



AGENDA

BOARD OF DIRECTORS WORK SESSION

Wednesday, October 8, 2025, 2:00pm
WC Room 2 / 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, Bev Lawless, Lanny Smith, Jodie Walker, Scott Somers (non-voting)

AGENDA TOPIC

- 2:00 **1. Call to Order / Roll Call**

- 2:05 **2. Amend / Approve Agenda**

- 2:10 **3. Staff Presents the Recommended Fee Schedule,
Operating Budget, and Capital Improvement Plan, and
Capital Budget**

- 3:50 **4. Member Comments**

- 4:00 **5. Adjournment**

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



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:

Original Staff Draft 2026 Operating Budget

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
Full Time Equivalents	88	88	88	Revised Forecast with FAC Recommendations		
Head Count	104	104	104	88	88	88
				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 Flow	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							
		Original 2026 Budget Presented by Staff	Incr. %	Revised 2026 Fees Updated by FAC	Incr. %	Staff 2026 Fees Revisions to FAC Updates	Incr. %
	Actual Rate FY 2025						
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					
	2026	2027	PROJECTION 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



2026 BUDGET

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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 constraints 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.

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 2026 projected income and expenses are included for comparison purposes (page 30) 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 (pages 34-35).

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 a continued decline in the real estate market in 2025, 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

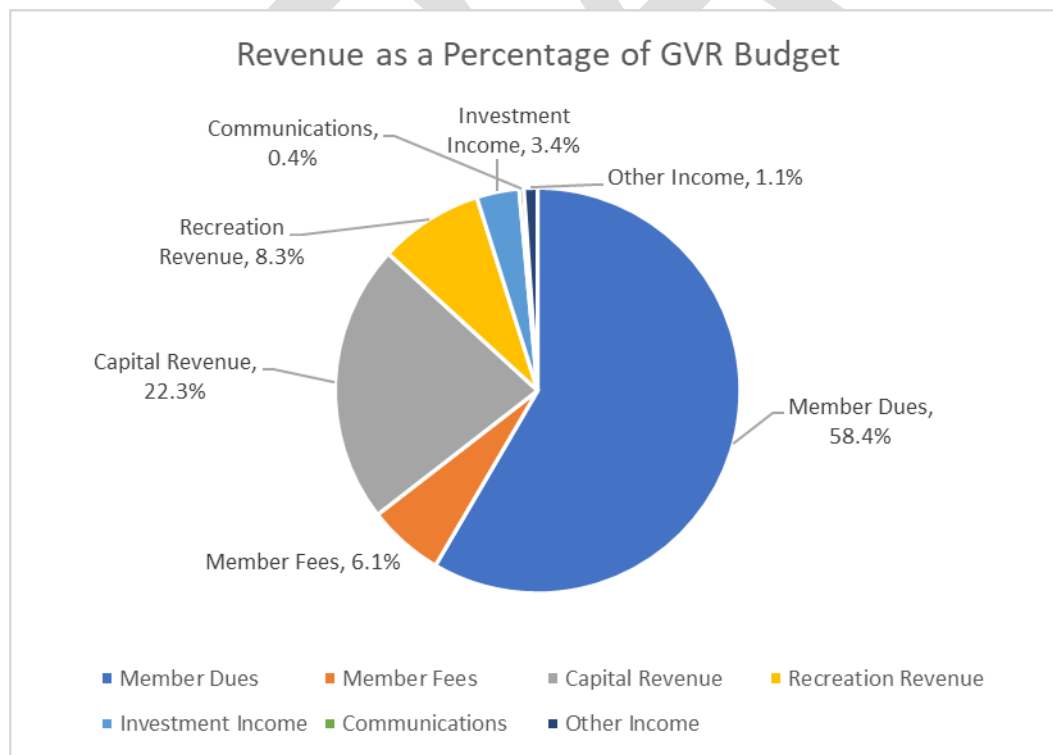
Revenue

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

	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	\$ 7,364,282	\$ 7,499,520
Member Fees	\$ 700,464	\$ 785,602	\$ 740,844	\$ 685,399	\$ 729,376	\$ 740,021	\$ 781,800
Capital Revenue	\$ 3,147,953	\$ 3,099,400	\$ 2,753,060	\$ 2,428,476	\$ 2,724,900	\$ 2,765,600	\$ 2,860,800
Recreation Revenue	\$ 212,685	\$ 401,553	\$ 514,095	\$ 774,073	\$ 1,123,718	\$ 818,169	\$ 1,069,456
Investment Income	\$ 291,923	\$ 372,078	\$ 456,354	\$ 426,501	\$ 435,000	\$ 511,030	\$ 435,000
Communications	\$ 64,159	\$ 43,105	\$ 47,478	\$ 49,004	\$ 48,919	\$ 48,919	\$ 48,919
Other Income	\$ 111,081	\$ 112,273	\$ 107,844	\$ 139,275	\$ 200,600	\$ 137,107	\$ 139,970
Total Revenue	\$ 11,471,992	\$ 11,761,351	\$ 11,671,065	\$ 11,637,068	\$ 12,612,553	\$ 12,385,128	\$ 12,835,465

Figure 2 Revenue Budgeted Highlights, Fiscal Year 2026



A summary of the fee changes are as follows:

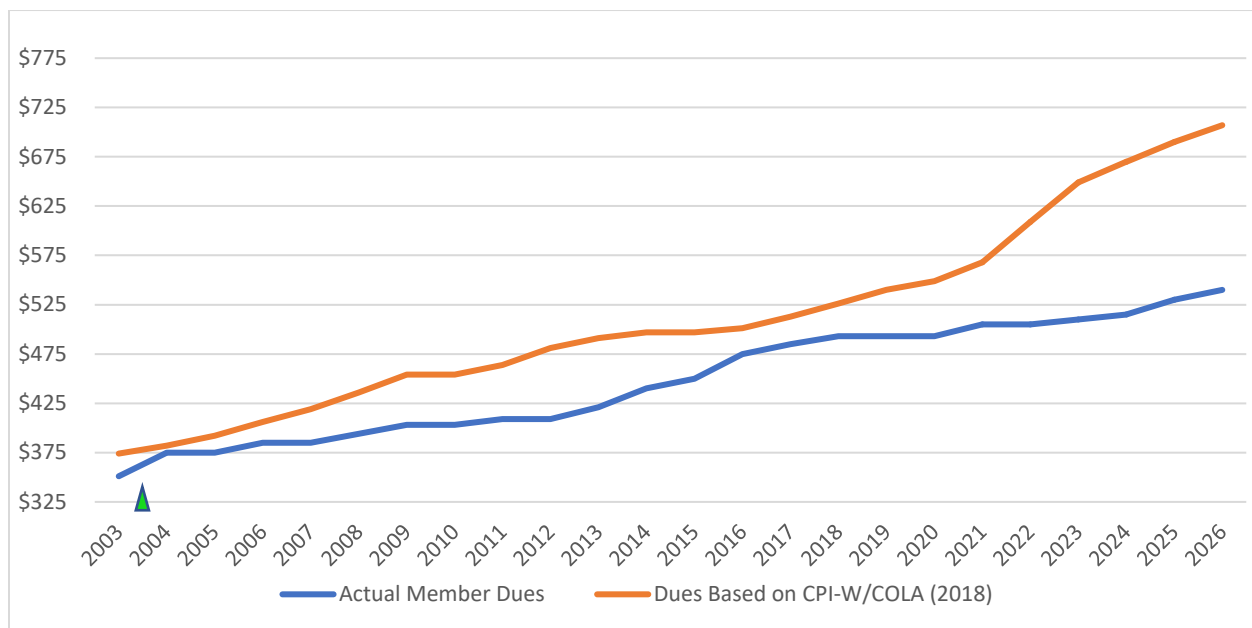
- Member dues: 2025 rate of \$530 increases \$10 to \$540 for 2026 (1.9%).
- Initial Fee: 2025 rate of \$3,100 increases to \$3,200 for 2026 (3.3%).
- Membership Change Fee (MCF): 2025 rate of \$3,100 increases to \$3,200 for 2026 (3.3%).
- Tenant Fees:
 - 1 – 7 Days rate increase from \$35 to \$40
 - 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
 - 4 – 12 Months rate increase from \$170 to \$175
 - Late Fees are not increased and remain \$25

