582	11,040,652	10,889,060	10,821,211	10,744,478
Total Operating Cash	6,018,853	5,929,360	5,585,354	5,364,663	4,762,378	4,318,658	3,725,672	3,068,725	2,655,785	2,360,288	2,186,152	5,398,164
Grand Total Cash & Investments	18,133,866	17,888,783	17,228,561	16,931,673	16,350,782	16,042,622	15,105,539	14,151,307	13,696,438	13,249,348	13,007,363	16,142,642

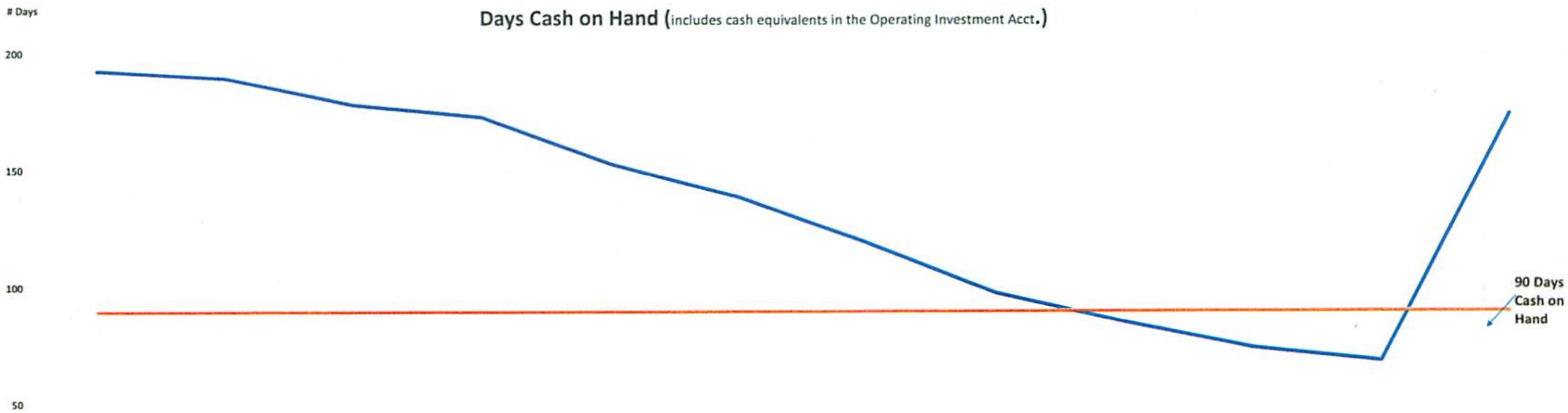
GVR Cash Requirements Report
FY 2025

ACTUAL / PROJECTED	Actual Jan-25	Actual Feb-25	Actual Mar-25	Actual Apr-25	Actual May-25	Actual Jun-25	Actual Jul-25	Actual Aug-25	Actual Sep-25	Projected Oct-25	Projected Nov-25	Projected Dec-25
Actual Days Oper. Cash on Hand (net of MCF Allowance)	193	190	178	173	153	138	119	97	85	74	68	174

January 1, 2025 Beg. Balance:	
Total Reserve Accounts	9,215,964
Total Operating Cash	4,622,595
Grand Total Cash & Investme	13,838,558

Projected Ending Balance 2025	
Total Reserve Accounts	9,052,030
Total Operating Cash	5,398,164
Grand Total Cash & Investments	14,450,193

The Cash Requirements Report is for projecting cash balances of the Operating and Designated Cash Accounts only. This report is exclusively for the purpose of determining cash requirements and short term investment planning.



Green Valley Recreation, Inc.

Board of Directors Regular Meeting

September 2025 Financial Highlights

Prepared By: David Webster, CFO **Meeting Date: October 22, 2025**

Presented By: David Webster, CFO **Consent Agenda: N/A**

Originating Committee / Department:
Administration

Strategic Plan
Goal 4: Cultivate and maintain a sound financial base that generates good value for our members

Background Justification:
The Board has requested a separate staff report stating the highlights for each month.

Key Points/Highlights for September 2025:

1. YTD revenue under budget (unfavorable) 1.42% or $134,832
2. YTD expenses under budget (favorable) 2.1% or $181,509
3. September unrealized gains on investments $164,457, YTD gains $696,000
4. September MCF fees over budget (favorable) 68 actual compared to 58 budgeted
5. YTD utilities are 6.5% or $50,088 under budget (favorable)
6. YTD GVR personnel under budget (favorable) by 2.33% or $101,603
7. YTD Recreation revenue under budget(unfavorable) by $199,000
8. YTD Recreation Program expenses are under budget (favorable) by $69,000

Project Name	Center Location	Scope of Work	Est. Construct. Start	Est. Construct. Completion	Status	Next Steps	Funding Sources	Budget Total	Expenses To Date	Remaining Balance
West Center Lapidary Club Expansion	West Center	Expand Lapidary Club building to the west. Renovate existing space, including Billiards Room space.	January-26	August-26	Design- DD 60%	Continue design-build process with Rio West contractor and Burton and Assoc. Architects. Review fire sprinkler system needs. Proceed to 100% plans by end of October. Then permit.	Initia. $993k Club $40k	$ 1,034,000	$ 63,874	$ 970,126
West Center Metal Shop Expansion	West Center	Expand Metal Shop into west storage building. To become Welding, Machine Shop, Office.	May-25	9/26/25	Complete. Need fire alarm sys.	Construction is 100% complete. Need new fire alarm system installed by Johnson Controls. Need Cert. of Completion.	Initiatives- $243k	$ 243,000	$ 213,763	$ 29,237
Desert Hills Locker Room Improvements	Desert Hills	Improve/upgrade mens and womens locker rooms- Plan B. No expansion.	May-25	9/15/25	Complete. Final punch list reapirs	Locker rooms and pool opened on 9/15. Contractor to install privacy wing screens in each room.	MRR A-260k Initia -135k	$ 395,600	$ 429,736	$ (34,136)
Desert Hills Kiln Room Enhancements	Desert Hills	Strengthen sub-floor for 5 kilns and brick flooring. Upgrade ventilation system and electrical needs.	August-25	11/1/25	Construction- 20%	Structural upgrade and flooring completed. Next steps: electrical and mechanical permitting and installation. Contract for $35k. Waiting for mechanical and electrical plans.	Initiatives. CO with LR project.	$ 90,000	$ -	$ 90,000
Desert Hills Pool Equipment Room Upgrades	Desert Hills	Design and construct pool equipment room upgrades. No structural work.	June-25	9/12/25	Complete. Final punch list reapirs	Omni Pool Builders started 6/16. County final inspection passed on 8/20. Two punchlist items remaining: replace pump drivers, staff training. Pool is open.	MRR-A	$ 281,308	$ 274,308	$ 7,000

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Recommended 2026 Budgets

Prepared By: Scott Somers, CEO

Meeting Date: October 22, 2025

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:
Finance Department / Fiscal Affairs Committee

Action Requested:
Consider approval of the 2026 Operating Budget, Capital Budget, Capital Improvement Plan, and Fees Schedule

Strategic Plan:
Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:
The Board met in work session on October 8, 2025, to review and discuss the Fiscal Affairs Committee (FAC) recommended budgets. Staff had made adjustments to the FAC recommended Operations Budget by decreasing estimated aggregate wage increases and related payroll taxes, which in turn required a smaller dues increase - $8.00 rather than $15.00 the FAC had recommended.

A major component of the FAC recommendation included the elimination of Member Change Fee (MCF) refunds, with a mid-year implementation, which would have generated approximately $150,000 in new revenue in 2026 and $300,000 in subsequent years. After significant discussion at the work session, the majority of Board members in attendance said they could not support the elimination of MCF refunds as a policy matter and that the decrease in revenue due to elimination of the refunds would have to be generated by a further increase to dues. Anticipating this may occur, staff presented what it is calling, “Plan B.”

Plan B eliminates revenue from MCF refunds, decreases anticipated utility costs in 2026 due to the Abrego South (ABS) pool and spa being off line in 2026, and increases dues back to the original FAC recommendation of $15.00, from $530 to $545 annually.

Concerning the 5-Year Capital Improvement Plan and the Capital Budget, the FAC’s recommendation did not include funds in the Initiatives Fund to replace the ABS locker and showers building and did not include funds in the MRR-B Fund (Pools and Spas) to replace the pool and spa, but did include funds in the Initiatives Fund for demolition of the facilities. After much discussion at the work session, Staff said it would include replacement funds for the pool, spa, and locker/shower room in the Plan B alternative, as it had included those funds in the original Staff Recommended Capital Plan and Capital Budget to the FAC.

<u>Key points of the FAC Recommended and Staff Revised 2026 Operating and Capital Budgets</u>

OPERATIONS:

- Membership dues rate increase from current $530 to $538 (1.5%).
- Membership Change Fee and Initial Fee increase from $3,100 to $3,200 (3.2%).
- Eliminate Member Change Fee (MCF) refunds other than those required by law, in order to generate additional revenue. This change is proposed to occur mid-year 2026 and would generate approximately $150,000 in new revenue in 2026 and $300,000 in subsequent years.
- Aggregate wage increase of $177,601 (4.0%).
- Tenant Pass modified to break out separate fees for tenants that stay longer than 4 months or more.
- Increase Additional Card Holder Pass fee.
- Increase Professional Fees expenses by $10,000 to allow for improved digital marketing.

CAPITAL:

- No funds in the Initiatives Fund to replace the ABS locker and showers building.
- No funds in the MRR-B Fund (Pools and Spas) to replace the ABS pool and spa.
- Include $100,000 in the Initiatives Fund for demolition of the ABS pool and locker room facilities.
- Begin Woodshop Facility Expansion Project in 2026 as result of eliminating funding for rebuilding ABS pool and locker room facilities.
- Include $20,000 in the Non-Reserve Capital Fund (NRC) for ADA improvements.
- Increase funding to the Initiatives Fund by approximately $30,080 in 2026 due to change in MCF refund policy elimination.
- Increase 2026 funding of MRR-B Pools and Spas by $7,761 to meet the 7% escalation in annual funding goal.
- Transfer from the Operations Funds to the Maintenance Repair and Replacement Part A Fund (MRR-A) is $1,400,102.
- Capital projects expenditures for (MRR-A) anticipated is $2,532,877.

THREE YEAR FORECAST ANTICIPATED DUES:

Year	Forecasted Dues Rate	Forecasted Increase
2027	$557	3.4%
2028	$567	1.8%
2029	$581	2.5%

FAC Recommended Budget

2026 Budget	2026 Budget with Staff Revisions to FAC Updates	2027	2028	2029
		Revised Forecast with FAC Recommendations		
Full Time Equivalents	88	88	88	88
Head Count	104	104	104	104
Member Dues	7,471,744	7,741,186	7,885,836	8,086,358
LC,Trans, Crd Fees	800,700	813,085	818,705	823,905
Capital Revenue	3,011,200	3,300,000	3,434,000	3,570,000
Membership Revenue	11,283,644	11,854,271	12,138,541	12,480,263
Programs	571,456	600,029	642,031	699,814
Instructional	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	443,700	452,574	461,625
Advertising Income	-	-	-	-
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919
Other Income	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	19,179	19,754	20,347
Cafe Sales Income	-			
Contributed Income	-	-	-	-
Other Revenue	139,970	142,956	146,625	151,024
Total Operating Revenue	12,976,989	13,602,814	13,967,277	14,417,933
Major Proj.-Rep. & Maint.	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,020	1,043	1,066
Utilities	1,106,400	1,128,528	1,153,920	1,179,883
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	81,600	83,436	85,313
Facilities & Equipment	3,346,364	3,413,291	3,490,090	3,568,617
Wages	4,584,295	4,703,253	4,842,845	4,963,190
Payroll Taxes	355,699	364,999	375,836	385,175
Benefits	897,672	942,555	980,257	1,019,468
Personnel	5,837,666	6,010,807	6,198,938	6,367,833
Food & Catering	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	69,253	70,811	72,405
Program	798,380	827,384	864,641	903,668
Communications	107,569	109,720	112,189	114,713
Printing	129,500	132,090	135,062	138,101
Advertising	11,000	11,220	11,472	11,731
Communications	248,069	253,030	258,724	264,545
Supplies	570,906	582,324	595,426	608,824
Postage	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,961	14,275	14,596
Travel	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	103,479	105,807	108,188
Operations	715,790	730,106	746,533	763,330
Information Technology	142,777	145,633	148,909	152,260
Professional Fees	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	458,680	472,441	486,614
Taxes	53,532	54,603	55,831	57,087
Conferences & Training	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,260	13,558	13,863
Corporate Expenses	914,923	934,411	959,002	984,193
Total Operating Expenses	11,861,192	12,169,028	12,517,928	12,852,187
Gross surplus(Rev-Exp)/ Net Cash Flow	1,115,797	1,433,786	1,449,349	1,565,747
		-	-	-
Accrual Basis Net from Operations	1,115,797	1,433,786	1,449,349	1,565,747
Subtract:		(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(605,120)	(663,300)	(690,200)	(717,500)
MRR B (Pools & Spas)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Revenue	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets Net of Re	(1,516,608)	(1,480,495)	(1,622,693)	(1,666,328)
Add Back:				
MRR Operating Expenses	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	797	100,646	378	(78)

Key points of "Plan B" 2026 Operating and Capital Budgets

OPERATIONS:

- Membership dues rate increase from current $530 to $545 (2.8%).
- Membership Change Fee and Initial Fee increase from $3,100 to $3,200 (3.2%).
- No elimination of Member Change Fee (MCF) refunds.
- Aggregate wage increase of $177,601 (4.0%).
- Tenant Pass modified to break out separate fees for tenants that stay longer than 4 months or more.
- Increase Additional Card Holder Pass fee.
- Increase Professional Fees expenses by $10,000 to allow for improved digital marketing.

CAPITAL:

- Funds included in the Initiatives Fund to replace the ABS locker and showers building.
- Funds included in the MRR-B Fund (Pools and Spas) to replace the ABS pool and spa.
- Begin Woodshop Facility Expansion Project in 2027 as a result of including funding for rebuilding ABS pool and locker room facilities.
- Include $20,000 in the Non-Reserve Capital Fund (NRC) for ADA improvements.
- Increase 2026 funding of MRR-B Pools and Spas by $7,761 to meet the 7% escalation in annual funding goal.
- Transfer from the Operations Funds to the Maintenance Repair and Replacement Part A Fund (MRR-A) is $1,400,102.
- Capital projects expenditures for (MRR-A) anticipated is $2,532,877.