Guest card fees are revised to include a weekly guest card pass for \$30 per pass, and a 30-day guest card punch pass for \$80 per card.

The calculation of revenue is as follows:

Total member dues are based on 13,888 properties at \$540 per member household. This dues rate reflects a **\$10 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 \$10 or 1.89% is below this CPM benchmark.

Figure 3 Actual 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 \$170 difference in 2026. See Figure 4 for past years' dues rates.

Figure 4

GVR	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actual Member Dues	\$ 351	\$ 375	\$ 375	\$ 385	\$ 385	\$ 394	\$ 403	\$ 403	\$ 409	\$ 409	\$ 421	\$ 440
Dues Based on CPI-W/COLA (2018)	\$ 374	\$ 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	\$ 540
Dues Based on CPI-W/COLA (2018)	\$ 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 budget 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:

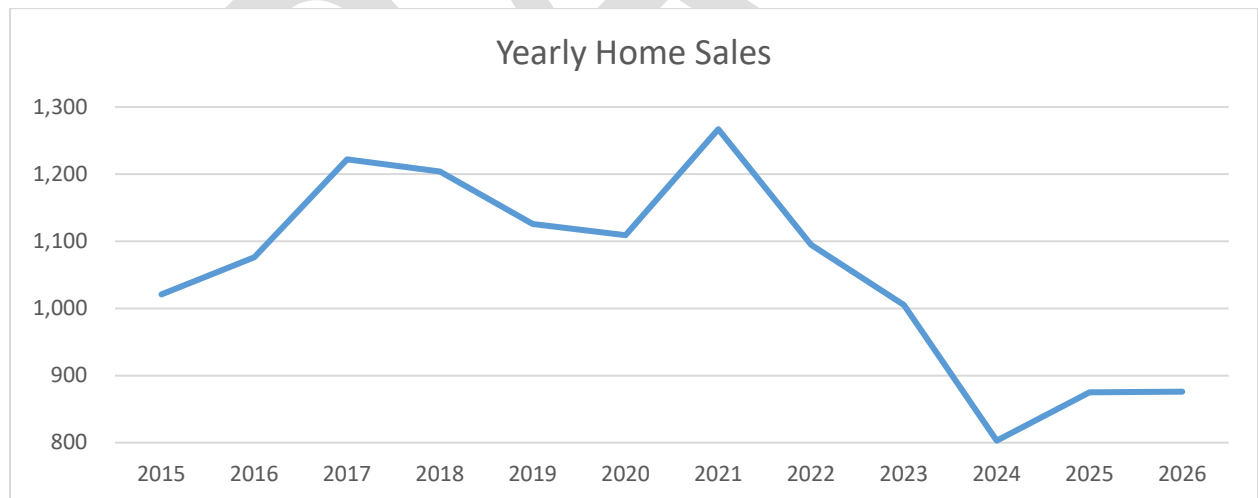
Figure 5

Home Sales 2015-2026												
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025	2026
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Projected	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 effectively unchanged at 876 compared to 875 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



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

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

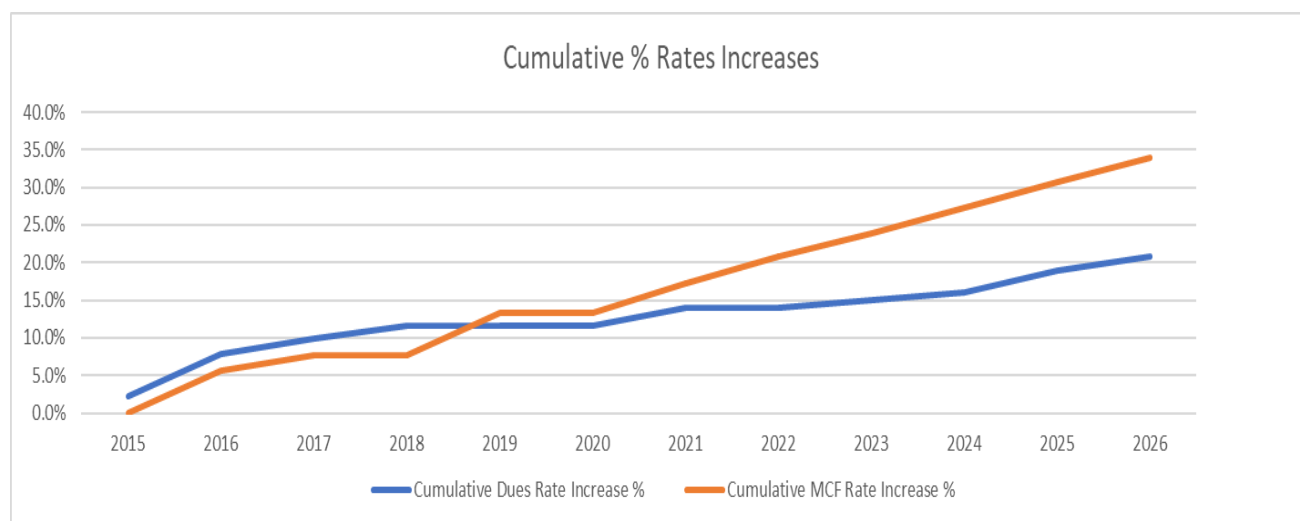


Figure 8 Historical Increases in GVR Dues and Member Change Fees, 2015-2026

	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	\$540
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%	1.9%
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	\$7,132,750	\$7,340,500	\$7,499,520
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	\$2,724,900	\$2,796,800
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%	20.8%
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. The program revenue budget in 2026 is offset by recreation expense contracts that generally equal 70% of the recreation revenue.

The total anticipated revenue for 2026 is \$12,835,465, which is an increase of \$222,912 (1.8%) from the 2025 Budget.