THREE YEAR FORECAST ANTICIPATED DUES:

Year	Forecasted Dues Rate	Forecasted Increase
2027	$575	5.5%
2028	$597	3.8%
2029	$618	3.5%

Plan B Budget

2026 Budget	Revised Plan B	2027	2028	2029
		Revised Forecast with PLAN B		
Full Time Equivalents	88	88	88	88
Head Count	104	104	104	104
Member Dues	7,568,960	7,991,350	8,303,076	8,601,324
LC,Trans., Crd Fees	800,700	813,085	818,705	823,905
Capital Revenue	2,860,800	2,923,800	3,046,400	3,171,000
Membership Revenue	11,230,460	11,728,235	12,168,181	12,596,229
Programs	571,456	600,029	642,031	699,814
Instructional	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	443,700	452,574	461,625
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919
Other Income	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	19,179	19,754	20,347
Contributed Income	-	-	-	-
Other Revenue	139,970	142,956	146,625	151,024
Total Operating Revenue	12,923,805	13,476,778	13,996,917	14,533,899
Major Proj.-Rep. & Maint.	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,020	1,043	1,066
Utilities	1,084,093	1,133,212	1,161,195	1,191,244
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	81,600	83,436	85,313
Facilities & Equipment	3,324,057	3,417,975	3,497,365	3,579,978
Wages	4,584,295	4,767,667	4,958,373	5,156,708
Payroll Taxes	355,699	369,927	384,724	400,113
Benefits	897,672	942,555	980,257	1,019,468
Personnel	5,837,666	6,080,149	6,323,355	6,576,289
Food & Catering	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	69,253	70,811	72,405
Program	798,380	827,384	864,641	903,668
Communications	107,569	109,720	112,189	114,713
Printing	129,500	132,090	135,062	138,101
Advertising	11,000	11,220	11,472	11,731
Communications	248,069	253,030	258,724	264,545
Supplies	570,906	582,324	595,426	608,824
Postage	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,961	14,275	14,596
Travel	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	103,479	105,807	108,188
Operations	715,790	730,106	746,533	763,330
Information Technology	142,777	145,633	148,909	152,260
Professional Fees	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	458,680	472,441	486,614
Taxes	53,532	30,803	32,031	33,287
Conferences & Training	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,260	13,558	13,863
Corporate Expenses	914,923	910,611	935,202	960,393
Total Operating Expenses	11,838,885	12,219,255	12,625,820	13,048,204
Gross surplus(Rev-Exp)/ Net Cas	1,084,920	1,257,524	1,371,097	1,485,696
		-	-	-
Accrual Basis Net from Operati	1,084,920	1,257,524	1,371,097	1,485,696
Subtract:		(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(575,040)	(587,684)	(612,326)	(637,371)
MRR B (Pools & Spas)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Rev	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets	(1,517,405)	(1,581,141)	(1,623,071)	(1,666,250)
Add Back:				
MRR Operating Expenses	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	-	-	-	-

Table 1

GVR Fees			BUDGET 2026			
	Actual Rate FY 2025		Staff 2026 Fees Revisions to FAC Updates	Incr. %	PLAN B	
Dues	$ 530		$ 538	1.5%	$ 545	2.8%
Life Care	$ 530		$ 538	1.5%	$ 545	2.8%
Transfer Fee	$ 465		$ 470	1.1%	$ 470	1.1%
Guest Card Daily Pass	$ 15		$ 10	-33.3%	$ 10	-33.3%
Guest Card Weekly Pass			$ 30		$ 30	
Guest Card Annual Pass	$ 80		$ 85		$ 85	
Tenant Fee 1-7 Days	$ 35		$ 40	14.3%	$ 40	14.3%
Tenant Fee 2 Weeks	$ 45		$ 50	11.1%	$ 50	11.1%
Tenant Fee 1 Month	$ 60		$ 65	8.3%	$ 65	8.3%
Tenant Fee 2 Months	$ 95		$ 100	5.3%	$ 100	5.3%
Tenant Fee 3 Months	$ 135		$ 140	3.7%	$ 140	3.7%
Tenant Fees 4-12 Months	$ 170					
Tenant Fee 4 Month			$ 180		$ 180	
Tenant Fee 5 Month			$ 215		$ 215	
Tenant Fee 6-12 Months			$ 250		$ 250	
Additional Card Fee	$ 105		$ 140	33.3%	$ 140	33.3%
Membership Change Fee	$ 3,100		$ 3,200	3.2%	$ 3,200	3.2%
Initial Fee	$ 3,100		$ 3,200	3.2%	$ 3,200	3.2%
Late Fee	$ 25		$ 25	0.0%	$ 25	0.0%
Estate Planning Fee	$ 105		$ 105	0.0%	$ 105	0.0%
GVR Card Issuance Fee			$ 5		$ 5	
Card Replacement Fee	$ 20		$ 5	-75.0%	$ 5	-75.0%

Table 2

GVR 2026 Budget Cash Funding Projections	Board Revisions - Plan B				
All Amounts Are Projections	PROJECTION				
	2026	2027	2028	2029	2030
Initiatives					
Beginning Balance	$ 1,261,772	$ 346,203	$ 354,669	$ 494,502	$ 569,103
Funding From Operations Revenue	$ 575,040	$ 587,684	$ 612,326	$ 637,371	$ 663,503
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 72,915	$ 31,782	$ 38,507	$ 48,230	$ 56,559
Total Revenue	**$ 647,955**	**$ 619,466**	**$ 650,833**	**$ 685,601**	**$ 720,062**
Projects:					
Del Sol Clubhouse Parking Lot Note	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)
WC Lobby improvements carryover from '25 Budget	$ (190,000)				
LC Fitness Expand to Cypress	$ (100,000)				
WC Club Expansion - Lapidary carryover from '25 Budget $1,034,524	$ (922,524)				
WC Club Expansion - Woodworking		$ (100,000)	$ (500,000)	$ (600,000)	
LC Third Tennis Court					$ (200,000)
SRAL Lower Level Expansion					$ (400,000)
Abrego South Locker Room Building	$ (250,000)	$ (500,000)			
Abrego Pool Demolition	$ -				
PBC Fencing	$ (50,000)				
Metal Arts Shop Yard					$ (35,000)
SRS Fitness Center Expansion	$ (40,000)				
Total Expenditures	**$(1,563,524)**	**$ (611,000)**	**$ (511,000)**	**$ (611,000)**	**$ (646,000)**
Ending Balance	**$ 346,203**	**$ 354,669**	**$ 494,502**	**$ 569,103**	**$ 643,165**
Maintenance Repair & Replacement					
Beginning Balance	$ 7,440,839	$ 7,001,867	$ 6,455,203	$ 6,528,504	$ 6,570,051
Annual Funding (per Reserve Study)	$ 1,400,102	$ 1,500,102	$ 1,600,102	$ 1,700,102	$ 1,800,102
Additional Funding					
Net Investment Earnings (actual IPS rate)	$ 693,803	$ 685,275	$ 622,480	$ 642,297	$ 607,757
Projects:					
Per Reserve Study REVISED	$ (2,532,877)	$ (2,732,040)	$ (2,149,281)	$ (2,300,852)	$ (1,593,077)
Ending Balance	**$ 7,001,867**	**$ 6,455,203**	**$ 6,528,504**	**$ 6,570,051**	**$ 7,384,833**
MRR Part B - Pools and Spas					
Beginning Balance	$ 1,584,531	$ 388,220	$ 799,047	$ 1,261,015	$ 1,779,010
Funding	$ 342,783	$ 366,778	$ 392,452	$ 419,924	$ 449,319
Additional Funding					
Net Investment Earnings	$ 112,445	$ 44,049	$ 69,516	$ 98,071	$ 130,007
Abrego South pool	$ (1,651,539)				
Ending Balance	**$ 388,220**	**$ 799,047**	**$ 1,261,015**	**$ 1,779,010**	**$ 2,358,336**
Subtotal Capital Projects Reserves	**$ 7,736,290**	**$ 7,608,919**	**$ 8,284,021**	**$ 8,918,164**	**$ 10,386,334**
Emergency					
Beginning Balance	$ 553,270	$ 597,270	$ 645,270	$ 697,270	$ 753,270
Annual Funding	$ -	$ -	$ -	$ -	$ -
Transfer to Initiative					
Net Investment Earnings	$ 44,000	$ 48,000	$ 52,000	$ 56,000	$ 60,000
Projects:					
Ending Balance	**$ 597,270**	**$ 645,270**	**$ 697,270**	**$ 753,270**	**$ 813,270**
Total Board Designated Funds	**$ 8,333,560**	**$ 8,254,189**	**$ 8,981,291**	**$ 9,671,434**	**$ 11,199,604**

A summary of the consolidated Operating and Capital Budget for 2026 is illustrated on table 3. This schedule provides a summary of the updated totals as the draft budget processed through FAC and staff.

Table 3

GVR Budget FY 2026			
	Original Budget presented by Staff	**Revised Budget Updated by FAC**	**Plan B**
INITIATIVES CAPITAL IMPROVEMENT PLAN:			
Del Sol Clubhouse Parking Lot Note	$ 11,000	$ 11,000	$ 11,000
West Center Lobby improvements	$ 190,000	$ 190,000	$ 190,000
West Center Club Expansion	$ 922,524	$ 922,524	$ 922,524
Las Campanas Fitness Expansion to Cypress Room	$ 100,000	$ 100,000	$ 100,000
Abrego South Locker Room Building	$ 250,000	$ -	$ 250,000
West Center Expansion - Woodworking		$ 100,000	$ -
Abrego South Pool Demolition		$ 100,000	$ -
Pickleball Center Fencing	$ 40,000	$ 50,000	$ 50,000
Santa Rita Springs Fitness Center Expansion	$ 40,000	$ 40,000	$ 40,000
TOTAL BUDGETED INITIATIVES CAPITAL BUDGET	$ 1,553,524	$ 1,513,524	$ 1,563,524
NON RESERVE CAPITAL PROJECTS	$ -	$ 20,000	$ 20,000
ABREGO SOUTH POOL REPLACEMENT (MRR-B)	$ 1,651,539	$ -	$ 1,651,539
MRR CAPITAL PROJECTS 2026 REVISED	$ 2,284,781	$ 2,532,877	$ 2,532,877
GRAND TOTAL CAPITAL BUDGETS 2026	**$ 5,489,844**	**$ 4,066,401**	**$ 5,767,940**
2026 OPERATING BUDGET	$ 11,778,306	$ 11,861,192	$ 11,838,885
GRAND TOTAL BUDGETS, 2026	**$ 17,268,150**	**$ 15,927,593**	**$ 17,606,825**

Fiscal Impact:
Once approved, the 2026 Operating and Capital Budgets, Capital Improvement Plan, and Fee Schedule will be implemented on January 1, 2026.

Board Options:
1) Adopt the **Fiscal Affairs Committee (FAC) and Staff Revised Recommended** 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented or with amendments.
2) Adopt the **"Plan B"** 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented or with amendments.
3) Direct staff to conduct additional research and finalized adoption of the Operating and Capital Budgets no later than November 15, 2025 as prescribed by the Corporate Policy Manual (CPM).

Staff Recommendation:
Option #2

Recommended Motion:
I move to adopt the **"Plan B"** 2026 Operating and Capital Budgets, the Five-Year Capital Improvement Plan, and the 2026 Fee Schedule as presented.

Attachments:
1) October 8, 2025, Board Work Session Staff Report
2) 2026 Draft Budget Message

Green Valley Recreation, Inc.

Board of Directors Work Session

Revised Draft Budget for 2026

Prepared By: David Webster, CFO

Meeting Date: October 8, 2025

Presented By: David Webster, CFO

Consent Agenda: No

Originating Committee / Department:

Finance Department / Fiscal Affairs Committee

Action Requested:

Review and discuss the 2026 Budget, Capital Budget, Capital Improvement Plan, Fees Schedule, and 3-year forecast.

Strategic Plan:

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

Background Justification:

Section 5.5.2 of the Corporate Policy Manual requires the Board to approve an annual budget no later than November 15th of each year. The budget policy is to promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives.

Staff has prepared a Draft Operating and Capital Budget for 2026. These budgets were presented and reviewed by the Fiscal Affairs Committee (FAC) on September 16, 2025 and September 23, 2025.

A summary of the current in process status of the Operating Budget for 2026 is included on table 1. This table illustrates the original staff generated proposal for the 2026 Operating Budget in the first column labeled Original Budget Presented By Staff. The second column of table 1 represents the Fiscal Affairs Committee recommended adjustments to the original draft budget and it is titled Revised Budget Updated By the FAC. The third column includes additional staff recommended changes to the FAC recommendations that came about after the FAC meetings. Please be aware that these changes have not been reviewed by the FAC. A high-level summary of these three versions of the 2026 Proposed Budgets is as follows:

<u>Original Staff Draft 2026 Operating Budget</u>

The most inclusive and thorough method of reviewing the Original Staff Draft Budget is to read the attached 2026 Draft Budget document that was provided to FAC for the September 16, 2025, meeting. Please be aware that no FAC recommended changes have been included in this document and each page is labeled DRAFT to avoid confusion. There is significant historical information as well as detailed financial data included in this report. Staff will update this document after the Board has approved the Operating and Capital Budgets for 2026. Other key components of the Original Staff Budget proposal that are worth noting are as follows:

- Members' 2026 dues rate increase from current \$530 to \$540 (1.9%). See table 2

- Membership Change Fee and Initial Fee for 2026 increase from $3,100 to $3,200 (3.2%). See table 2
- Due to decreased revenue resulting from lower housing sales, the 2026 personnel costs included a recommended modest $109,895 or 2.5% aggregate increase in wages, offset with a total decrease of 2.8 full-time equivalents (FTE) for a total of 88 Full Time Employees (FTE) in 2026. The 2.5% recommended increase did not fully account for inflation or merit increases. See table 3
- No allowance for Non-Reserve Capital projects

FAC Recommended Revised 2026 Operating Budget (September 23, 2025, Minutes attached)

During the September 16 and 23, 2025 FAC meetings, the FAC recommended adjustment to the Staff recommended 2026 Operating Budget. A summary of these changes is included in the second column of table 1 as follows:

- Members' dues rates increase from the current $530 to $545 (2.8%). See table 2
- Modified the Guest Fee structure to be more generic for either family pass or punch card with the Board Affairs Committee (BAC) recommended change; also created a 30-day pass in the Guest Fees structure and rates. See table 2
- Tenant card structure has been modified to break out separate fees for tenants that stay longer than 4 months or more. See table 2
- Fee structure for additional card holder has been increased. See table 2
- Amending the Corporate Policy Manual (CPM) to eliminate Member Change Fee (MCF) refunds other than those required by law, in order to generate additional revenue. This change is proposed to occur mid-year 2026. See table 1 and 2. (For a history on the Member Change Fee, please see the attached)
- Increase staff wage proposal by additional $150,100 for a total of $259,995 or 5.9% to fully implement the Board's original three-year compensation plan to ensure wages are at market rates. See table 3
- Increase corresponding payroll taxes by $11,483. See table 3
- Increase Professional Fees expenses by $10,000 to allow for improved digital marketing
- Increase the Non-Reserve Capital (NRC) expenditures by $20,000 for ADA improvements.
- Increase funding to initiatives by approximately $30,080 in 2026 due to change in MCF refund policy elimination. See table 1
- Increase 2026 funding of MRR-B Pools and Spas fund by $7,761 to meet the 7% escalation in annual funding goal. See table 1
- FAC recommended two other items that don't have fiscal implications:
- A. Change CPM language, requiring clubs that request dedicated space or expansion to enter into an MOU (see attached Minutes)
- B. Investigate a pilot program on financing options for the voluntary deed restricted properties interested in joining GVR (see Minutes)

Adjustments to the FAC Recommended 2026 Operating Budget

Since the FAC recommendations were issued, staff has made additional adjustments to staff's original budget recommendations which impact the FAC recommendations. The most significant and most positive change is the result of further review and discussion concerning the compensation pay plan which was developed by an independent consultant. A total 4.0%

aggregate increase rather than a 5.9% increase to wages aligns with the recommended market ranges and provides for inflationary factors and merit increases. The market study indicates GVR is at the lower end of the market since many employees are new to GVR and therefore at the lower end of the pay scale, but are within recommended market ranges. Additional adjustments have been made for high demand/low supply positions. A summary of all of these adjustments are as follows:

- Revision of wage increase of $177,601 (4.0%) rather than $259,995 or 5.9%. See table 3
- Revision of corresponding payroll taxes of $5,180. See table 3
- Membership dues rate revision from current $530 to $538 (1.5%) due to lower than anticipated increases in wages. See table 2

Revised Three Year Forecast

GVR staff have updated the three years forecast for the years 2027 through 2029. While the Board of Directors are not required to approve this forecast, it is helpful for informational and planning purposes. A high-level summary of this forecast found in table 1 is as follows: Dues rates 3-year Forecast with FAC recommendations and Staff updates:

Year	Forecasted Dues Rate	Forecasted Increase
2027	$557	3.5%
2028	$567	1.8%
2029	$581	2.5%

The 3-year forecast is based on the FAC recommendation to eliminate MCF refunds where the law allows:

Year	Forecasted MCF Rate	Forecasted Increase
2027	$3,300	3.1%
2028	$3,400	3.0%
2029	$3,500	2.9%

Table 1

2026 Budget	Original Budget presented by Staff	Revised Budget Updated by FAC	Staff Revisions to FAC Updates	2027	2028	2029
				Revised Forecast with FAC Recommendations		
Full Time Equivalents	88	88	88	88	88	88
Head Count	104	104	104	104	104	104
Member Dues	7,499,520	7,568,960	7,471,744	7,741,186	7,885,836	8,086,358
LC,Trans., Crd Fees	781,800	800,700	800,700	813,085	818,705	823,905
Capital Revenue	2,860,800	3,011,200	3,011,200	3,300,000	3,434,000	3,570,000
Membership Revenue	11,142,120	11,380,860	11,283,644	11,854,271	12,138,541	12,480,263
Programs	571,456	571,456	571,456	600,029	642,031	699,814
Instructional	498,000	498,000	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,069,456	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	435,000	435,000	443,700	452,574	461,625
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919	48,919	48,919
Other Income	121,350	121,350	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	18,620	18,620	19,179	19,754	20,347
Contributed Income	-		-	-	-	-
Other Revenue	139,970	139,970	139,970	142,956	146,625	151,024
Total Operating Revenue	12,835,465	13,074,205	12,976,989	13,602,814	13,967,277	14,417,933
Major Proj.-Rep. & Maint.	238,970	238,970	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	421,600	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,000	1,000	1,020	1,043	1,066
Utilities	1,106,400	1,106,400	1,106,400	1,128,528	1,153,920	1,179,883
Depreciation	1,268,520	1,268,520	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	229,874	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	80,000	80,000	81,600	83,436	85,313
Facilities & Equipment	3,346,364	3,346,364	3,346,364	3,413,291	3,490,090	3,568,617
Wages	4,516,589	4,666,689	4,584,295	4,703,253	4,842,845	4,963,190
Payroll Taxes	350,519	362,002	355,699	364,999	375,836	385,175
Benefits	897,672	897,672	897,672	942,555	980,257	1,019,468
Personnel	5,764,780	5,926,362	5,837,666	6,010,807	6,198,938	6,367,833
Food & Catering	78,698	78,698	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	651,787	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	67,895	67,895	69,253	70,811	72,405
Program	798,380	798,380	798,380	827,384	864,641	903,668
Communications	107,569	107,569	107,569	109,720	112,189	114,713
Printing	129,500	129,500	129,500	132,090	135,062	138,101
Advertising	11,000	11,000	11,000	11,220	11,472	11,731
Communications	248,069	248,069	248,069	253,030	258,724	264,545
Supplies	570,906	570,906	570,906	582,324	595,426	608,824
Postage	21,125	21,125	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,687	13,687	13,961	14,275	14,596
Travel	8,622	8,622	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	101,450	101,450	103,479	105,807	108,188
Operations	715,790	715,790	715,790	730,106	746,533	763,330
Information Technology	142,777	142,777	142,777	145,633	148,909	152,260
Professional Fees	224,350	234,350	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	447,064	447,064	458,680	472,441	486,614
Taxes	53,532	53,532	53,532	54,603	55,831	57,087
Conferences & Training	24,200	24,200	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,000	13,000	13,260	13,558	13,863
Corporate Expenses	904,923	914,923	914,923	934,411	959,002	984,193
Total Operating Expenses	11,778,306	11,949,889	11,861,192	12,169,028	12,517,928	12,852,187
Gross surplus(Rev-Exp)/ Net Cash Flov	1,057,159	1,124,316	1,115,797	1,433,786	1,449,349	1,565,747
				-	-	-
Accrual Basis Net from Operations	1,057,159	1,124,316	1,115,797	1,433,786	1,449,349	1,565,747
Subtract:				(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	-	(20,000)	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(260,400)	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(575,040)	(605,120)	(605,120)	(663,300)	(690,200)	(717,500)
MRR B (Pools & Spas)	(335,022)	(342,783)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Revenue	(4,000)	(4,000)	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,400,102)	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets Net of	(1,517,405)	(1,508,089)	(1,516,608)	(1,480,495)	(1,622,693)	(1,666,328)
Add Back:						
MRR Operating Expenses	172,885	172,885	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,268,520	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	76,000	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	-	9,316	797	100,646	378	(78)

Table 2

GVR Fees							
	Actual Rate FY 2025	Original 2026 Budget Presented by Staff	Incr. %	Revised 2026 Fees Updated by FAC	Incr. %	Staff 2026 Fees Revisions to FAC Updates	Incr. %
Dues	$ 530	$ 540	1.9%	$ 545	2.8%	$ 538	1.5%
Life Care	$ 530	$ 540	1.9%	$ 545	2.8%	$ 538	1.5%
Transfer Fee	$ 465	$ 470	1.1%	$ 470	1.1%	$ 470	1.1%
Guest Card Daily Pass	$ 15	$ 15	0.0%	$ 10	-33.3%	$ 10	-33.3%
Guest Card Weekly Pass				$ 30		$ 30	
Guest Card Annual Pass	$ 80			$ 85		$ 85	
Tenant Fee 1-7 Days	$ 35	$ 40	14.3%	$ 40	14.3%	$ 40	14.3%
Tenant Fee 2 Weeks	$ 45	$ 50	11.1%	$ 50	11.1%	$ 50	11.1%
Tenant Fee 1 Month	$ 60	$ 65	8.3%	$ 65	8.3%	$ 65	8.3%
Tenant Fee 2 Months	$ 95	$ 100	5.3%	$ 100	5.3%	$ 100	5.3%
Tenant Fee 3 Months	$ 135	$ 140	3.7%	$ 140	3.7%	$ 140	3.7%
Tenant Fees 4-12 Months	$ 170						
Tenant Fee 4 Month		$ 180		$ 180		$ 180	
Tenant Fee 5 Month		$ 215		$ 215		$ 215	
Tenant Fee 6-12 Months		$ 250		$ 250		$ 250	
Additional Card Fee	$ 105	$ 140	33.3%	$ 140	33.3%	$ 140	33.3%
Membership Change Fee	$ 3,100	$ 3,200	3.2%	$ 3,200	3.2%	$ 3,200	3.2%
Initial Fee	$ 3,100	$ 3,200	3.2%	$ 3,200	3.2%	$ 3,200	3.2%
Late Fee	$ 25	$ 25	0.0%	$ 25	0.0%	$ 25	0.0%
Estate Planning Fee	$ 105	$ 105	0.0%	$ 105	0.0%	$ 105	0.0%
GVR Card Issuance Fee		$ 5		$ 5		$ 5	
Card Replacement Fee	$ 20	$ 5	-75.0%	$ 5	-75.0%	$ 5	-75.0%

Table 3

GVR Wages						
	Original 2026 Budget Presented by Staff	Incr. %	Revised 2026 Wages Updated by FAC	Incr. %	Staff 2026 Wages Revisions to FAC Updates	Incr. %
Cost of Living Increase	$ 109,895	2.5%	$ 109,895	2.5%	$ 88,801	2.0%
Performance and Merit Adjustment Increase	$ -	0.0%	$ 150,100	3.4%	$ 88,800	2.0%
Total Wage Increase	$ 109,895	2.5%	$ 259,995	5.9%	$ 177,601	4.0%
Total Taxes Increase	$ 8,407		$ 19,890		$ 13,586	
Tax Increase			$ 11,483		$ 5,180	

2026 Capital Budget

The FAC reviewed the Draft Capital Budget for 2026 on September 23, 2025 and recommended the 2026 Capital Budget and Five-Year Capital Improvement Plan as presented in table 4. A summary of the updates to this 5-year plan is as follows:

- The Initiatives funded West Center woodworking facility expansion project was moved up from a three-year period of 2027 through 2029 to an earlier period of 2026 through 2028. The total amount of the project remains an estimated $1,200,000.
- The Abrego South pool replacement project was removed from the Initiatives and MRR-B Funds.
  - $750,000 was removed from the Initiatives Fund for the Abrego South locker room building. This change results in a decrease of expenditures of $250,000 in 2026 and $500,000 in 2027.
  - $1,651,539 was removed from the Maintenance Repair and Replacement MRR Part B – Pools and Spas fund in 2026 for the Abrego South pool replacement.
  - $100,000 was added to the 2026 Initiatives Fund in 2026 for the demolition of the Abrego South pool and locker room building.
- The grand total of component projects planned for the 2026 Maintenance Repair and Replacement Part A Fund was revised from $2,284,781 to $2,532,877 for a total increase of $248,096 of expenditures in 2026 but the transfer from the Operations Funds to the MRR-A fund remains the same at $1,400,102.

Table 4

GVR 2026 Budget Cash Funding Projections					
All Amounts Are Projections			PROJECTION		
	2026	2027	2028	2029	2030
Initiatives					
Beginning Balance	$ 973,772	$ 416,407	$ 615,500	$ 756,934	$ 1,568,902
Funding From Operations Revenue	$ 605,120	$ 663,300	$ 690,200	$ 717,500	$ 745,200
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 63,039	$ 46,793	$ 62,234	$ 105,468	$ 155,420
Total Revenue	**$ 668,159**	**$ 710,093**	**$ 752,434**	**$ 822,968**	**$ 900,620**
Projects:					
Del Sol Clubhouse Parking Lot Note	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)
WC Lobby improvements	$ (190,000)				
LC Fitness Expand to Cypress	$ (100,000)				
WC Club Expansion - Lapidary	$ (634,524)				
WC Club Expansion - Woodworking	$ (100,000)	$ (500,000)	$ (600,000)		
LC Third Tennis Court					$ (200,000)
SRAL Lower Level Expansion					$ (400,000)
Abrego South Locker Room Building	$ -	$ -			
Abrego Pool Demolition	$ (100,000)				
PBC Fencing	$ (50,000)				
Metal Arts Shop Yard					$ (35,000)
SRS Fitness Center Expansion	$ (40,000)				
Total Expenditures	**$(1,225,524)**	**$ (511,000)**	**$ (611,000)**	**$ (11,000)**	**$ (646,000)**
Ending Balance	**$ 416,407**	**$ 615,500**	**$ 756,934**	**$ 1,568,902**	**$ 1,823,522**
Maintenance Repair & Replacement					
Beginning Balance	$ 7,440,839	$ 7,001,867	$ 6,455,203	$ 6,528,504	$ 6,570,051
Annual Funding (per Reserve Study)	$ 1,400,102	$ 1,500,102	$ 1,600,102	$ 1,700,102	$ 1,800,102
Additional Funding					
Net Investment Earnings (actual IPS rate)	$ 693,803	$ 685,275	$ 622,480	$ 642,297	$ 607,757
Projects:					
Per Reserve Study REVISED	$ (2,532,877)	$ (2,732,040)	$ (2,149,281)	$ (2,300,852)	$ (1,593,077)
Ending Balance	**$ 7,001,867**	**$ 6,455,203**	**$ 6,528,504**	**$ 6,570,051**	**$ 7,384,833**
MRR Part B - Pools and Spas					
Beginning Balance	$ 1,584,531	$ 2,039,759	$ 2,546,942	$ 3,110,887	$ 3,736,809
Funding	$ 342,783	$ 366,778	$ 392,452	$ 419,924	$ 449,319
Additional Funding					
Net Investment Earnings	$ 112,445	$ 140,405	$ 171,493	$ 205,998	$ 244,231
Abrego South pool	$ -				
Ending Balance	**$ 2,039,759**	**$ 2,546,942**	**$ 3,110,887**	**$ 3,736,809**	**$ 4,430,359**
Subtotal Capital Projects Reserves	**$ 9,458,033**	**$ 9,617,645**	**$ 10,396,326**	**$ 11,875,762**	**$ 13,638,715**
Emergency					
Beginning Balance	$ 553,270	$ 597,270	$ 645,270	$ 697,270	$ 753,270
Annual Funding	$ -	$ -	$ -	$ -	$ -
Transfer to Initiative					
Net Investment Earnings	$ 44,000	$ 48,000	$ 52,000	$ 56,000	$ 60,000
Projects:					
Ending Balance	**$ 597,270**	**$ 645,270**	**$ 697,270**	**$ 753,270**	**$ 813,270**
Total Board Designated Funds	**$ 10,055,303**	**$ 10,262,915**	**$ 11,093,596**	**$ 12,629,032**	**$ 14,451,985**

A summary of the consolidated Operating and Capital Budget for 2026 is illustrated on table 5. This schedule provides a summary of the updated totals as the draft budget processed through FAC and staff.

Table 5

GVR			
Budget			
FY 2026			
	Original Budget presented by Staff	**Revised Budget Updated by FAC**	**Staff Revisions to FAC Updates**
INITIATIVES CAPITAL IMPROVEMENT PLAN:			
Del Sol Clubhouse Parking Lot Note	$ 11,000	$ 11,000	$ 11,000
West Center Lobby improvements	$ 190,000	$ 190,000	$ 190,000
West Center Club Expansion	$ 634,524	$ 634,524	$ 634,524
Las Campanas Fitness Expansion to Cypress Room	$ 100,000	$ 100,000	$ 100,000
Abrego South Locker Room Building	$ 250,000	$ -	$ -
West Center Expansion - Woodworking		$ 100,000	$ 100,000
Abrego South Pool Demolition		$ 100,000	$ 100,000
Pickleball Center Fencing	$ 40,000	$ 50,000	$ 50,000
Santa Rita Springs Fitness Center Expansion	$ 40,000	$ 40,000	$ 40,000
TOTAL BUDGETED INITIATIVES CAPITAL BUDGET	$ 1,265,524	$ 1,225,524	$ 1,225,524
NON RESERVE CAPITAL PROJECTS	$ -	$ 20,000	$ 20,000
ABREGO SOUTH POOL REPLACEMENT (MRR-B)	$ 1,651,539	$ -	$ -
MRR CAPITAL PROJECTS 2026 REVISED	$ 2,284,781	$ 2,532,877	$ 2,532,877
GRAND TOTAL CAPITAL BUDGETS 2026	**$ 5,201,844**	**$ 3,778,401**	**$ 3,778,401**
2026 OPERATING BUDGET	$ 11,778,306	$ 11,947,863	$ 11,859,166
GRAND TOTAL BUDGETS, 2026	**$ 16,980,150**	**$ 15,726,264**	**$ 15,637,567**

Fiscal Impact:

Once approved, the 2026 Operating and Capital Budgets, Capital Improvement Plan, and Fee Schedule will be implemented on January 1, 2026.

Board Options:

1) Finalize 2026 Budget recommendations as recommended by the FAC and staff for consideration at the October 22, 2025 Board of Directors regular meeting.
2) Consider amendments to the recommended budgets.

Staff Recommendation: Option #1 or #2 (If option 2 is preferred, staff has additional recommendations it will provide during the meeting.
Attachments: 1) 2026 Original Staff Recommended Draft Budget provided to FAC 2) Draft MRR A Report 3) History on the Member Change Fee (MCF) 4) FAC Minutes from September 23, 2025

GREEN VALLEY RECREATION

2026 BUDGETS

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BUDGET MESSAGE
Fiscal Year 2026

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the Fiscal Year 2026 (FY2026) Budget. Included in this Total Budget are the Operating Budget, Fee Schedule, Capital Budget, and the Five-Year Capital Improvement Plan for fiscal years 2026-2030.

We believe this budget furthers GVR's Strategic Plan goals, Mission, and Vision by providing excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives while cultivating and maintaining a sound financial base that generates good value for our members. The department directors work diligently to manage operations within budget limitations and provide a wide array of vital services to our members. This budget provides for a high level of recreation programming, planned maintenance, and necessary improvements to infrastructure while staying within the constraints of limited resources.

With a focus on providing excellent member service, staff continue to look for opportunities to update processes, implement efficiencies, and improve service delivery and the quality of life to and for our members.

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THE BUDGET PROCESS

GVR operates on a fiscal year running from January 1 to December 31. The budget process begins in August with guidelines issued to department directors and managers by the Chief Executive Officer (CEO). Departmental requests are prepared and submitted in August. The CEO and Chief Financial Officer (CFO) meet with each department manager to discuss their requests. Changes and revisions to the requests and revenue projections are incorporated into the budget which is submitted to the Board of Directors in October for consideration.

The CEO and CFO meet with the Planning and Evaluation Committee, Fiscal Affairs Committee, and Board of Directors in August, September, and October to assist with budget preparation and development. Per the CPM, the Board shall have an approved budget available for execution no later than November 15 of any given year.

The basis of budgeting conforms to Generally Accepted Accounting Principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2025 projected income and expenses are included for comparison purposes (page 32) and are the staff's best estimates. Included with the 2026 Budget is a three-year revenue and expenditure projection for years 2027 through 2029 (page 36).