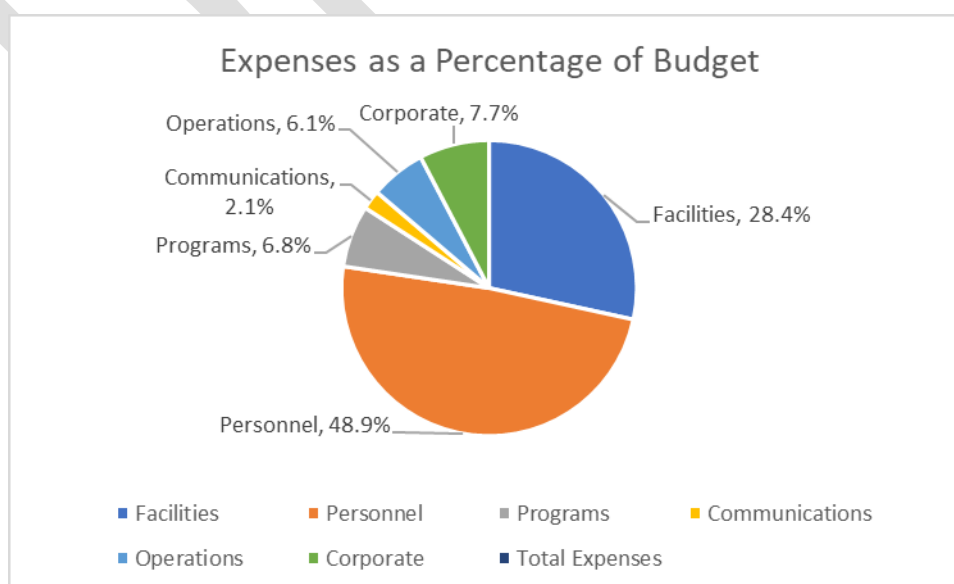
Expenditures

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	\$ 3,257,185	\$ 3,346,364
Personnel	\$ 5,376,214	\$ 5,143,126	\$ 5,015,239	\$ 5,565,775	\$ 5,813,526	\$ 5,679,429	\$ 5,764,780
Programs	\$ 327,080	\$ 463,890	\$ 472,846	\$ 642,435	\$ 885,896	\$ 630,160	\$ 798,380
Communications	\$ 178,432	\$ 209,141	\$ 214,478	\$ 231,646	\$ 224,900	\$ 208,214	\$ 248,069
Operations	\$ 475,835	\$ 592,522	\$ 705,331	\$ 628,020	\$ 692,800	\$ 637,787	\$ 715,790
Corporate	\$ 716,659	\$ 759,851	\$ 913,377	\$ 749,742	\$ 815,978	\$ 777,225	\$ 904,923
Total Expenses	\$ 10,656,994	\$ 10,511,757	\$ 11,010,302	\$ 11,293,412	\$ 11,685,956	\$ 11,189,999	\$ 11,778,306

Figure 10 Budgeted Expenditures by Category



Personnel

The 2026 personnel costs include a 2.5% 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 budget for 2026 reflects a \$48,746 (-0.8%) total decrease 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% 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. While headcount has stabilized after reductions in 2023–2024, compensation continues to trail the market. Budgeted wages for 2026 total \$4,516,000, which reflects a 2.5% aggregate increase. Due to decreases in housing sales, it has been difficult to implement the Board's original three-year compensation plan, which has extended into a five- to seven-year glidepath, as annual underfunding has allowed the shortfall to compound. Benefits remain a strong differentiator however employee pulse and exit surveys indicate that base pay continues to be the lowest-rated factor in employee satisfaction.

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%) 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 \$2,284,741 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 detailed on page 33 and includes funding in the amount of \$335,022. 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 required and approved by the board.
- The Non-Reserve Capital projects amount for the 2026 budget equals a total of \$0 in capital projects that are funded with operational funds.
- The Initiatives Capital Projects budgeted for 2026 are on page 33.
- The Emergency Fund is included on page 33 and there are no budgeted expenditures.

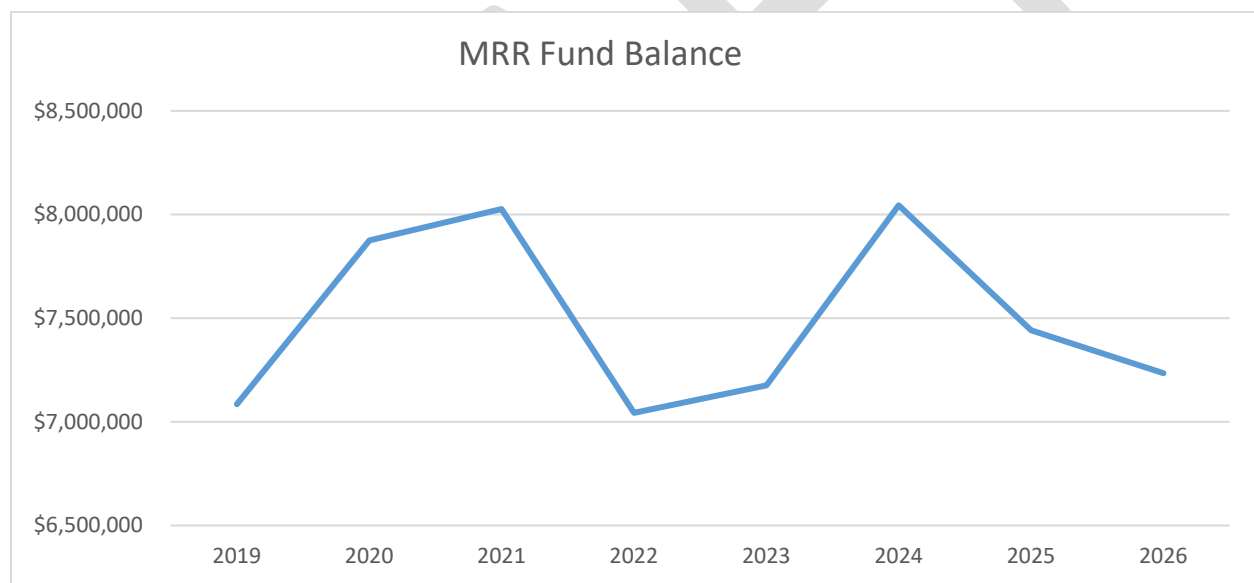
Maintenance Repair & Replacement

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."

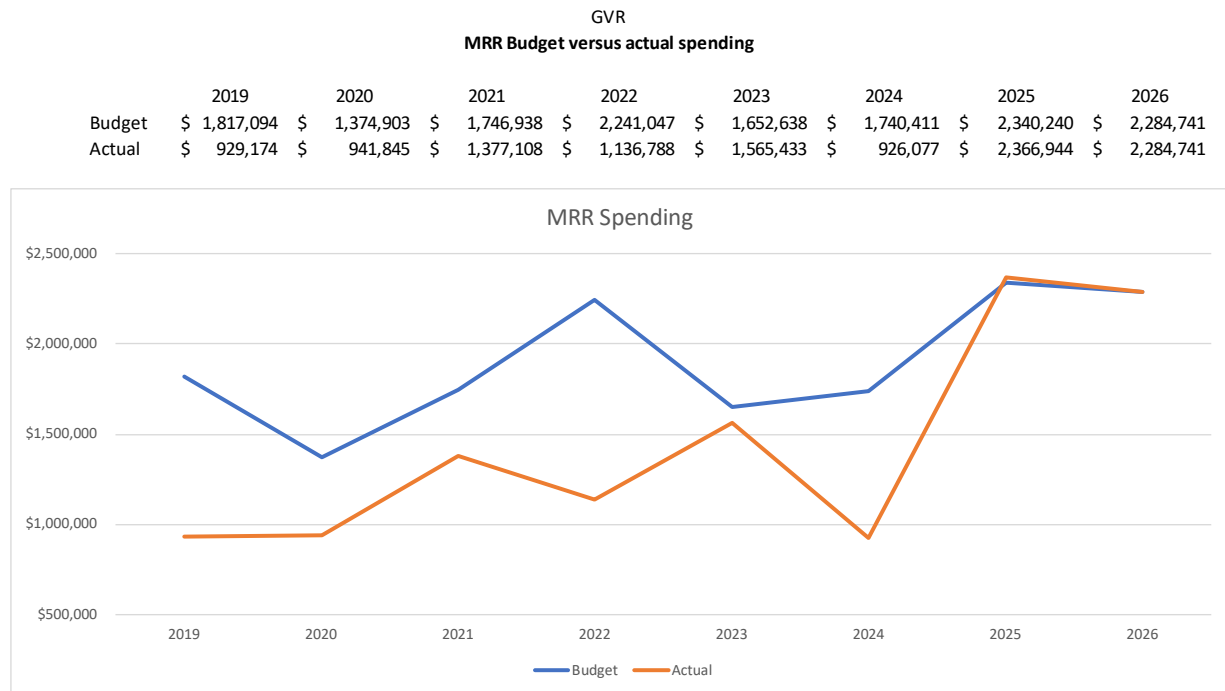
The MRR Fund is a reserve fund invested in a separate investment account. This account has a unique Board-approved Investment Policy Statement (IPS) that allows GVR to achieve the best return on investment while minimizing the investment risk over the long period of the reserve study.

Figure 13 GVR MRR Fund Balance Trend 2019-2026



The budgeted MRR contribution equates to \$102.87 per household and constitutes 19% of the annual dues rate ($\$102.87 / \540.00). The fund contribution amount for January 2026 is \$1,400,102 which is 8.2% of the 2026 Total Operating and Capital Budget. GVR will spend \$2,340,240 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 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 \$102.87 per member property.

Figure 15

Maintenance Repair & Replacement (MRR) Fund Budgeted Expenditures for 2026		Percent of Total MRR Budget
Pool Equipment and Decks	\$362,322	15.86%
Kitchen, Restroom & Locker Room Reh.	\$288,378	12.62%
Paving	\$241,516	10.57%
Flooring	\$234,902	10.28%
Mechanical Equipment	\$233,175	10.21%
Furnishings	\$174,460	7.64%
Recreation	\$134,018	5.87%
Painting Exterior	\$101,751	4.45%
Roofing	\$76,430	3.35%
Sports Courts	\$74,061	3.24%
Concrete	\$73,924	3.24%
Painting Interior	\$70,571	3.09%
Decking	\$46,298	2.03%
Office Equipment	\$45,035	1.97%
Safety	\$35,875	1.57%
Outdoor Equipment	\$26,039	1.14%
Water/Backflow	\$24,600	1.08%
Misc	\$20,880	0.91%
Spa Equipment	\$20,546	0.90%
Total 2026 MRR Budget	\$2,284,781	100%

MRR-B (Pools and Spas)

The funding of MRR-B is budgeted at \$335,022 and is \$14,664 (4.6%) more than 2025.

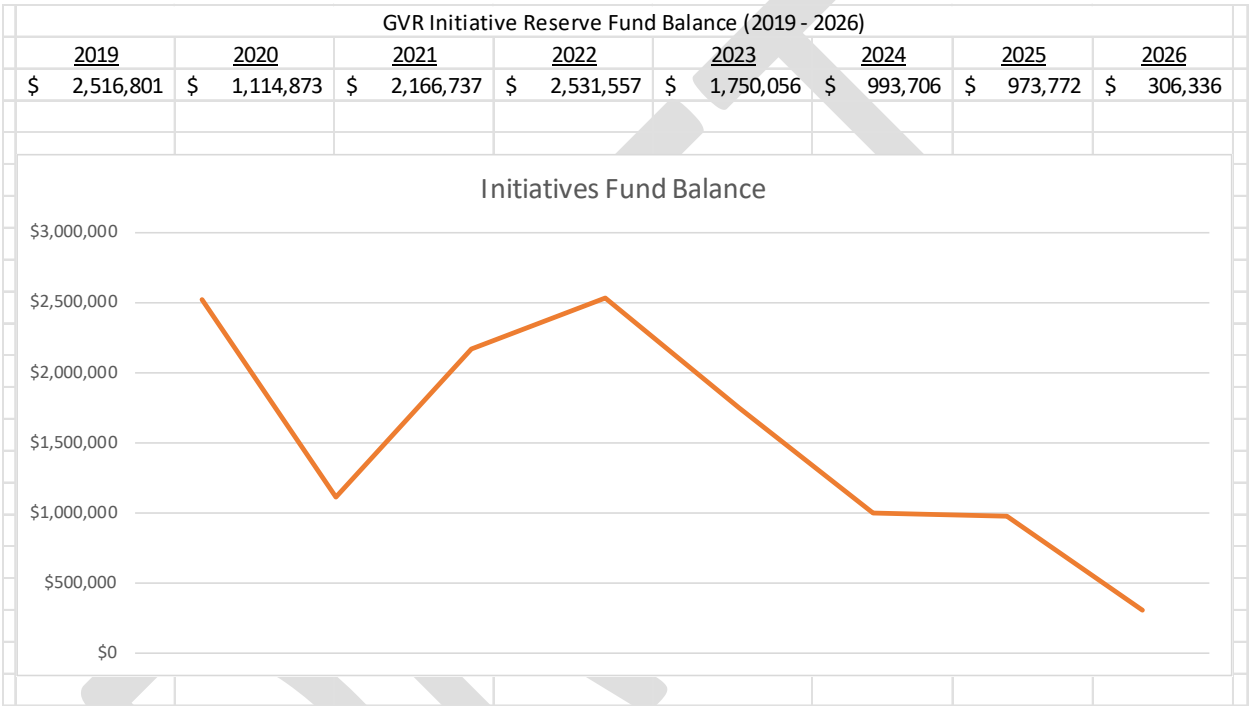
Non-Reserve Capital

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.

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 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.