The 2026 Budget that is presented includes the following functional areas:

Administrative Services: Board of Directors, administration, finance, membership, nominations and elections, human resources, communications, information technology, sound and lighting
Field Services: Center customer service including custodial.
Facilities Maintenance: Maintenance, aquatics, landscaping, project management.
Recreation: Events and entertainment, movies, trips and tours, clubs, classes, fitness, drop-in opportunities

INTRODUCTION

Despite declines in the real estate market since the pandemic, GVR remains financially sound. With continued prudent fiscal management, we are confident we can proactively, effectively, and responsibly plan and prepare for the future, and continue providing the high-value services and facilities members expect. During the past five years, GVR has completed approximately 12.3 million dollars’ worth of projects including Maintenance Repair and Replacement (MRR) planned projects, Non-Reserve Capital projects, and Initiatives projects.

FY2026 OPERATING BUDGET

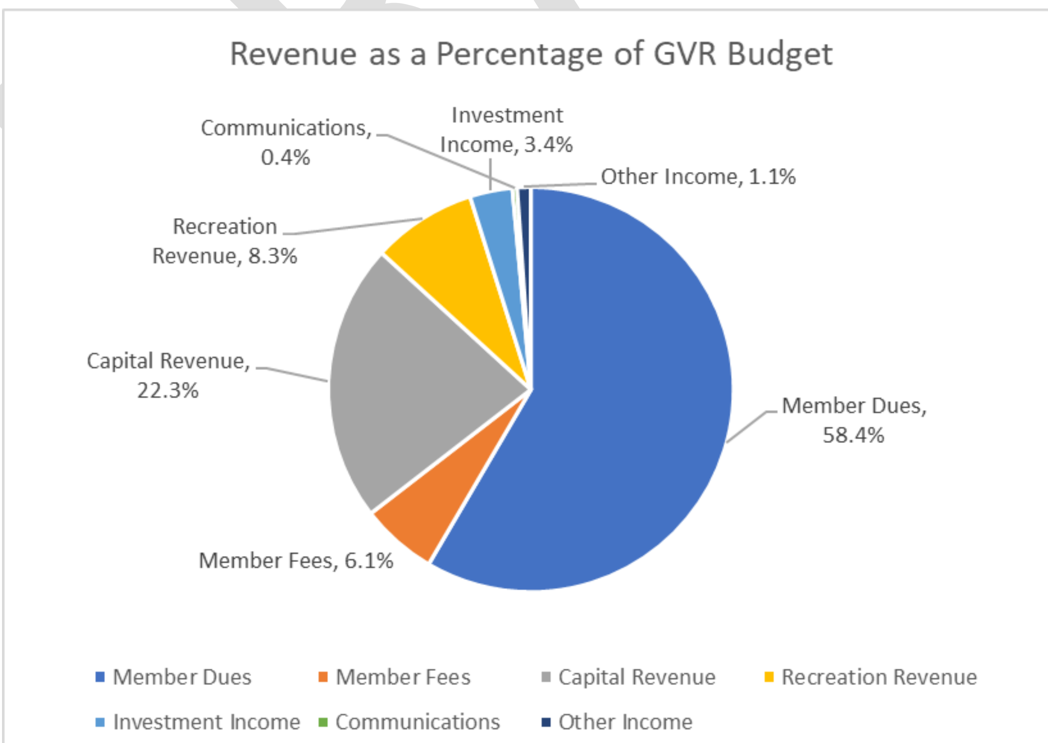
Revenue

In consideration of the economic climate, we believe GVR's anticipated revenue assumptions for FY2026 are appropriate, especially when viewed in light of the solid revenue performance over recent years as illustrated in Figure 1:

Figure 1 **Total Revenue: Fiscal Year 2020-2026**

	Total Revenue Fiscal Years 2021 - 2026						
	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Recommended
Member Dues	$ 6,943,727	$ 6,947,340	$ 7,051,390	$ 7,134,340	$ 7,350,040	$ 7,363,423	$ 7,568,960
Member Fees	$ 700,464	$ 785,602	$ 740,844	$ 685,399	$ 729,376	$ 743,892	$ 800,700
Capital Revenue	$ 3,147,953	$ 3,099,400	$ 2,753,060	$ 2,428,476	$ 2,724,900	$ 2,868,541	$ 2,860,800
Recreation Revenue	$ 212,685	$ 401,553	$ 514,095	$ 774,073	$ 1,123,718	$ 877,570	$ 1,069,456
Investment Income	$ 291,923	$ 372,078	$ 456,354	$ 426,501	$ 435,000	$ 483,215	$ 435,000
Communications	$ 64,159	$ 43,105	$ 47,478	$ 49,004	$ 48,919	$ 50,414	$ 48,919
Other Income	$ 111,081	$ 112,273	$ 107,844	$ 139,275	$ 200,600	$ 132,419	$ 139,970
Total Revenue	$ 11,471,992	$ 11,761,351	$ 11,671,065	$ 11,637,068	$ 12,612,553	$ 12,519,474	$ 12,923,805

Figure 2 **Revenue Budgeted Highlights, Fiscal Year 2026**



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A summary of the fee changes are as follows:

- Member dues: 2025 rate of $530 increases $15 to $545 for 2026 (2.8%).
- Life Care Fees: 2025 rate of $530 increases $15 to $545 for 2026 (2.8%).
- Initial Fee: 2025 rate of $3,100 increases to $3,200 for 2026 (3.2%).
- Membership Change Fee (MCF): 2025 rate of $3,100 increases to $3,200 for 2026 (3.2%).
- Transfer Fee: 2025 rate of $465 increases $5 to $470 (1.1%)
- Tenant Fees:
    - 1 – 7 Days rate increase from $35 to $40
    - 2 Weeks rate increase from $45 to $50
    - 1 Month rate increase from $60 to $65
    - 2 Months rate increase from $95 to $100
    - 3 Months rate increase from $135 to $140
        - Tenant Fee 4 months 2026 rate is $180
        - Tenant Fee 5 months 2026 rate is $215
        - Tenant Fee 6-12 months 2026 rate is $250
    - Additional Card Fee rate increase from $105 to $140
    - GVR Card Issuance Fee 2026 rate is $5
    - GVR Card Replacement Fee: 2025 rate of $20 is decreased to $5
        - Late Fees are not increased and remain $25
        - Estate Planning Fees are not increased and remain at $105

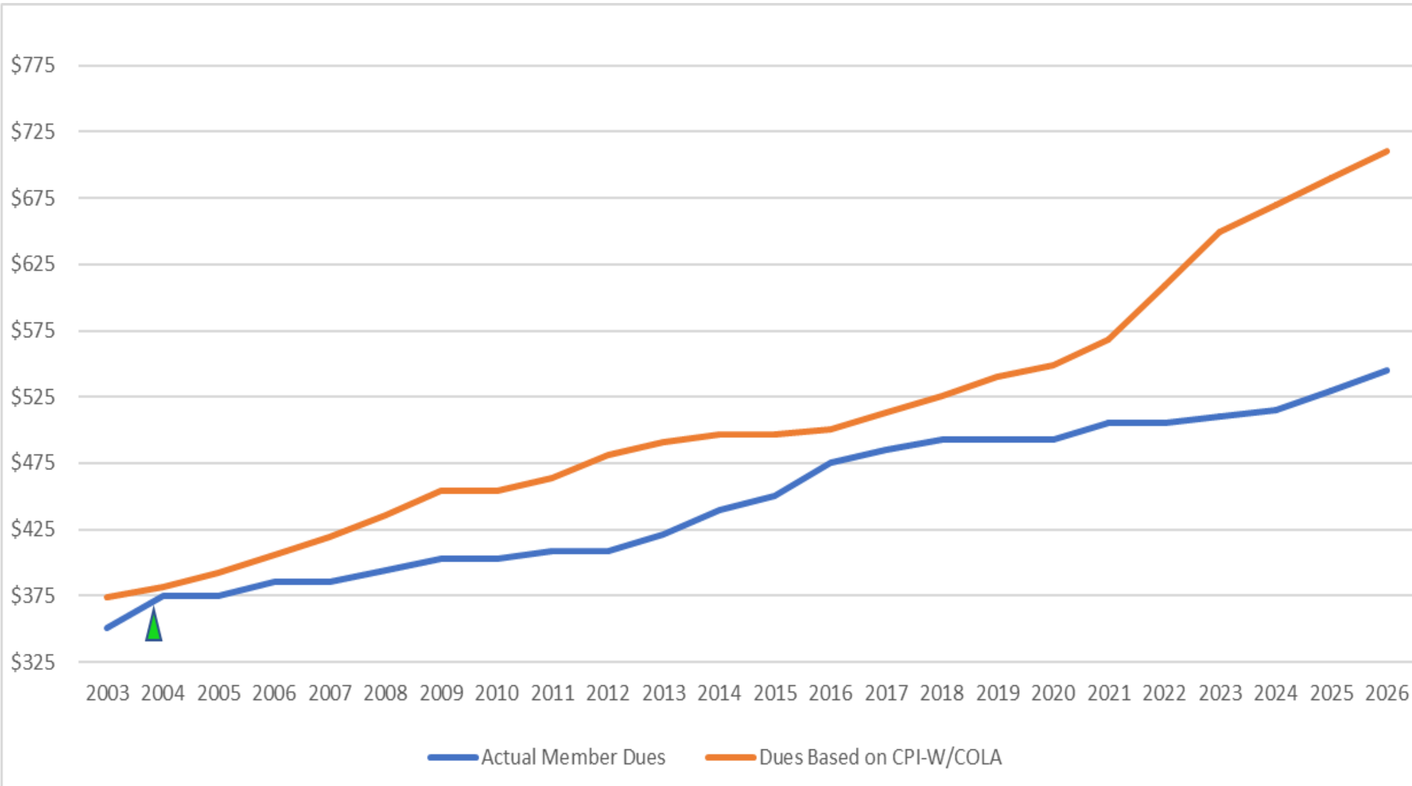
Guest card fees are revised to include a daily guest card pass for $10 per pass, a weekly guest card pass for $30 per pass, and an annual guest card pass for $85 per card.

The calculation of revenue is as follows:

Total member dues are based on 13,888 properties at $545 per member household. This dues rate reflects a **$15 increase** in the annual dues rate effective January 1, 2026. Figure 3 illustrates how GVR has kept dues rates below the rates guided by the CPM. The CPM (Section 1 MEMBERSHIP & FACILITIES Subsection 1.1.2) states “In establishing annual dues, the Fiscal Affairs Committee (FAC) and the Board shall use the following formula as a starting point: The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increases / decrease for the current year.” The formula starting point guided by the CPM is 2.85%

(50% of 2.90% plus 50% of 2.80%). The proposed dues increase of $15 or 2.83% is aligned with this CPM benchmark.

***Figure 3 A*ctual Member Dues vs. Dues based on CPI-W/COLA per CPM**



The last time the annual member dues were close to matching GVR policy was in 2004. Since that time, the divergence has widened from a $13 difference in 2004 to a $160 difference in 2025 and a projected $165 difference in 2026. See Figure 4 for past years' dues rates.

Figure 4

GVR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actual Member Dues	$ 375	$ 375	$ 385	$ 385	$ 394	$ 403	$ 403	$ 409	$ 409	$ 421	$ 440
Dues Based on CPI-W/COLA	$ 382	$ 392	$ 406	$ 419	$ 436	$ 454	$ 454	$ 464	$ 481	$ 491	$ 497

GVR	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actual Member Dues	$ 450	$ 475	$ 485	$ 493	$ 493	$ 493	$ 505	$ 505	$ 510	$ 515	$ 530	$ 545
Dues Based on CPI-W/COLA	$ 497	$ 501	$ 513	$ 526	$ 540	$ 549	$ 568	$ 609	$ 649	$ 670	$ 690	$ 710

The Membership Change Fee (MCF) rate reflects a $100 increase to $3,200. The 2026 MCF assumption is based on an estimated 876 total property transactions. Staff is projecting 875 home sales in 2025. While the real estate market in our area was robust during the pandemic, it has trended downward over the last three years. GVR has adapted to this new trend. Figure 5 is a summary of home sales for the past ten years:

Figure 5

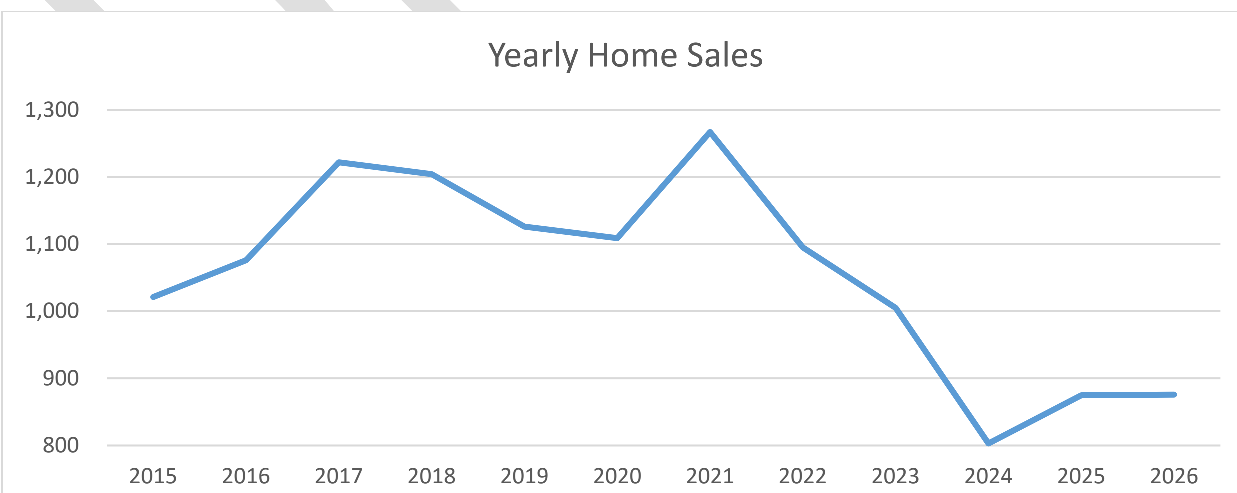
Home Sales 2015-2026

2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2025 Projected	**2026 Budget**
1,021	1,076	1,222	1,204	1,126	1,109	1,267	1,095	1,005	803	861	875	**876**

From 2015 to 2023 GVR averaged 1,125 homes sales per year. In 2024 GVR had 803 homes sales and in 2025 we are target to reach or exceed the budgeted amount of 875 home sales. For 2026 budget, staff believes it is prudent to base the budget amount of homes sales off the recent slow trend compared to the higher average from 2015 to 2023. Therefore, the recommended 2026 budget for homes sales is 876, a 1.7% increase compared to 861 budgeted for 2025.

Figure 6 illustrates the long-term trend for Membership Change Fees and includes the 876 homes budgeted for 2026.

Figure 6 **Home Sales: Long-Term Trend, 2015-2026**



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Figures 7 and 8 on the following page depict how MCF rate increases have outpaced increases in dues since 2019.