Figure 17

FY 2026			
INITIATIVES CAPITAL IMPROVEMENT PLAN:			
	Del Sol Clubhouse Parking Lot Note	\$ 11,000	
	West Center Lobby improvements	\$ 190,000	
	West Center Club Expansion	\$ 634,524	
	Las Campanas Fitness Expansion to Cypress	\$ 100,000	
	Abrego South Locker Room Building	\$ 250,000	
	Pickleball Center Fencing	\$ 40,000	
	Santa Rita Springs Fitness Center Expansion	\$ 40,000	
	TOTAL BUDGETED INITIATIVES CAPITAL BUDGET		\$ 1,265,524

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 33.

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	\$12,835,465
Total Budgeted Expenses	<u>(\$11,778,306)</u>
Gross Surplus	\$ 1,057,159
Less Non-Reserve Capital Projects	(\$ 0)
Less Income from Reserves	(\$ 260,400)
Initiatives Reserve Funding	(\$ 575,040)
MRR-B Pools & Spas Reserve Funding	(\$ 335,022)
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	<u>\$ 76,000</u>
Net Surplus (Deficit)	\$ 0

The amounts to determine the zero-balance budget are also listed at the bottom of page 29.

The total anticipated expenditures for 2026 are \$11,778,306 which is an increase of \$92,350 (0.8%) from the 2025 Budget.

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	1,193,431
Taxes	77,213	75,736	86,182	94,378	91,297
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	\$3,787,489

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

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	\$1,333,914
Taxes	\$82,241	\$91,242	\$100,419	\$114,894	\$107,046
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	\$3,025,187

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
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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	\$1,536,788
Taxes	\$66,810	\$16,107	\$10,727	\$114,501	\$117,564
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	\$2,072,563

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 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 Services 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	\$452,454
Taxes	\$70,303	\$105,600	\$126,304	\$37,796	\$34,613
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	\$1,477,746

Other Operating Costs

Recreation Contracts (5040)	\$651,787
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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
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Event food and catering, concerts, paint and sip

Rentals (5080)	\$4,950
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Sixteen paid movies and two free outdoor movies

Event Supplies (5045)	\$29,006
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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


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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		2026
2026 Budget		1..12
		Budget
	Full Time Equivalents	88
	Head Count	104
Revenue	Member Dues	7,499,520
	LC, Trans., Crd Fees.	781,800
	Capital Revenue	2,860,800
	Membership Revenue	11,142,120
	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		12,835,465
Expenses	Major Proj.-Rep. & Maint.	238,970
	Facility Maintenance	421,600
	Fees & Assessments	1,000
	Utilities	1,106,400
	Depreciation	1,268,520
	Furniture & Equipment	229,874
	Vehicle Expenses	80,000
	Facilities & Equipment	3,346,364
	Wages	4,516,589
	Payroll Taxes	350,519
	Benefits	897,672
	Personnel	5,764,780
	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	224,350
	Commercial Insurance	447,064
	Taxes	53,532
	Conferences & Training	24,200
	Employee Recognition	13,000
	Corporate Expenses	904,923
	Total Operating Expenses	11,778,306
Net	Gross surplus(Rev-Exp)/ Net Cash Flov	1,057,159
	Accrual Basis Net from Operations	1,057,159
Adj. to Cash Basis	Subtract:	
	Non-Reserve Capital Projects	-
	Income From Reserve Funds	(260,400)
	Reserved Funding/Initiatives	(575,040)
	MRR B (Pools & Spas)	(335,022)
	Deduct non cash In Kind Revenue	(4,000)
	Reserve Funding/MRR A	(1,400,102)
	Cash Basis Change in Net Assets Net of	(1,517,405)
	Add Back:	
	MRR Operating Expenses.	172,885
Adj. to Cash Basis	Depreciation	1,268,520
	Expenses from Reserve Funds	76,000
	Cash Basis Net Surplus (Deficit)	-



2026 Budget


	2023	2024	2025	2025	2026				
	1..12	1..12	1..12	1..12	1..12			2026 Budget v. 2025	2026 Budget v 2025
	Actual	Actual	Budget	Projected	Budget		Projected	Budgeted	
Revenue	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	7,499,520	135,238	1.8%	149,480 2.0%
	LC,Trans., Crd Fees.	740,844	685,399	729,376	740,021	781,800	41,779	5.6%	52,424 7.2%
	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	11,142,120	272,217	2.5%	337,804 3.1%
	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%
Expenses	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	12,835,465	450,337	3.6%	222,912 1.8%
	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	1,106,400	106,476	10.6%	25,400 2.3%
	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	3,346,364	89,179	2.7%	93,508 2.9%
	Wages	3,837,632	4,418,358	4,653,287	4,405,697	4,516,589	110,893	2.5%	(136,698) -2.9%
Net	Payroll Taxes	288,685	339,006	370,215	355,607	350,519	(5,088)	-1.4%	(19,696) -5.3%
	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	5,764,780	85,351	1.5%	(48,746) -0.8%
	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	541,312	651,787	110,475	20.4%	(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	630,160	798,380	168,221	26.7%	(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%
Adj. to Cash Basis	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	224,350	93,943	72.0%	53,850 31.6%
	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	904,923	127,698	16.4%	88,945 10.9%
	Total Operating Expenses	11,010,302	11,293,412	11,685,956	11,189,999	11,778,306	588,307	5.3%	92,350 0.8%
Net	Gross surplus(Rev-Exp)/ Net Cash Flov	660,763	343,656	926,597	1,195,129	1,057,159			
	Accrual Basis Net from Operations	660,763	343,656	926,597	1,195,129	1,057,159			
	Subtract:								
	Non-Reserve Capital Projects	(47,980)	(10,943)	(22,487)	(22,486)	-			
	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)	(335,022)			
	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)	(1,347,700)	(1,517,405)			
	Add Back:								
	MRR Operating Expenses.	283,441	356,082	200,000	54,356	172,885			
Adj. to Cash Basis	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)	-	142,482	-			

Fee Schedule	2025			2026		
	#		Budgeted Revenue	#		Revenue
	Fee	Transact.		Fee	Transact.	
4000 - Annual Dues per Household	\$ 530	13,868	\$ 7,350,040	\$ 540	13,888	\$ 7,499,520
Life Care, Transfer, Tenant & Addl Card Fees						
4004 - Annual Life Care Member Dues	\$ 530	48	\$ 25,440	\$ 540	42	\$ 22,680
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)				\$ 80	1,302	\$ 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	\$ 175	385	\$ 67,375
4009 - Tenant Fees		1,277	\$ 143,421		1,277	\$ 149,825
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


GVR		
Budget		
FY 2026		
INITIATIVES CAPITAL IMPROVEMENT PLAN:		
Del Sol Clubhouse Parking Lot Note	\$ 11,000	
West Center Lobby improvements	\$ 190,000	
West Center Club Expansion	\$ 634,524	
Las Campanas Fitness Expansion to Cypress	\$ 100,000	
Abrego South Locker Room Building	\$ 250,000	
Pickleball Center Fencing	\$ 40,000	
Santa Rita Springs Fitness Center Expansion	\$ 40,000	
TOTAL BUDGETED INITIATIVES CAPITAL BUDGET		\$ 1,265,524
NON RESERVE CAPITAL PROJECTS		\$ -
ABREGO SOUTH POOL REPLACEMENT (MRR-B		\$ 1,651,539
MRR CAPITAL PROJECTS 2026		\$ 2,284,781
GRAND TOTAL CAPITAL BUDGETS 2026		\$ 5,201,844
2026 OPERATING BUDGET		\$ 11,778,306
GRAND TOTAL BUDGETS, 2026		<u>\$ 16,980,150</u>


Five-year Capital Improvement Plan


GVR					
2026 Budget					
Cash Funding Projections					
All Amounts Are Projections					
	2026	2027	2028	2029	2030
Initiatives					
Beginning Balance	\$ 973,772	\$ 342,998	\$ 365,380	\$ 520,847	\$ 612,961
Funding From Operations Revenue	\$ 575,040	\$ 601,260	\$ 626,280	\$ 651,700	\$ 677,520
Additional GVR Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	\$ 59,710	\$ 32,122	\$ 40,187	\$ 51,414	\$ 61,391
Total Revenue	\$ 634,750	\$ 633,382	\$ 666,467	\$ 703,114	\$ 738,911
Projects:					
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
DH Ceramics Kiln Room Code					
WC Lobby improvements	\$ (190,000)				
Metal Shop Home					
DH Locker room					
LC Fitness Expand to Cypress	\$ (100,000)				
EC Lapidary Gas Manifold					
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	\$ (250,000)	\$ (500,000)			
Dog Park					
PBC Pickleball Courts	\$ -				
PBC Fencing	\$ (40,000)				
Metal Arts Shop Yard					\$ (35,000)
SRS Fitness Center Expansion	\$ (40,000)				
Total Expenditures	\$ (1,265,524)	\$ (611,000)	\$ (511,000)	\$ (611,000)	\$ (646,000)
Ending Balance	\$ 342,998	\$ 365,380	\$ 520,847	\$ 612,961	\$ 705,872
Maintenance Repair & Replacement					
Beginning Balance	\$ 7,440,839	\$ 7,234,829	\$ 6,702,376	\$ 6,790,755	\$ 6,848,299
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)	\$ 678,669	\$ 699,485	\$ 637,557	\$ 658,294	\$ 624,730
Projects:					
Per Reserve Study	\$ (2,284,781)	\$ (2,732,040)	\$ (2,149,281)	\$ (2,300,852)	\$ (1,593,077)
Ending Balance	\$ 7,234,829	\$ 6,702,376	\$ 6,790,755	\$ 6,848,299	\$ 7,680,054
MRR Part B - Pools and Spas					
Beginning Balance	\$ 1,584,531	\$ 380,006	\$ 760,291	\$ 1,166,344	\$ 1,599,704
Funding	\$ 335,022	\$ 338,372	\$ 341,756	\$ 345,174	\$ 348,625
Additional Funding					
Net Investment Earnings	\$ 111,992	\$ 41,912	\$ 64,297	\$ 88,186	\$ 113,671
Abrego South pool	\$ (1,651,539)				
Ending Balance	\$ 380,006	\$ 760,291	\$ 1,166,344	\$ 1,599,704	\$ 2,062,000
Subtotal Capital Projects Reserves	\$ 7,957,834	\$ 7,828,048	\$ 8,477,946	\$ 9,060,964	\$ 10,447,926
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	\$ 8,555,104	\$ 8,473,318	\$ 9,175,216	\$ 9,814,234	\$ 11,261,196


 GVR GILBERT VALLEY REGIONAL GOVT		2025 Budget & 3 Year Forecast		2026	2027	2028	2029	2027	2028	2029	
				1..12 Budget	Projected	Projected	Projected	Projected % Increase			
					Forecast	Forecast	Forecast	% Increase			
	Full Time Equivalents	88		88	88	88					
	Head Count	104		104	104	104		2.00%	2.25%	2.25%	
Revenue	Member Dues	7,499,520		7,643,900	7,788,480	7,933,260		1.9%	1.9%	1.9%	
	LC,Trans., Crd Fees.	781,800		794,705	801,225	807,325		1.7%	0.8%	0.8%	
	Capital Revenue	2,860,800		2,989,800	3,114,400	3,241,000		4.5%	4.2%	4.1%	
	Membership Revenue	11,142,120		11,428,405	11,704,105	11,981,585					
	Programs	571,456		600,029	642,031	699,814		5.0%	7.0%	9.0%	
	Instructional	498,000		512,940	538,587	576,288		3.0%	5.0%	7.0%	
	Recreational Revenue	1,069,456		1,112,969	1,180,618	1,276,102					
	Investment Income	435,000		443,700	452,574	461,625		2.0%	2.0%	2.0%	
	Advertising Income	-		-	-	-					
	Cell Tower Lease Inc.	48,919		48,919	48,919	48,919		0.0%	0.0%	0.0%	
	Comm. Revenue	48,919		48,919	48,919	48,919					
	Other Income	121,350		123,777	126,871	130,678		2.0%	2.5%	3.0%	
	Facility Rent/Leases	18,620		19,179	19,754	20,347		3.0%	3.0%	3.0%	
	Contributed Income			-	-	-		0.0%	0.0%	0.0%	
	Other Revenue	139,970		142,956	146,625	151,024					
	Total Operating Revenue	12,835,465		13,176,948	13,532,841	13,919,255		2.7%	5.4%	8.4%	
Expenses	Major Proj.-Rep. & Maint.	238,970		243,749	249,234	254,842		2.0%	2.3%	2.3%	
	Facility Maintenance	421,600		430,032	439,708	449,601		2.0%	2.3%	2.3%	
	Fees & Assessments	1,000		1,020	1,043	1,066		2.0%	2.3%	2.3%	
	Utilities	1,106,400		1,128,528	1,153,920	1,179,883		2.0%	2.3%	2.3%	
	Depreciation	1,268,520		1,293,890	1,323,003	1,352,771		2.0%	2.3%	2.3%	
	Furniture & Equipment	229,874		234,471	239,747	245,141		2.0%	2.3%	2.3%	
	Vehicle Expenses	80,000		81,600	83,436	85,313		2.0%	2.3%	2.3%	
	Facilities & Equipment	3,346,364		3,413,291	3,490,090	3,568,617					
	Wages	4,516,589		4,697,253	4,838,170	4,959,124		4.0%	3.0%	2.5%	
	Payroll Taxes	350,519		364,540	375,476	384,863		4.0%	3.0%	2.5%	
	Benefits	897,672		942,555	980,257	1,019,468		5.0%	4.0%	4.0%	
	Personnel	5,764,780		6,004,348	6,193,904	6,363,455					
	Food & Catering	78,698		80,272	82,078	83,925		2.0%	2.3%	2.3%	
	Recreation Contracts	651,787		677,858	711,751	747,339		4.0%	5.0%	5.0%	
	Bank & Credit Card Fees	67,895		69,253	70,811	72,405		2.0%	2.3%	2.3%	
	Program	798,380		827,384	864,641	903,668					
	Communications	107,569		109,720	112,189	114,713		2.0%	2.3%	2.3%	
	Printing	129,500		132,090	135,062	138,101		2.0%	2.3%	2.3%	
	Advertising	11,000		11,220	11,472	11,731		2.0%	2.3%	2.3%	
	Communications	248,069		253,030	258,724	264,545					
	Supplies	570,906		582,324	595,426	608,824		2.0%	2.3%	2.3%	
	Postage	21,125		21,548	22,032	22,528		2.0%	2.3%	2.3%	
	Dues & Subscriptions	13,687		13,961	14,275	14,596		2.0%	2.3%	2.3%	
	Travel	8,622		8,794	8,992	9,195		2.0%	2.3%	2.3%	
	Other Operating Expense	101,450		103,479	105,807	108,188		2.0%	2.3%	2.3%	
	Operations	715,790		730,106	746,533	763,330					
	Information Technology	142,777		145,633	148,909	152,260		2.0%	2.3%	2.3%	
	Professional Fees	224,350		228,837	233,986	239,251		2.0%	2.3%	2.3%	
	Commercial Insurance	447,064		469,417	483,500	498,005		5.0%	3.0%	3.0%	
	Taxes	53,532		54,603	55,831	57,087		2.0%	2.3%	2.3%	
	Conferences & Training	24,200		24,684	25,239	25,807		2.0%	2.3%	2.3%	
	Employee Recognition	13,000		13,260	13,558	13,863		2.0%	2.3%	2.3%	
	Marketing Expenses			-	-	-		2.0%	2.3%	2.3%	
	Corporate Expenses	904,923		936,433	961,024	986,273					
		Total OperatingExpenses	11,778,306		12,164,592	12,514,915	12,849,889				
	Net	Gross surplus(Rev-Exp)/ Net Cash Flov	1,057,159		1,012,356	1,017,926	1,069,366				
		Unrea. Gain/Loss on Invest.			-	-	-				
Adj. to Cash Basis	Accrual Basis Net from Operations	1,057,159		1,012,356	1,017,926	1,069,366					
	Subtract: In Kind	(4,000)		(4,000)	(4,000)	(4,000)					
	Non-Reserve Capital Projects	-		(25,000)	(50,000)	(100,000)					
	Income From Reserve Funds	(260,400)		(288,405)	(294,173)	(300,057)					
	Reserved Funding/Initiatives	(575,040)		(601,260)	(626,280)	(651,700)					
	MRR B (Pools & Spas)	(335,022)		(358,474)	(383,567)	(410,416)					
	Reserve Funding/MRR A	(1,400,102)		(1,500,102)	(1,600,102)	(1,700,102)					
	Cash Basis Change in Net Assets Net of	(1,517,405)		(1,764,884)	(1,940,196)	(2,096,908)					
	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)	-		(183,744)	(317,125)	(430,658)					