Figure 7 **Cumulative Dues Rate Increases vs. Cumulative MCF Rate Increases**

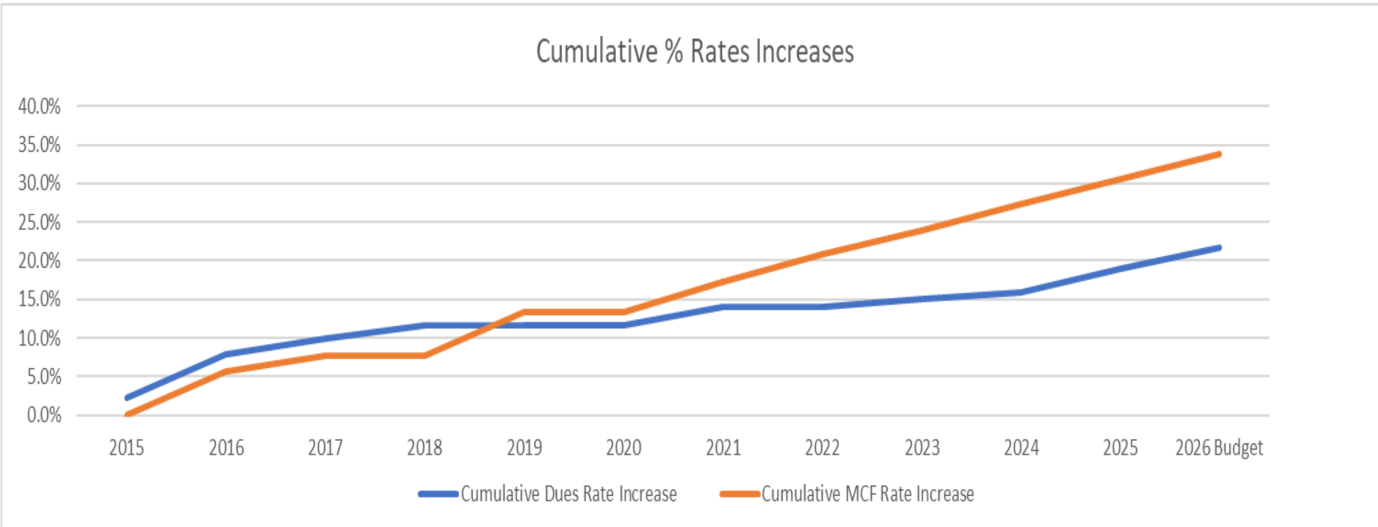


Figure 8 **Historical Increases in GVR Dues and Member Change Fees, 2015-2026**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Budget
Dues Rate	$450	$475	$485	$493	$493	$493	$505	$505	$510	$515	$530	$545
Membership Change Fee	$2,296	$2,425	$2,474	$2,474	$2,616	$2,616	$2,716	$2,816	$2,900	$3,000	$3,100	$3,200
Dues Rate Increase %	2.3%	5.6%	2.1%	1.6%	0.0%	0.0%	2.4%	0.0%	1.0%	1.0%	2.9%	2.8%
MCF Rate Increase %	0.0%	5.6%	2.0%	0.0%	5.7%	0.0%	3.8%	3.7%	3.0%	3.4%	3.3%	3.2%
Dues Revenue	$6,037,806	$6,402,286	$6,627,415	$6,690,385	$6,712,673	$6,748,910	$6,942,771	$6,947,340	$7,051,930	$7,134,340	$7,342,136	$7,568,960
MCF Revenue	$1,790,880	$2,007,135	$2,439,129	$2,345,508	$2,423,079	$2,533,963	$3,147,953	$3,099,400	$2,753,060	$3,039,780	$2,868,541	$2,860,800
Cumulative **Dues** Rate Incre	2.3%	7.8%	9.9%	11.6%	11.6%	11.6%	14.0%	14.0%	15.0%	16.0%	18.9%	21.7%
Cumulative **MCF** Rate Incre	0.0%	5.6%	7.6%	7.6%	13.4%	13.4%	17.2%	20.9%	23.9%	27.3%	30.6%	33.9%

Initial Fees are charged when a property first enters GVR, either through Voluntary Deed Restriction or a new build in a new or expanding development. As with the MCF, there is a $100 rate change for Initial Fees. This rate will increase to $3,200 and the budget is based on 18 anticipated net property transactions in 2026. There are currently 15 projected transactions for 2025.

Guest Card fees and Annual Guest Pass fees reflect fee changes. We believe the numbers of projected guest and tenant card transactions are conservative.

Transfer Fees will increase from $465 to $470. The 2026 budget includes a projected 1,040 properties at the rate of $470 per transfer for a total of $488,800.

Recreation Revenue. Program revenue in 2026 is offset by recreation expense contracts that generally equal 70% of the recreation revenue.

The total anticipated revenue for 2026 is $12,923,805, which is an increase of $311,252 (2.5%) from the 2025 Budget.

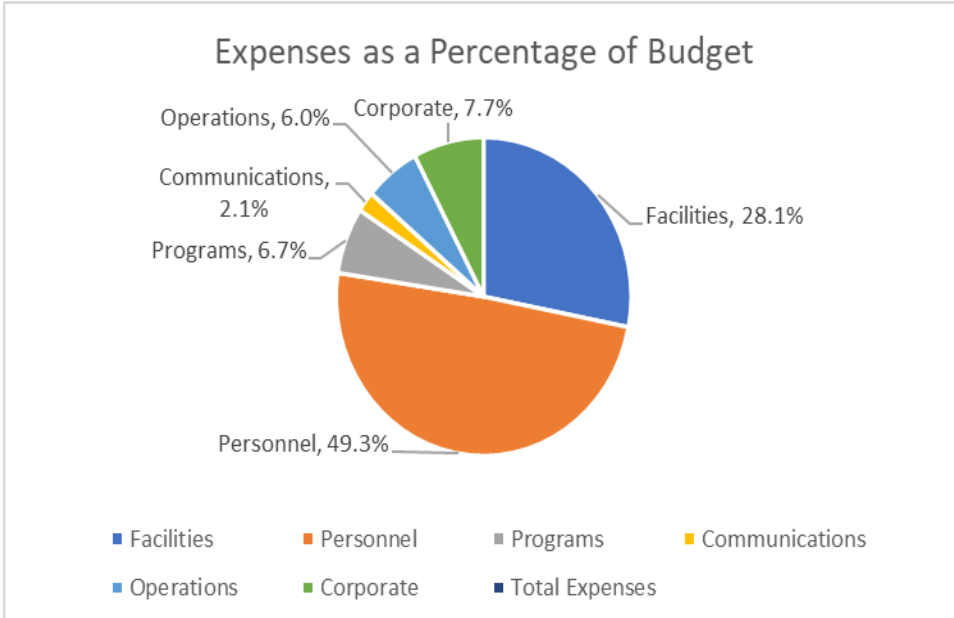
Expenditures

The FY2026 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to capital reserve funds.

Figure 9

	Total Expenses Fiscal Years 2021 - 2026						
	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Recommended
Facilities	$ 3,582,774	$ 3,343,227	$ 3,689,031	$ 3,475,794	$ 3,252,856	$ 3,373,636	$ 3,324,057
Personnel	$ 5,376,214	$ 5,143,126	$ 5,015,239	$ 5,565,775	$ 5,813,526	$ 5,702,717	$ 5,837,666
Programs	$ 327,080	$ 463,890	$ 472,846	$ 642,435	$ 885,896	$ 723,835	$ 798,380
Communication	$ 178,432	$ 209,141	$ 214,478	$ 231,646	$ 224,900	$ 201,983	$ 248,069
Operations	$ 475,835	$ 592,522	$ 705,331	$ 628,020	$ 692,800	$ 660,440	$ 715,790
Corporate	$ 716,659	$ 759,851	$ 913,377	$ 749,742	$ 815,978	$ 815,980	$ 914,923
Total Expenses	$10,656,994	$10,511,757	$11,010,302	$11,293,412	$11,685,956	$11,478,591	$ 11,838,885

Figure 10 **Budgeted Expenditures by Category**



Personnel

The 2026 personnel costs include a 4.0% aggregate increase in wages, offset with a total decrease of 2.8 full-time equivalents (FTE) of staff for a total of 88 FTE. The personnel costs for 2026 reflects a $24,140 (0.4%) total increase and includes wage increases per the compensation plan. These personnel costs include taxes, health and dental insurance, workers' compensation insurance, and other personnel-related expenditures. GVR anticipates a 5% mid-year increase in benefits cost rates for 2026. The total change from 2025 budgeted costs are as follows:

The 2026 budget provides funding for 88 full-time equivalent (FTE) positions, consistent with current staffing levels. Headcount has stabilized after reductions in 2023–2024. Budgeted wages for 2026 total $4,584,295, which reflects the 4.0% aggregate increase.

Figure 11 **Historical Summary of GVR Full-Time Equivalents (FTEs), 2015-2026**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Information Technology	3	3	3	3	4	4	4	4	4	5	5	4
Administration	11	11	11	11	12	13	12	14	11	9	8	8
Membership Services									9	7	6	6
Administrative Services	14	14	14	14	16	17	16	18	24	21	19	18
Field Services											36.2	36.0
Recreation Services	22	23	23	23	23	23	23	23	34.4	28.2	8.6	8.6
Maintenance	13	13	13	13	14	13	13	13	12	15	15	13
Aquatics	6	6	6	6	6	6	7	5	5	6	6	6
Landscaping	5	5	5	5	6	6	6	7	8	6	6	6
Custodial	30	31	31	31	31	30	30	31	10	20		
Facility Services	54	55	55	55	57	55	56	56	35	47	27.0	25.0
Total GVR	90	92	92	92	96	95	95	97	93.4	96.2	90.8	88.0

Corporate Expenses

The corporate expenses budget reflects an increase of $88,945 (10.9%) compared to budgeted 2025 costs.

- Conferences and training reflect a $1,550 (6%) decrease from budgeted 2025 expenses.
- Commercial insurance includes a $29,879 (7.1%) mid-year increase due to additional facilities and rising insurance costs.
- GVR is not budgeting any additional allowance for doubtful accounts. The current allowance is about $135,000, a $13,000 decrease during the 2025 fiscal year. Over the past five years, GVR write offs average about $5,000 per year resulting in an average write off rate of 0.07% per year.
- Investment expenses account for $75,000 of the operations expenses. These expenses are paid directly from the reserve accounts.

RESERVE FUNDING

The Capital Budget is summarized and included on page 32. Reserve funds include:

- Maintenance, Repair, and Replacement (MRR) capital budget is $2,532,877 and is detailed below. The 2025 MRR Capital budget was $2,340,240
- MRR-B is for replacement of pools and spas. The budget is listed on page 20 and includes funding in the amount of $342,783. The only expenditure out of this pool fund is for the potential replacement of Abrego South in the amount of $1,651,539 if a replacement is approved by the Board.
- The Non-Reserve Capital projects amount for the 2026 budget equals a total of $20,000 in capital projects that are funded with operational funds.
- The Initiatives Fund Capital Projects budgeted for 2026 are on page 34.
- The Emergency Fund has no budgeted expenditures in 2026.

Maintenance Repair & Replacement

A major component of the 2026 budget is funding and execution of the Maintenance Repair and Replacement reserve (MRR). This reserve account is funded annually in January as determined by the reserve study. The MRR reserve study is a budgetary tool that establishes the annual contribution to the fund and schedules work components such as replacing floors and HVAC equipment, painting, pool maintenance, etc. The study provides a 30-year financial plan for maintaining and replacing components. The Browning Reserve Group, the consulting company that manages the study, states, "Based on the 30-year cash flow projection, GVR's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years."

The MRR Fund is a reserve fund invested in a separate investment account. This account has a unique Board-approved Investment Policy Statement (IPS) that allows GVR to achieve the best return on investment while minimizing the investment risk over the long period of the reserve study.

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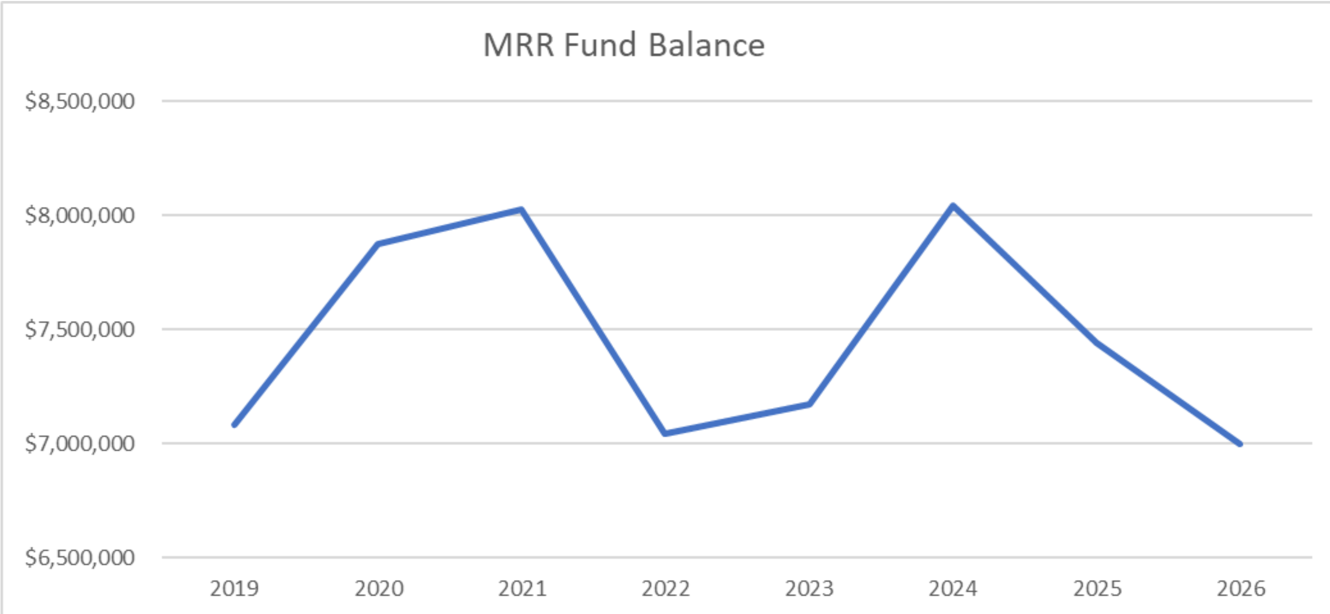
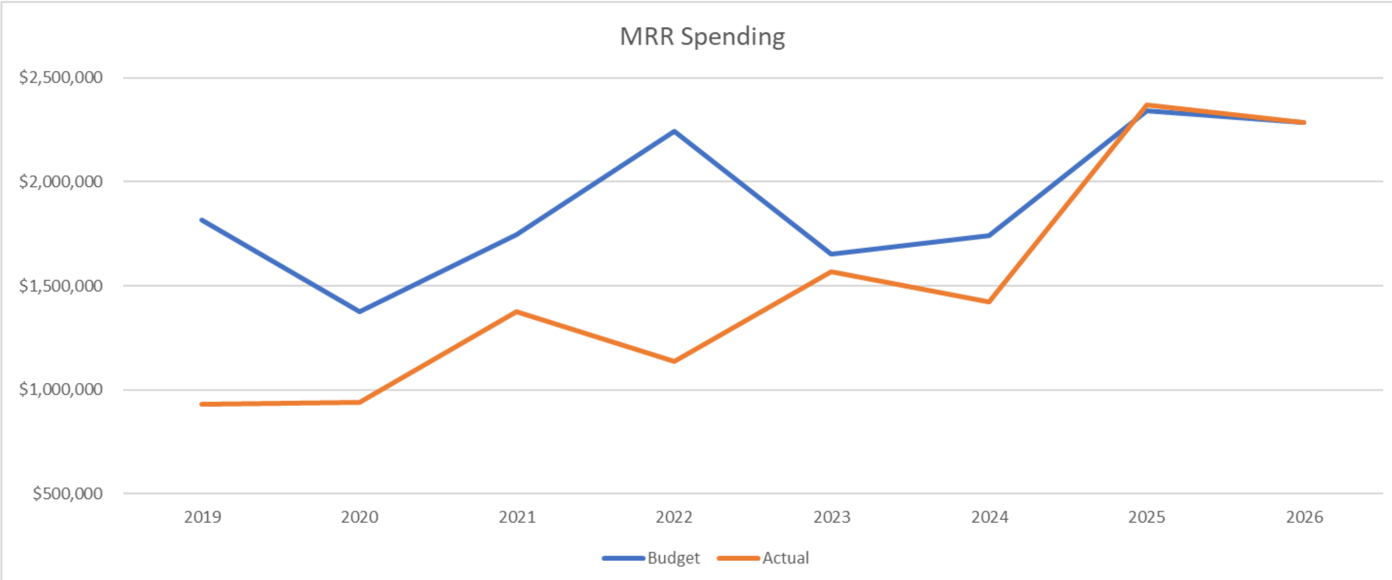
Figure 13 **GVR MRR Fund Balance Trend 2019-2026**



The budgeted MRR contribution equates to $100.82 per household and constitutes 18.5% of the annual dues rate ($100.82 / $545.00). The fund contribution amount for January 2026 is $1,400,102 which equals 8.0% of the 2026 Total Operating and Capital Budget. GVR anticipates spending $2,532,877 on MRR components in 2026. GVR's commitment to maintaining its assets is reflected in the growth of actual expenditures out of the MRR Fund:

Figure 14 **GVR MRR Components Spending Trend, 2019-2026**



MRR funding is budgeted at $1,400,102 as presented by the Browning Reserve Group, and is $100,000 more than 2025.

- The draft 2026 reserve study report has calculated the MRR reserve funding level to be 54.7%. The prior year funding level was 60.5%.
- The MRR funding increased $7.34 to approximately $100.82 per member property.

Figure 15

Maintenance Repair & Replacement (MRR) Fund Budgeted Expenditures for 2026		Percent of Total MRR Budget
Pool Equipment and Decks	$383,822	15.15%
Kitchen, Restroom & Locker Room Reh.	$307,878	12.16%
Paving	$241,516	9.54%
Flooring	$286,402	11.31%
Mechanical Equipment	$251,675	9.94%
Furnishings	$174,460	6.89%
Recreation	$134,018	5.29%
Painting Exterior	$136,751	5.40%
Roofing	$76,430	3.02%
Sports Courts	$74,061	2.92%
Concrete	$73,924	2.92%
Painting Interior	$75,571	2.98%
Decking	$46,298	1.83%
Office Equipment	$45,035	1.78%
Safety	$85,875	3.39%
Outdoor Equipment	$26,039	1.03%
Water/Backflow	$24,600	0.97%
Misc	$67,976	2.68%
Spa Equipment	$20,546	0.81%
Total 2026 MRR Budget	**$2,532,877**	**100%**

MRR-B (Pools and Spas)

The funding of MRR-B is budgeted at $342,783 and is $22,425 (7.0%) more than 2025.

Non-Reserve Capital

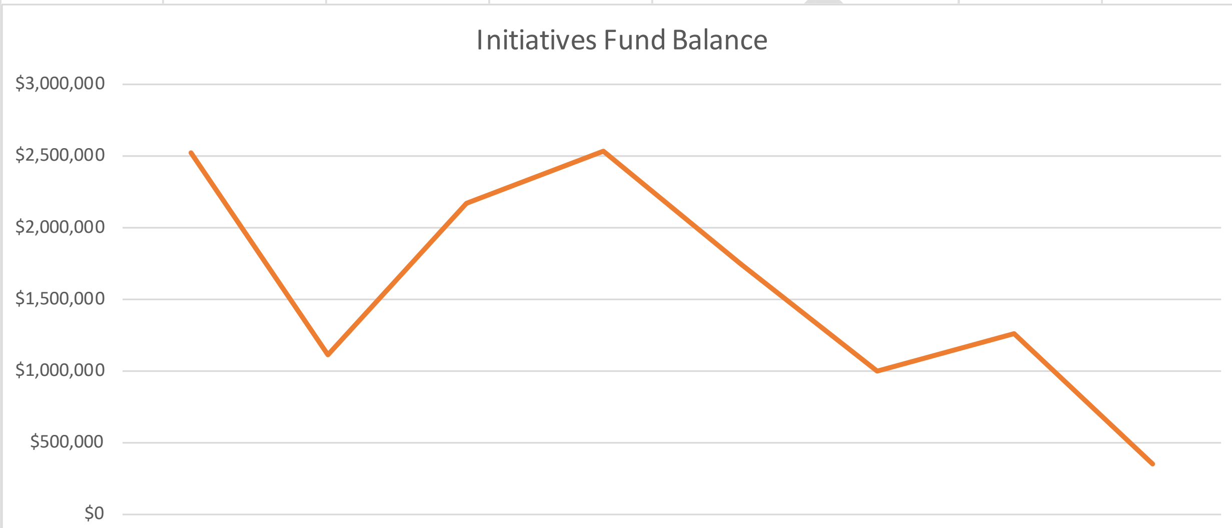
The 2025 Non-Reserve Capital Budget was $22,489. Due to 2026 budget constraints, this budget does not include the $100,000 allocation for non-budgeted, unplanned items, per the Capital Improvement Policy and Process. However, the 2026 Budget does include $20,000 for ADA projects

Initiatives Reserve Fund

The Initiatives Reserve Fund is funded as prescribed by CPM Section 5.3.5 where 20% of the Membership Change Fee and 25% of Initial Fees assessed on each GVR member property sold is transferred to the Initiatives Reserve Fund on a monthly basis. Figure 16 illustrates the balance of this fund over the past five years:

***Figure 16* GVR Initiatives Reserve Fund Balances 2019-2026**

GVR Initiative Reserve Fund Balance (2019 - 2026)							
2019	2020	2021	2022	2023	2024	2025	2026
$ 2,516,801	$ 1,114,873	$ 2,166,737	$ 2,531,557	$ 1,750,056	$ 993,706	$ 1,261,772	$ 346,203



GVR has invested over $4.9 million in Initiatives projects since 2020 that include the Pickleball Center, Del Sol Clubhouse, Glass Arts, Desert Hills Fitness Center, Artisan Shop and the Metal Arts.

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Figure 17

GVR		
Budget		
FY 2026		
		Budget 2026
INITIATIVES CAPITAL IMPROVEMENT PLAN:		
	Del Sol Clubhouse Parking Lot Note	$ 11,000
	West Center Lobby improvements	$ 190,000
	West Center Club Expansion	$ 922,524
	Las Campanas Fitness Expansion to Cypress Room	$ 100,000
	Abrego South Locker Room Building	$ 250,000
	West Center Expansion - Woodworking	$ -
	Abrego South Pool Demolition	$ -
	Pickleball Center Fencing	$ 50,000
	Santa Rita Springs Fitness Center Expansion	$ 40,000
	TOTAL BUDGETED INITIATIVES CAPITAL BUDGET	$ 1,563,524

Currently, based on revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. This is illustrated in the Five-Year Capital Improvement Plan that is reported on page 35.

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SUMMARY

The 2026 budget is based on a net zero surplus approach. Adjustments to the net consolidated accrual basis surplus can be seen below:

Adjustments to the Net Consolidated Accrual Basis Surplus

Total Budgeted Income	$12,923,805
Total Budgeted Expenses	($11,838,885)
Gross Surplus	$ 1,084,920
Less Non-Reserve Capital Projects	($ 20,000)
Less Income from Reserves	($ 260,400)
Initiatives Reserve Funding	($ 575,040)
MRR-B Pools & Spas Reserve Funding	($ 342,783)
MRR Reserve Funding	($ 1,400,102)
Non-Cash In-Kind Revenue	($ 4,000)
MRR Operating Expenses paid by MRR Fund	$ 172,885
Depreciation	$ 1,268,520
Management expenses of Reserve Funds	$ 76,000
Net Surplus (Deficit)	$ 0

The amounts to determine the zero-balance budget are also listed at the bottom of page 31.

The total anticipated expenditures for 2026 are $11,838,885 which is an increase of $152,929 (1.3%) from the 2025 Budget.

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DEPARTMENT DETAILS

Facilities Maintenance Department

The Facilities Department is responsible for maintaining and improving GVR's physical infrastructure, ensuring that all facilities are safe, well-maintained, and fully operational. The department oversees the planning and execution of maintenance, repair, and capital improvement projects to enhance the quality of services for members.

Significant 2025 Accomplishments

- Completed over two million dollars' worth of maintenance, repair, and replacement projects, including:
    - Complete upgrade of the Desert Hills pool equipment and plumbing
    - Rehabilitation of the Desert Hills locker rooms
    - Exterior paint at Desert Hills
    - Exterior paint at Del Sol Clubhouse
    - Extensive repairs in the Casa Paloma II locker rooms and replacement of clubhouse flooring
    - Pool equipment upgrade at West Center
    - Resurfacing of the pool and pool deck at Santa Rita Springs
    - Paving repair and maintenance in four locations
    - HVAC and water heater replacement in seven locations
    - Updated fire suppression systems in five locations
- Completed three capital improvement projects
    - Artisan's Shop expansion
    - Metal Arts building
    - Kiln room expansion at the Ceramics Studio
- Completed major landscaping projects at Santa Rita Springs and Del Sol Clubhouse
- Improved preventive maintenance of aquatics facilities, subsequently improving the unplanned closure rate for pools and spas
- Worked with a consultant to acquire a comprehensive energy audit with priority cost-savings measures identified
- Completed a comprehensive accessibility audit with priority accessibility projects identified
- Completed modifications to the Santa Rita Art League to expand and improve the utility of existing space
- Completed "on-demand" work orders to repair existing facilities at an average rate of 247 per month

Budget Highlights

- Despite inflationary pressures, supply chain concerns, and a challenging regulatory environment, the Facilities Department is pleased to be on budget for 2025.

Figure 18 **GVR Facilities Maintenance Personnel 2022-2026**

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget
Maintenance	13	12	15	15	**13**
Landscaping	7	8	6	6	**6**
Aquatics	5	5	6	6	**6**
Total Personnel	25	25	27	27	**25**

Figure 19 **Facilities Maintenance Summary of Expenditures, 2022-2026**

Type	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Salaries & Wages	1,032,629	1,016,388	1,212,042	1,218,728	**1,213,895**
Taxes	77,213	75,736	86,182	94,378	**92,863**
Benefits	302,540	283,614	333,598	223,041	**228,120**
Other Operating Costs	1,927,033	2,518,778	2,201,879	2,079,113	**2,274,641**
Total Expenditures	$3,339,415	$3,894,101	$3,833,702	$3,615,260	**$3,809,519**

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Other Operating Costs

Permits & Inspections (5061) $9,620

Pool and kitchen permits as required by the Pima County Health Department

Contracts (5125) $150,000

Maintenance contracts with external vendors that include fire response, pest control, alarms, elevator, document shredding,

Repair & Maintenance (5155) $225,200

Supplies and services for facilities repair and maintenance including electrical, painting, plumbing, and pool maintenance costs.

Utilities (5195-5210) $1,106,400

Water ($100,000), electricity ($466,400), natural gas ($495,000), and waste management ($45,000)

Vehicles (5160-5161) $80,000

Fleet of 23 vehicles including trucks and trailers. Gasoline ($55,000), and repairs and maintenance ($45,000)

Operating Supplies (5166) $349,000

Pool supplies and chemicals ($230,000), maintenance supplies such as filters, lights, electrical supplies, sprinkler supplies ($75,000) and landscaping supplies ($42,000)

Signage (5062)	$10,000

Signs for Las Campanas, the Del Sol clubhouse, and other centers

Administrative Services

GVR's Administrative Services Department encompasses a range of critical functions, including member services, human resources, finance, administration, governance, communications, information technology, and risk management. This department ensures efficient operations, supports organizational governance, and provides essential services that enhance member experience and internal operations.

Significant 2025 Accomplishments

- Completed Del Sol Clubhouse, secured a café vendor and opened for business
- Expanded capacity of Desert Hills Auditorium
- Finished walking track at Canao Hills
- Completing Artisan shop and new Metal Arts building
- Initiated value based “Be SEEN” employee review process (Service, Excellence, Engaged, Neighborly)
- Surveyed employees for feedback on how to save the corporation money and provided that feedback to Administration and the FAC for consideration
- Continue to manage our vendor relationships to maximize value for our members, for example:
    - Reduced annual leasing expenses for copiers, phone and internet
    - Minimized costs of commercial insurance and employee medical insurance
    - Created a sweep account for operating bank cash accounts that increased the investment earnings of operating cash
    - Upgraded the credit card plan to increase cash back amounts

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Figure 20 **Administrative Services Personnel, 2022-2026**

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Information Technology	4	4	4	5	4
Administration (Finance, HR, Communications, Admin)	14	11	10	8	8
Membership	0	9	7	6	6

Total Personnel	**18**	**24**	**21**	**19**	**18**

Figure 21 **Administrative Services Summary of Expenditures, 2022-2026**

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Salaries & Wages	$1,123,947	$1,234,350	$1,285,524	$1,461,787	$1,336,293
Taxes	$82,241	$91,242	$100,419	$114,894	$108,533
Benefits	$277,772	$289,536	$303,933	$288,138	$295,022
Other Operating Costs	$1,268,385	$1,412,762	$1,295,703	$1,297,929	$1,289,205
Total Expenditures	**$2,752,345**	**$3,027,890**	**$2,985,579**	**$3,162,748**	**$3,029,053**

Other Operating Costs - Administrative

IT- Repair & Maintenance of Card Readers (5153) $24,000

Card readers - boopers on doorways

IT-Lines and Service (5102) $79,000

Telecom and internet

IT- Software Maintenance (5127) $128,277

Software subscriptions, TEI, Microsoft

IT- Network Maintenance and Repair (5154) $14,500

Computer hardware repair and maintenance

Finance – Professional Services (5063) $33,850

Annual audit and tax return

Board of Directors (5069) $50,000

Elections, consultants

Nomination and Elections- Professional Services (5063) $5,000

Candidate recruitment, candidate forums

HR- Payroll Processing Fees (5059) $45,000

Payroll services Paycom

HR- Procurement (5026) $6,000

Drug testing and background checks

Communications- Printing (5140) $60,000

Recreation catalogs, clubs' catalog, monthly newsletters, governance docs

Communications-Events and GVR promotion (5050) $10,000

KVGY print and radio, social media ads, and magazine listing

Communications -Dues and Subscriptions (5065) $10,500

Mailchimp for eblast, online publications

Administration - Real Estate Taxes (5066) $40,402

Assuming exemptions not approved

Administration- Property Taxes (5067) $13,130

Taxes on personal property

Administration- Commercial Insurance (5020) $447,064

5% midyear increase expected

Administration – Investment Expense (9030) $75,000

Fees related to reserve accounts and JPM long- and short-term operating accounts

Administration – Credit Card Fees (5058) $57,895

Fees charged to GVR for accepting payment by credit card

Field Services

In 2025, Field Services became a new division that combines Custodial, Recreation Services Attendant (RSA), and Center Operations Assistant (COA) staff members into one group. This new approach separated Recreation and Field Services into two divisions and removed custodial from the Facilities Department. Field Services staffers are cross trained and able to perform various roles, maximizing efficiency and quality. In 2026, Field Services team members will again be assigned to GVR centers – a change from the "zones" approach of 2024. This should result in greater accountability and "pride of ownership" ensuring GVR facilities are kept up to the high standard that members expect.

Budget Highlights

All field services personnel costs are grouped to this division including RSAs, COAs, and custodial personnel.

Figure 22 **Field Services Personnel 2022-2026**

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Field Services	0	0	0	30.9	30.6
Custodial	31	10	2	5.3	5.4
Total Personnel	**31**	**10**	**2**	**36.2**	**36.0**

Figure 23 **Field Services, Summary of Expenditures 2022-2026**

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Salaries & Wages	$846,983	$200,001	$131,198	$1,431,260	$1,575,025
Taxes	$66,810	$16,107	$10,727	$114,501	$119,185
Benefits	$170,860	$19,421	$36,066	$210,532	$241,471
Other Operating Costs	$112,480	$175,296	$341,402	$164,130	$176,740
Total Expenditures	**$1,197,133**	**$410,825**	**$519,393**	**$1,920,423**	**$2,112,421**

Other Operating Costs

Operating Supplies (5166) $125,000

Custodial supplies

Conferences and Training (5029) $1,800

Supervisor training, International Sanitary Supply Association (ISSA) Conference

Maintenance Contracts (5125) $6,500

Window Cleaning

Equipment- New (5181) $3,000

Floor cleaning machines

Recreation Services Department

Recreation Services is responsible for supporting clubs and delivering all programs and events including concerts, dances, leisure education, personal training, tours, movies, and other free events.

Significant 2025 Accomplishments

Thanks to a staff commitment to steadily grow and diversify programs and events, the Recreation Department is projected to complete 2025 and continue into 2026 with very favorable numbers.

- Leisure Education class attendance, thru August of each year, is up 12% in 2025 over 2024. This is noteworthy as it follows a 34% increase in attendance the year

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prior, and is driven by new classes including opera, auto repair, synchronized swimming, meteorology, and photography.

- While we're not at the event/tour attendance level we budgeted for – our 2025 projections were based on some assumptions related to concerts/tours we hoped to schedule at the time 2025's budget was prepared – we're still 79% ahead of 2024's attendance numbers through August. 2026's budget is based on events/tours we've actually scheduled and will reflect an additional 65% attendance increase brought about by an increase in individual events and tours compared to 2025.
- Personal training activity grew 458% from 2022 through 2024; we are maintaining these numbers in 2025 and will again in 2026.