Fee Schedule	2026			2027			2028			2029			2030		
	#			#			#			#			#		
	Fee	Transact.	Revenue	Fee	Transact.	Revenue	Fee	Transact.	Revenue	Fee	Transact.	Revenue	Fee	Transact.	Revenue
4000 - Annual Dues per Household	\$ 540	13,888	\$ 7,499,520	\$ 550	13,898	\$ 7,643,900	\$ 560	13,908	\$ 7,788,480	\$ 570	13,918	\$ 7,933,260	\$ 580	13,928	\$ 8,078,240
Life Care, Transfer, Tenant & Addl Card Fees															
4004 - Annual Life Care Member Dues	\$ 540	42	\$ 22,680	\$ 550	42	\$ 23,100	\$ 560	42	\$ 23,520	\$ 560	42	\$ 23,520	\$ 565	42	\$ 23,730
4005 - Transfer Fee (Resale)	\$ 470	1,040	\$ 488,800	\$ 475	1,040	\$ 494,000	\$ 480	1,040	\$ 499,200	\$ 485	1,040	\$ 504,400	\$ 490	1,040	\$ 509,600
Guest Card Fees Annual Pass															
Guest Card Daily Pass	\$ 10	400	\$ 4,000	\$ 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	\$ 30	271	\$ 8,130
Guest Card Annual Pass (30 Day Punch P	\$ 80	1,302	\$ 104,160	\$ 85	1,302	\$ 110,670	\$ 85	1,302	\$ 110,670	\$ 85	1,302	\$ 110,670	\$ 85	1,302	\$ 110,670
1-7 Days	\$ 40	60	\$ 2,400	\$ 45	60	\$ 2,700	\$ 45	60	\$ 2,700	\$ 45	60	\$ 2,700	\$ 45	60	\$ 2,700
2 Weeks	\$ 50	72	\$ 3,600	\$ 55	72	\$ 3,960	\$ 55	72	\$ 3,960	\$ 55	72	\$ 3,960	\$ 55	72	\$ 3,960
1 Month	\$ 65	282	\$ 18,330	\$ 70	282	\$ 19,740	\$ 70	282	\$ 19,740	\$ 70	282	\$ 19,740	\$ 70	282	\$ 19,740
2 Months	\$ 100	220	\$ 22,000	\$ 105	220	\$ 23,100	\$ 105	220	\$ 23,100	\$ 105	220	\$ 23,100	\$ 105	220	\$ 23,100
3 Months	\$ 140	258	\$ 36,120	\$ 145	258	\$ 37,410	\$ 145	258	\$ 37,410	\$ 145	258	\$ 37,410	\$ 145	258	\$ 37,410
4-12 Months	\$ 175	385	\$ 67,375	\$ 180	385	\$ 69,300	\$ 180	385	\$ 69,300	\$ 180	385	\$ 69,300	\$ 180	385	\$ 69,300
4009 - Tenant Fees		1,277	\$ 149,825		1,277	\$ 156,210		1,277	\$ 156,210		1,277	\$ 156,210		1,277	\$ 156,210
4103 - Additional Card Fees	\$ 140	30	\$ 4,200	\$ 170	30	\$ 5,100	\$ 200	30	\$ 6,000	\$ 230	30	\$ 6,900	\$ 260	30	\$ 7,800
4206 - Membership Change Fee	\$ 3,200	876	\$ 2,803,200	\$ 3,300	886	\$ 2,923,800	\$ 3,400	896	\$ 3,046,400	\$ 3,500	906	\$ 3,171,000	\$ 3,600	916	\$ 3,297,600
4204 - Initial Fee	\$ 3,200	18	\$ 57,600	\$ 3,300	20	\$ 66,000	\$ 3,400	20	\$ 68,000	\$ 3,500	20	\$ 70,000	\$ 3,600	20	\$ 72,000
Capital Revenue			\$ 2,860,800			\$ 2,989,800			\$ 3,114,400			\$ 3,241,000			\$ 3,369,600
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															
GVR Card Issuance Fee	\$ 5	1,400	\$ 7,000	\$ 5	1,400	\$ 7,000	\$ 5	1,400	\$ 7,000	\$ 5	1,400	\$ 7,000	\$ 5	1,400	\$ 7,000
Card Replacement Fee	\$ 5	250	\$ 1,250	\$ 5	250	\$ 1,250	\$ 5	250	\$ 1,250	\$ 5	250	\$ 1,250	\$ 5	250	\$ 1,250