Figure 24 **Recreation Servies Personnel 2022-2025**

Positions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Recreation	23	34.4	37	8.6	8.6
Total Personnel	**23**	**34.4**	**37**	**8.6**	**8.6**

Figure 25 **Recreation Services, Summary of Expenditures, 2022-2026**

Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Salaries & Wages	$920,763	$1,386,893	$1,419,049	$472,450	$459,082
Taxes	$70,303	$105,600	$126,304	$37,796	$35,117
Benefits	$171,516	$296,350	$290,858	$77,132	$94,558
Other Operating Costs	$525,035	$581,988	$567,613	$915,427	$896,121
Total Expenditures	**$1,687,617**	**$2,370,831**	**$2,403,824**	**$1,502,805**	**$1,484,878**

Other Operating Costs

Recreation Contracts (5040) $651,787

Expenses directly related to recreation revenue: Concerts ($184,503) "Personal Trainers" ($81,000) Class instructors ($273,000) Tours ($77,864)

Food and Catering (5070) $75,863

Event food and catering, concerts, paint and sip

Rentals (5080) $4,950

Sixteen paid movies and two free outdoor movies

Event Supplies (5045)	$29,006

Supplies for free events ($11,000) supplies for concerts, dinners and dance such as table cloths, décor, set ups ($18,006)

Repair and Maintenance- Equipment (5152)	$37,774

Monthly maintenance contracts for fitness equipment

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CLOSING

GVR provides important services to a unique population of approximately **22,369** members in Green Valley Arizona. Our lean ratio of **one** staff position to every **254** members demonstrates how we strive to make every dollar count. GVR continues to focus on providing excellent customer service and improving service delivery while minimizing costs. The past year, it has been challenging to balance and prioritize the needs of our organization with the limited resources available. In developing the FY2026 Budget, we have made every attempt to find savings while keeping our 2022-26 Five-Year Strategic Plan as our guide. As we enter the next fiscal year, we will again need to closely monitor revenues and expenditures to ensure that revenues are coming in as budgeted and make any necessary expenditure adjustments throughout the year. We are confident that staff will continue to meet this challenge. The budget process is a team effort and reflects many hours of hard work on the part of staff, Planning and Evaluation Committee members, Fiscal Affairs Committee members, and the GVR Board of Directors. We extend special thanks for the hard work of staff and the management team, particularly David Webster, CFO, in developing the FY2026 Budget. In summary, this 2026 Budget accomplishes the Bylaws requirement that GVR “shall be guided by the actual expense of operating the recreational facilities of the corporation, including a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis.” This budget is a solid foundation to keep GVR fiscally strong and responsive to its members.

Scott Somers, CEO

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Worksheets and Tables

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GVR	2026 Budget	Revised Plan B
	Full Time Equivalents	88
	Head Count	104
Revenue	Member Dues	7,568,960
	LC,Trans., Crd Fees.	800,700
	Capital Revenue	2,860,800
	Membership Revenue	11,230,460
	Programs	571,456
	Instructional	498,000
	Recreational Revenue	1,069,456
	Investment Income	435,000
	Cell Tower Lease Inc.	48,919
	Comm. Revenue	48,919
	Other Income	121,350
	Facility Rent/Leases	18,620
	Contributed Income	-
	Other Revenue	139,970
	Total Operating Revenue	12,923,805
Expenses	Major Proj.-Rep. & Maint.	238,970
	Facility Maintenance	421,600
	Fees & Assessments	1,000
	Utilities	1,084,093
	Depreciation	1,268,520
	Furniture & Equipment	229,874
	Vehicle Expenses	80,000
	Facilities & Equipment	3,324,057
	Wages	4,584,295
	Payroll Taxes	355,699
	Benefits	897,672
	Personnel	5,837,666
	Food & Catering	78,698
	Recreation Contracts	651,787
	Bank & Credit Card Fees	67,895
	Program	798,380
	Communications	107,569
	Printing	129,500
	Advertising	11,000
	Communications	248,069
	Supplies	570,906
	Postage	21,125
	Dues & Subscriptions	13,687
	Travel	8,622
	Other Operating Expense	101,450
	Operations	715,790
	Information Technology	142,777
	Professional Fees	234,350
	Commercial Insurance	447,064
	Taxes	53,532
	Conferences & Training	24,200
	Employee Recognition	13,000
	Corporate Expenses	914,923
	Total Operating Expenses	11,838,885
Net	Gross surplus(Rev-Exp)/ Net Cash	1,084,920
	Accrual Basis Net from Operatic	1,084,920
Adj. to Cash Basis	Subtract:	
	Non-Reserve Capital Projects	(20,000)
	Income From Reserve Funds	(260,400)
	Reserved Funding/Initiatives	(575,040)
	MRR B (Pools & Spas)	(342,783)
	Deduct non cash In Kind Reven	(4,000)
	Reserve Funding/MRR A	(1,400,102)
	Cash Basis Change in Net Assets Ne	(1,517,405)
	Add Back:	
	MRR Operating Expenses.	172,885
	Depreciation	1,268,520
	Expenses from Reserve Funds	76,000
	Cash Basis Net Surplus (Deficit)	-

2026 Budget	2023 1..12 Actual	2024 1..12 Actual	2025 1..12 Budget	2025 1..12 Projected	2026 1..12 Budget	2026 Budget v. 2025 Projected		2026 Budget v 2025 Budgeted	
Full Time Equivalents	93	96	90.8	90.8	88				
Head Count	113	109	104	104	104				
Member Dues	7,051,930	7,134,340	7,350,040	7,364,282	7,568,960	204,678	2.8%	218,920	3.0%
LC,Trans., Crd Fees.	740,844	685,399	729,376	740,021	800,700	60,679	8.2%	71,324	9.8%
Capital Revenue	2,753,060	2,428,476	2,724,900	2,765,600	2,860,800	95,200	3.4%	135,900	5.0%
Membership Revenue	10,545,834	10,248,215	10,804,316	10,869,903	11,230,460	360,557	3.3%	426,144	3.9%
Programs	108,503	276,359	629,718	320,169	571,456	251,287	78.5%	(58,262)	-9.3%
Instructional	405,592	497,714	480,000	498,000	498,000	-	0.0%	18,000	3.8%
Recreational Revenue	514,095	774,073	1,109,718	818,169	1,069,456	251,287	30.7%	(40,262)	-3.6%
Investment Income	456,354	426,501	435,000	511,030	435,000	(76,030)	-14.9%	-	0.0%
Cell Tower Lease Inc.	47,478	49,004	48,919	48,919	48,919	-	0.0%	-	0.0%
Comm. Revenue	47,478	49,004	48,919	48,919	48,919	-	0.0%	-	0.0%
Other Income	86,482	108,450	173,100	114,487	121,350	6,863	6.0%	(51,750)	-29.9%
Facility Rent/Leases	20,822	26,825	41,500	18,620	18,620	-	0.0%	(22,880)	-55.1%
Contributed Income	-	4,000		4,000				-	
Other Revenue	107,304	139,275	214,600	137,107	139,970	2,863	2.1%	(74,630)	-34.8%
								-	
Total Operating Revenue	11,671,065	11,637,068	12,612,553	12,385,128	12,923,805	538,677	4.3%	311,252	2.5%
Major Proj.-Rep. & Maint.	426,871	381,608	206,143	210,565	238,970	28,405	13.5%	32,827	15.9%
Facility Maintenance	408,591	322,133	396,230	385,585	421,600	36,015	9.3%	25,370	6.4%
Fees & Assessments	14,905	4,313	2,000	1,000	1,000	-	0.0%	(1,000)	-50.0%
Utilities	1,081,395	1,105,703	1,081,000	999,924	1,084,093	84,169	8.4%	3,093	0.3%
Depreciation	1,362,706	1,327,643	1,268,520	1,358,858	1,268,520	(90,338)	-6.6%	-	0.0%
Furniture & Equipment	298,233	244,376	198,963	232,201	229,874	(2,327)	-1.0%	30,911	15.5%
Vehicle Expenses	96,330	90,018	100,000	69,052	80,000	10,948	15.9%	(20,000)	-20.0%
Facilities & Equipment	3,689,031	3,475,794	3,252,856	3,257,185	3,324,057	66,872	2.1%	71,201	2.2%
Wages	3,837,632	4,418,358	4,653,287	4,405,697	4,584,295	178,599	4.1%	(68,992)	-1.5%
Payroll Taxes	288,685	339,006	370,215	355,607	355,699	91	0.0%	(14,516)	-3.9%
Benefits	888,922	808,411	790,024	918,125	897,672	(20,453)	-2.2%	107,648	13.6%
Personnel	5,015,239	5,565,775	5,813,526	5,679,429	5,837,665	158,236	2.8%	24,139	0.4%
Food & Catering	30,936	47,818	92,310	25,703	78,698	52,995	206.2%	(13,612)	-14.7%
Recreation Contracts	368,360	516,714	712,086	537,579	651,787	114,208	21.2%	(60,299)	-8.5%
Bank & Credit Card Fees	73,550	77,903	81,500	63,144	67,895	4,751	7.5%	(13,605)	-16.7%
Program	472,846	642,435	885,896	626,427	798,380	171,954	27.4%	(87,516)	-9.9%
Communications	104,443	114,861	109,900	108,542	107,569	(973)	-0.9%	(2,331)	-2.1%
Printing	81,655	87,754	97,000	90,156	129,500	39,344	43.6%	32,500	33.5%
Advertising	28,380	29,031	18,000	9,516	11,000	1,484	15.6%	(7,000)	-38.9%
Communications	214,478	231,646	224,900	208,214	248,069	39,855	19.1%	23,169	10.3%
Supplies	547,041	475,773	547,100	495,680	570,906	75,226	15.2%	23,806	4.4%
Postage	17,587	23,683	19,500	18,593	21,125	2,532	13.6%	1,625	8.3%
Dues & Subscriptions	13,564	16,618	14,900	18,250	13,687	(4,563)	-25.0%	(1,213)	-8.1%
Travel	2,340	975	9,700	5,571	8,622	3,051	54.8%	(1,078)	-11.1%
Other Operating Expense	124,799	110,971	101,600	99,693	101,450	1,758	1.8%	(150)	-0.1%
Operations	705,331	628,020	692,800	637,787	715,790	78,004	12.2%	22,990	3.3%
Information Technology	161,641	106,363	137,041	141,286	142,777	1,491	1.1%	5,736	4.2%
Professional Fees	304,543	194,944	170,500	130,407	234,350	103,943	79.7%	63,850	37.4%
Commercial Insurance	340,565	380,115	417,185	427,249	447,064	19,815	4.6%	29,879	7.2%
Taxes	77,862	43,758	53,002	53,002	53,532	530	1.0%	530	1.0%
Conferences & Training	14,894	11,238	25,750	12,727	24,200	11,474	90.2%	(1,550)	-6.0%
Employee Recognition	13,872	13,324	12,500	12,555	13,000	445	3.5%	500	4.0%
Corporate Expenses	913,377	749,742	815,978	777,225	914,923	137,698	17.7%	98,945	12.1%
Total OperatingExpenses	11,010,302	11,293,412	11,685,956	11,186,266	11,838,884	652,618	5.8%	152,928	1.3%
Gross surplus(Rev-Exp)/ Net Cash Flov	660,763	343,656	926,597	1,198,862	1,084,921				
Accrual Basis Net from Operations	660,763	343,656	926,597	1,198,862	1,084,921				
Subtract:									
Non-Reserve Capital Projecs	(47,980)	(10,943)	(22,487)	(22,486)	(20,000)				
Income From Reserve Funds	(296,663)	(285,044)	(278,400)	(340,533)	(260,400)				
Reserved Funding/Initiatives	(559,835)	(487,495)	(547,770)	(555,350)	(575,040)				
MRR B (Pools & Spas)	(299,400)	(299,400)	(320,358)	(320,358)	(342,784)				
Deduct non cash In Kind Revenue		(4,000)	-	(4,000)	(4,000)				
Reserve Funding/MRR A	(1,169,946)	(1,220,295)	(1,300,102)	(1,300,102)	(1,400,102)				
Cash Basis Change in Net Assets Net of	(1,713,061)	(1,963,521)	(1,542,520)	(1,343,967)	(1,517,405)				
Add Back:									
MRR Operating Expenses.	283,441	356,082	200,000	54,356	172,885				
Depreciation	1,362,706	1,327,643	1,268,520	1,358,858	1,268,520				
Expenses from Reserve Funds	79,187	75,553	74,000	76,968	76,000				
Cash Basis Net Surplus (Deficit)	12,273	(204,243)	-	146,215	-				

Fee Schedule

Fee Schedule	2025 Fee	2025 # Transact.	2025 Budgeted Revenue	2026 Fee	2026 # Transact.	2026 Revenue
4000 - Annual Dues per Household	$ 530	13,868	$ 7,350,040	**$ 545**	**13,888**	**$ 7,568,960**
Life Care, Transfer, Tenant & Addl Card Fees						
4004 - Annual Life Care Member Dues	$ 530	48	$ 25,440	**$ 545**	**42**	**$ 22,890**
4005 - Transfer Fee (Resale)	$ 465	951	$ 442,215	**$ 470**	**1,040**	**$ 488,800**
Guest Card Fees Annual Pass	$ 80	1,400	$ 112,000			
Guest Card Daily Pass	$ 15	400	$ 6,000	**$ 10**	**400**	**$ 4,000**
Guest Card Weekly Pass				**$ 30**	**271**	**$ 8,135**
Guest Card Annual Pass (30 Day Punch Pass)				**$ 85**	**1,225**	**$ 104,160**
1-7 Days	$ 35	60	$ 2,100	**$ 40**	**60**	**$ 2,400**
2 Weeks	$ 45	72	$ 3,240	**$ 50**	**72**	**$ 3,600**
1 Month	$ 60	282	$ 16,920	**$ 65**	**282**	**$ 18,330**
2 Months	$ 95	220	$ 20,900	**$ 100**	**220**	**$ 22,000**
3 Months	$ 135	258	$ 34,830	**$ 140**	**258**	**$ 36,120**
4-12 Months	$ 170	385	$ 65,431	**$ -**	**0**	**$ -**
				$ 180	**95**	$ 17,100
				$ 215	**95**	$ 20,425
				$ 250	**195**	$ 48,540
4009 - Tenant Fees		1,277	$ 143,421		**1,277**	**$ 168,515**
4103 - Additional Card Fees	$ 105	60	$ 6,300	**$ 140**	**30**	**$ 4,200**
4206 - Membership Change Fee	$ 3,100	861	$ 2,669,100	**$ 3,200**	**876**	**$ 2,803,200**
4204 - Initial Fee	$ 3,100	18	$ 55,800	**$ 3,200**	**18**	**$ 57,600**
Capital Revenue			$ 2,724,900			**$ 2,860,800**
Late Fees	$ 25	3,200	$ 80,000	**$ 25**	**3,200**	**$ 80,000**
Estate Planning Fee	$ 105			**$ 105**		
GVR Card Issuance Fee				**$ 5**	**1,400**	**$ 7,000**
Card Replacement Fee	$ 20			**$ 5**	**250**	**$ 1,250**

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GVR	
Budget	
FY 2026	
	Budget 2026
INITIATIVES CAPITAL IMPROVEMENT PLAN:	
Del Sol Clubhouse Parking Lot Note	$ 11,000
West Center Lobby improvements	$ 190,000
West Center Club Expansion	$ 922,524
Las Campanas Fitness Expansion to Cypress Room	$ 100,000
Abrego South Locker Room Building	$ 250,000
West Center Expansion - Woodworking	$ -
Abrego South Pool Demolition	$ -
Pickleball Center Fencing	$ 50,000
Santa Rita Springs Fitness Center Expansion	$ 40,000
TOTAL BUDGETED INITIATIVES CAPITAL BUDGET	$ 1,563,524
NON RESERVE CAPITAL PROJECTS	$ 20,000
ABREGO SOUTH POOL REPLACEMENT (MRR-B)	$ 1,651,539
MRR CAPITAL PROJECTS 2026 REVISED	$ 2,532,877
GRAND TOTAL CAPITAL BUDGETS 2026	**$ 5,767,940**
2026 OPERATING BUDGET	$ 11,838,885
GRAND TOTAL BUDGETS, 2026	**$ 17,606,825**

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Five-year Capital Improvement Plan

GVR 2026 Budget Cash Funding Projections	Board Revisions - Plan B				
All Amounts Are Projections	PROJECTION				
	2026	2027	2028	2029	2030
Initiatives					
Beginning Balance	$ 1,261,772	$ 346,203	$ 354,669	$ 494,502	$ 569,103
Funding From Operations Revenue	$ 575,040	$ 587,684	$ 612,326	$ 637,371	$ 663,503
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 72,915	$ 31,782	$ 38,507	$ 48,230	$ 56,559
Total Revenue	**$ 647,955**	**$ 619,466**	**$ 650,833**	**$ 685,601**	**$ 720,062**
Projects:					
Del Sol Clubhouse Parking Lot Note	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)
WC Lobby improvements carryover from '25 Budget	$ (190,000)				
LC Fitness Expand to Cypress	$ (100,000)				
WC Club Expansion - Lapidary carryover from '25 Budget $1,034,524	$ (922,524)				
WC Club Expansion - Woodworking		$ (100,000)	$ (500,000)	$ (600,000)	
LC Third Tennis Court					$ (200,000)
SRAL Lower Level Expansion					$ (400,000)
Abrego South Locker Room Building	$ (250,000)	$ (500,000)			
Abrego Pool Demolition	$ -				
PBC Fencing	$ (50,000)				
Metal Arts Shop Yard					$ (35,000)
SRS Fitness Center Expansion	$ (40,000)				
Total Expenditures	**$(1,563,524)**	**$ (611,000)**	**$ (511,000)**	**$ (611,000)**	**$ (646,000)**
Ending Balance	**$ 346,203**	**$ 354,669**	**$ 494,502**	**$ 569,103**	**$ 643,165**
Maintenance Repair & Replacement					
Beginning Balance	$ 7,440,839	$ 7,001,867	$ 6,455,203	$ 6,528,504	$ 6,570,051
Annual Funding (per Reserve Study)	$ 1,400,102	$ 1,500,102	$ 1,600,102	$ 1,700,102	$ 1,800,102
Additional Funding					
Net Investment Earnings (actual IPS rate)	$ 693,803	$ 685,275	$ 622,480	$ 642,297	$ 607,757
Projects:					
Per Reserve Study REVISED	$ (2,532,877)	$ (2,732,040)	$ (2,149,281)	$ (2,300,852)	$ (1,593,077)
Ending Balance	**$ 7,001,867**	**$ 6,455,203**	**$ 6,528,504**	**$ 6,570,051**	**$ 7,384,833**
MRR Part B - Pools and Spas					
Beginning Balance	$ 1,584,531	$ 388,220	$ 799,047	$ 1,261,015	$ 1,779,010
Funding	$ 342,783	$ 366,778	$ 392,452	$ 419,924	$ 449,319
Additional Funding					
Net Investment Earnings	$ 112,445	$ 44,049	$ 69,516	$ 98,071	$ 130,007
Abrego South pool	$ (1,651,539)				
Ending Balance	**$ 388,220**	**$ 799,047**	**$ 1,261,015**	**$ 1,779,010**	**$ 2,358,336**
Subtotal Capital Projects Reserves	**$ 7,736,290**	**$ 7,608,919**	**$ 8,284,021**	**$ 8,918,164**	**$ 10,386,334**
Emergency					
Beginning Balance	$ 553,270	$ 597,270	$ 645,270	$ 697,270	$ 753,270
Annual Funding	$ -	$ -	$ -	$ -	$ -
Transfer to Initiative					
Net Investment Earnings	$ 44,000	$ 48,000	$ 52,000	$ 56,000	$ 60,000
Projects:					
Ending Balance	**$ 597,270**	**$ 645,270**	**$ 697,270**	**$ 753,270**	**$ 813,270**
Total Board Designated Funds	**$ 8,333,560**	**$ 8,254,189**	**$ 8,981,291**	**$ 9,671,434**	**$ 11,199,604**

2026 Budget

	Budget 2026	2027	2028	2029
		Revised Forecast		
Full Time Equivalents	88	88	88	88
Head Count	104	104	104	104
Member Dues	7,568,960	7,991,350	8,303,076	8,601,324
LC,Trans., Crd Fees.	800,700	813,085	818,705	823,905
Capital Revenue	2,860,800	2,923,800	3,046,400	3,171,000
Membership Revenue	11,230,460	11,728,235	12,168,181	12,596,229
Programs	571,456	600,029	642,031	699,814
Instructional	498,000	512,940	538,587	576,288
Recreational Revenue	1,069,456	1,112,969	1,180,618	1,276,102
Investment Income	435,000	443,700	452,574	461,625
Cell Tower Lease Inc.	48,919	48,919	48,919	48,919
Comm. Revenue	48,919	48,919	48,919	48,919
Other Income	121,350	123,777	126,871	130,678
Facility Rent/Leases	18,620	19,179	19,754	20,347
Contributed Income	-	-	-	-
Other Revenue	139,970	142,956	146,625	151,024
Total Operating Revenue	12,923,805	13,476,778	13,996,917	14,533,899
Major Proj.-Rep. & Maint.	238,970	243,749	249,234	254,842
Facility Maintenance	421,600	430,032	439,708	449,601
Fees & Assessments	1,000	1,020	1,043	1,066
Utilities	1,084,093	1,133,212	1,161,195	1,191,244
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Furniture & Equipment	229,874	234,471	239,747	245,141
Vehicle Expenses	80,000	81,600	83,436	85,313
Facilities & Equipment	3,324,057	3,417,975	3,497,365	3,579,978
Wages	4,584,295	4,767,667	4,958,373	5,156,708
Payroll Taxes	355,699	369,927	384,724	400,113
Benefits	897,672	942,555	980,257	1,019,468
Personnel	5,837,666	6,080,149	6,323,355	6,576,289
Food & Catering	78,698	80,272	82,078	83,925
Recreation Contracts	651,787	677,858	711,751	747,339
Bank & Credit Card Fees	67,895	69,253	70,811	72,405
Program	798,380	827,384	864,641	903,668
Communications	107,569	109,720	112,189	114,713
Printing	129,500	132,090	135,062	138,101
Advertising	11,000	11,220	11,472	11,731
Communications	248,069	253,030	258,724	264,545
Supplies	570,906	582,324	595,426	608,824
Postage	21,125	21,548	22,032	22,528
Dues & Subscriptions	13,687	13,961	14,275	14,596
Travel	8,622	8,794	8,992	9,195
Other Operating Expense	101,450	103,479	105,807	108,188
Operations	715,790	730,106	746,533	763,330
Information Technology	142,777	145,633	148,909	152,260
Professional Fees	234,350	237,551	243,023	248,561
Commercial Insurance	447,064	458,680	472,441	486,614
Taxes	53,532	30,803	32,031	33,287
Conferences & Training	24,200	24,684	25,239	25,807
Employee Recognition	13,000	13,260	13,558	13,863
Corporate Expenses	914,923	910,611	935,202	960,393
Total Operating Expenses	11,838,885	12,219,255	12,625,820	13,048,204
Gross surplus(Rev-Exp)/ Net Cas	1,084,920	1,257,524	1,371,097	1,485,696
		-	-	-
Accrual Basis Net from Operatic	1,084,920	1,257,524	1,371,097	1,485,696
Subtract:		(4,000)	(4,000)	(4,000)
Non-Reserve Capital Projects	(20,000)	(100,000)	(100,000)	(100,000)
Income From Reserve Funds	(260,400)	(288,405)	(294,173)	(300,057)
Reserved Funding/Initiatives	(575,040)	(587,684)	(612,326)	(637,371)
MRR B (Pools & Spas)	(342,783)	(358,474)	(383,567)	(410,416)
Deduct non cash In Kind Rev	(4,000)			
Reserve Funding/MRR A	(1,400,102)	(1,500,102)	(1,600,102)	(1,700,102)
Cash Basis Change in Net Assets	(1,517,405)	(1,581,141)	(1,623,071)	(1,666,250)
Add Back:				
MRR Operating Expenses.	172,885	210,000	220,500	231,525
Depreciation	1,268,520	1,293,890	1,323,003	1,352,771
Expenses from Reserve Funds	76,000	77,250	79,568	81,955
Cash Basis Net Surplus (Deficit)	-	-	-	-

Fee Schedule

	2025			**2026**			2027			2028			2029		
	Fee	# Transact.	Budgeted Revenue	**Fee**	**# Transact.**	**Revenue**	Fee	# Transact.	Revenue	Fee	# Transact.	Revenue	Fee	# Transact.	Revenue
4000 - Annual Dues per Household	$ 530	13,868	$ 7,350,040	**$ 545**	**13,888**	**$ 7,568,960**	$ 575	13,898	$ 7,991,350	$ 597	13,908	$ 8,303,076	$ 618	13,918	$ 8,601,324
Life Care, Transfer, Tenant & Addl Card Fees															
4004 - Annual Life Care Member Dues	$ 530	48	$ 25,440	**$ 545**	**42**	**$ 22,890**	$ 575	42	$ 24,150	$ 597	42	$ 25,074	$ 618	42	$ 25,956
4005 - Transfer Fee (Resale)	$ 465	951	$ 442,215	**$ 470**	**1,040**	**$ 488,800**	$ 475	1,040	$ 494,000	$ 480	1,040	$ 499,200	$ 485	1,040	$ 504,400
Guest Card Fees Annual Pass	$ 80	1,400	$ 112,000												
Guest Card Daily Pass	$ 15	400	$ 6,000	**$ 10**	**400**	**$ 4,000**	$ 10	400	$ 4,000	$ 10	400	$ 4,000	$ 10	400	$ 4,000
Guest Card Weekly Pass				**$ 30**	**271**	**$ 8,135**	$ 30	271	$ 8,130	$ 30	271	$ 8,130	$ 30	271	$ 8,130
Guest Card Annual Pass (30 Day Punch Pass)				**$ 85**	**1,225**	**$ 104,160**	$ 85	1,302	$ 110,670	$ 85	1,302	$ 110,670	$ 85	1,302	$ 110,670
1-7 Days	$ 35	60	$ 2,100	**$ 40**	**60**	**$ 2,400**	$ 45	60	$ 2,700	$ 45	60	$ 2,700	$ 45	60	$ 2,700
2 Weeks	$ 45	72	$ 3,240	**$ 50**	**72**	**$ 3,600**	$ 55	72	$ 3,960	$ 55	72	$ 3,960	$ 55	72	$ 3,960
1 Month	$ 60	282	$ 16,920	**$ 65**	**282**	**$ 18,330**	$ 70	282	$ 19,740	$ 70	282	$ 19,740	$ 70	282	$ 19,740
2 Months	$ 95	220	$ 20,900	**$ 100**	**220**	**$ 22,000**	$ 105	220	$ 23,100	$ 105	220	$ 23,100	$ 105	220	$ 23,100
3 Months	$ 135	258	$ 34,830	**$ 140**	**258**	**$ 36,120**	$ 145	258	$ 37,410	$ 145	258	$ 37,410	$ 145	258	$ 37,410
4-12 Months	$ 170	385	$ 65,431	**$ -**	**0**	**$ -**	$ 180	0	$ -	$ 180	0	$ -	$ 180	0	$ -
				$ 180	**95**	$ 17,100	$ 180	95	$ 17,100	$ 180	95	$ 17,100	$ 180	95	$ 17,100
				$ 215	**95**	$ 20,425	$ 215	95	$ 20,425	$ 215	95	$ 20,425	$ 215	95	$ 20,425
				$ 250	**195**	$ 48,540	$ 250	195	$ 48,540	$ 250	195	$ 48,540	$ 250	195	$ 48,540
4009 - Tenant Fees		1,277	$ 143,421		**1,277**	**$ 168,515**		1,277	$ 172,975		1,277	$ 172,975		1,277	$ 172,975
4103 - Additional Card Fees	$ 105	60	$ 6,300	**$ 140**	**30**	**$ 4,200**	$ 170	30	$ 5,100	$ 200	30	$ 6,000	$ 230	30	$ 6,900
4206 - Membership Change Fee	$3,100	861	$ 2,669,100	**$3,200**	**876**	**$ 2,803,200**	$3,300	886	$ 2,923,800	$3,400	896	$ 3,046,400	$3,500	906	$ 3,171,000
4204 - Initial Fee	$3,100	18	$ 55,800	**$3,200**	**18**	**$ 57,600**	$3,300	20	$ 66,000	$3,400	20	$ 68,000	$3,500	20	$ 70,000
Capital Revenue			$ 2,724,900			**$ 2,860,800**			$ 2,989,800			$ 3,114,400			$ 3,241,000
Late Fees	$ 25	3,200	$ 80,000	**$ 25**	**3,200**	**$ 80,000**	$ 25	3,200	$ 80,000	$ 25	3,200	$ 80,000	$ 25	3,200	$ 80,000
Estate Planning Fee	$ 105			**$ 105**			$ 105			$ 105			$ 105		
GVR Card Issuance Fee				**$ 5**	**1,400**	**$ 7,000**	$ 5	1,400	$ 7,000	$ 5	1,400	$ 7,000	$ 5	1,400	$ 7,000
Card Replacement Fee	$ 20			**$ 5**	**250**	**$ 1,250**	$ 5	250	$ 1,250	$ 5	250	$ 1,250	$ 5	250	$ 1,250

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Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Set Record Date

Prepared By: Nanci Moyo, Admin. Sup. **Meeting Date:** October 22, 2025

Presented By: Beth Dingman, Chair N&E **Consent Agenda:** No

Originating Committee / Department:
Nominations and Elections Committee (N&E)

Action Requested:
Set the Record Date for January 28, 2026.

Strategic Plan Goal:
GOAL 5: Provide sound, effective governance and leadership for the corporation

Background Justification:
Each year, the Board of Directors either approves the Record Date recommended by the N&E Committee or selects an alternative date for approval. According to the CPM (Part 3, Section 6), the N&E Committee is tasked with recommending a Record Date to the Board, which should be no more than thirty (30) days before the election. If the Board does not establish a Record Date, the default Record Date will be the date the ballots are delivered

Fiscal Impact:
None

Board Options:

1) Approve the Record Date submitted by the N&E Committee.
2) Change the Record Date.

Staff Recommendation:
Option #1

Recommended Motion:
Move to approve January 28, 2026, as the Record Date to determine the eligible roster of voting members.

Attachments:
None

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Fiscal Affairs Committee Recommended Corporate Policy Manual Change to Part 6

Prepared By: Nanci Moyo, Admin. Sup.
Meeting Date: October 22, 2025

Presented By: Nellie Johnson, FAC Chair
Consent Agenda: No

Originating Committee / Department:
Fiscal Affairs Committee (FAC)

Action Requested:
Review and approve a change to the Corporate Policy Manual (CPM) in Part 6 GVR Programs and Clubs, Section 2 GVR Club, 6.2.6.A. Facilities.

Strategic Plan
Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities
Goal 4: Cultivate and maintain a sound financial base that generates good value for our members

Background Justification:
Fiscal Affairs Committee recommended the change to the CPM Part 6, 6.2.6.A by adding "…as documented in a Memorandum of Understanding (MOU) between the Board and the Club." This MOU would state the understanding between the Board and the Club of the commitment of both entities for the dedicated space, needs, and equipment.

Currently 6.2.6.A reads: Requests for dedicated space shall be evaluated on a case-by-case basis. The cost of any modification or expansion of facilities may be shared if mutually agreed upon. Any such expansion or modification shall become the property of GVR.

Redline version with addition for 6.2.6.A reads: Requests for dedicated space shall be evaluated on a case-by-case basis. The cost of any modification or expansion of facilities may be shared if mutually agreed upon as documented in a Memorandum of Understanding between the Board and the Club. Any such expansion or modification shall become the property of GVR.

Fiscal Impact:
None

Board Options:
1) Approve the addition to 6.2.6.A.
2) Revise and approve changes to 6.2.6.A.

Staff Recommendation:
Option 1

Recommended Motion:
Move to approve the addition to 6.2.6.A "…as documented in a Memorandum of Understanding between the Board and the Club."