 GVR Consolidated		2022	2023	2024	2025	2026	Change in Budget	
		1..12	1..12	1..12	1..12	1..12	FY 25 to FY 26	
		Actual	Actual	Actual	Budget	Budget	Amount	Percentage
Revenue	Member Dues	6,947,340	7,051,930	7,134,340	7,350,040	7,499,520	\$ 149,480	2.0%
	LC,Trans., Crd Fees.	785,602	740,844	685,399	729,376	781,800	\$ 52,424	7.2%
	Capital Revenue	3,099,400	2,753,060	2,428,476	2,724,900	2,860,800	\$ 135,900	5.0%
	Membership Revenue	10,832,342	10,545,834	10,248,215	10,804,316	11,142,120	\$ 337,804	3.1%
	Programs	90,824	108,503	284,835	643,718	571,456	\$ (72,262)	-11.2%
	Instructional	310,729	405,592	497,714	480,000	498,000	\$ 18,000	3.8%
	Recreational Revenue	401,553	514,095	782,549	1,123,718	1,069,456	\$ (54,262)	-4.8%
	Investment Income	372,078	456,354	426,501	435,000	435,000	\$ -	0.0%
	Advertising Income	-	-	-	-	-		
	Cell Tower Lease Inc.	43,105	47,478	49,004	48,919	48,919	\$ (0)	0.0%
	Comm. Revenue	43,105	47,478	49,004	48,919	48,919	\$ (0)	0.0%
	Other Income	91,111	86,482	103,974	173,100	121,350	\$ (51,750)	-29.9%
	Facility Rent/Leases	21,163	20,822	26,825	27,500	18,620	\$ (8,880)	-32.3%
	Café Sales Income	-	-	-	-	-	\$ -	
	Contributed Income	-	-	-	-	-	\$ -	
	Other Revenue	112,273	107,304	130,799	200,600	139,970	\$ (60,630)	-30.2%
	Total Operating Revenue	11,761,351	11,671,065	11,637,068	12,612,553	12,835,465	\$ 222,912	1.8%
Expenses	Major Proj.-Rep. & Maint.	252,621	426,871	381,495	206,143	238,970	\$ 32,827	15.9%
	Facility Maintenance	235,823	408,591	322,203	396,230	421,600	\$ 25,370	6.4%
	Fees & Assessments	15,423	14,905	502	2,000	1,000	\$ (1,000)	-50.0%
	Utilities	951,134	1,081,395	1,105,702	1,081,000	1,106,400	\$ 25,400	2.3%
	Depreciation	1,595,311	1,362,706	1,291,606	1,268,520	1,268,520	\$ -	0.0%
	Furniture & Equipment	204,662	298,233	280,762	198,963	229,874	\$ 30,911	15.5%
	Vehicle Expenses	88,254	96,330	90,018	100,000	80,000	\$ (20,000)	-20.0%
	Facilities & Equipment	3,343,227	3,689,031	3,472,288	3,252,856	3,346,364	\$ 93,508	2.9%
	Wages	3,924,322	3,837,632	4,418,359	4,653,287	4,516,589	\$ (136,698)	-2.9%
	Payroll Taxes	296,565	288,685	339,007	370,215	350,519	\$ (19,696)	-5.3%
	Benefits	922,239	888,922	808,291	790,024	897,672	\$ 107,648	13.6%
	Personnel	5,143,126	5,015,239	5,565,657	5,813,526	5,764,780	\$ (48,746)	-0.8%
	Food & Catering	26,193	30,936	47,631	92,310	78,698	\$ (13,612)	-14.7%
	Recreation Contracts	375,954	368,360	516,714	712,086	651,787	\$ (60,299)	-8.5%
	Bank & Credit Card Fees	61,743	73,550	77,903	81,500	67,895	\$ (13,605)	-16.7%
	Program	463,890	472,846	642,248	885,896	798,380	\$ (87,516)	-9.9%
	Communications	107,705	104,443	114,860	109,900	107,569	\$ (2,331)	-2.1%
	Printing	82,151	81,655	87,847	97,000	129,500	\$ 32,500	33.5%
	Advertising	19,285	28,380	28,938	18,000	11,000	\$ (7,000)	-38.9%
	Communications	209,141	214,478	231,645	224,900	248,069	\$ 23,169	10.3%
	Supplies	418,998	547,041	476,186	547,100	570,906	\$ 23,806	4.4%
	Postage	18,212	17,587	23,618	19,500	21,125	\$ 1,625	8.3%
	Dues & Subscriptions	15,623	13,564	16,321	14,900	13,687	\$ (1,213)	-8.1%
	Travel	9,163	2,340	5,404	9,700	8,622	\$ (1,078)	-11.1%
	Other Operating Expense	130,526	124,799	109,897	101,600	101,450	\$ (150)	-0.1%
	Operations	592,522	705,331	631,426	692,800	715,790	\$ 22,990	3.3%
	Information Technology	88,338	161,641	106,373	137,041	142,777	\$ 5,736	4.2%
	Professional Fees	239,207	304,543	194,991	170,500	224,350	\$ 53,850	31.6%
	Commercial Insurance	338,380	340,565	380,115	417,185	447,064	\$ 29,879	7.2%
	Taxes	53,308	77,862	43,758	53,000	53,532	\$ 532	1.0%
	Conferences & Training	26,507	14,894	11,418	25,750	24,200	\$ (1,550)	-6.0%
	Employee Recognition	14,111	13,872	13,495	12,500	13,000	\$ 500	4.0%
	Marketing Expenses	-	-	-	-	-	\$ -	
	Corporate Expenses	759,851	913,377	750,150	815,976	904,923	\$ 88,947	10.9%
	Total Operating Expenses	10,511,758	11,010,302	11,293,414	11,685,954	11,778,306	\$ 92,352	0.8%
Net	Gross surplus(Rev-Exp)/ Net Cash I	1,249,594	660,763	343,654	926,599	1,057,159	\$ 130,560	14.1%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	1,249,594	660,763	343,654	926,599	1,057,159	\$ 130,560	14.1%
Capital Outlay - Non Reserve Capital		192,930	43,980	10,943	22,489	-		
Transfer to Initiatives Fund		623,580	559,835	487,495	547,770	575,040		
Transfer of Prior Surplus to Initiatives		12,559	428,596					
Transfer to MRR A Fund		1,132,047	1,179,941	1,220,295	1,300,102	1,400,102		
Transfer to MRR B Pool Fund		270,472	289,405	299,400	320,358	335,022		
Excess Revenues over Total Expenditures, Transfers & Non Reserve Capital		3,481,182	3,162,520	2,361,787	3,124,108	3,367,323		


 Operating Fund		2022	2023	2024	2025	2026	Change in Budget	
		1..12	1..12	1..12	1..12	1..12	FY 25 to FY 26	
		Actual	Actual	Actual	Budget	Budget	Amount	Percentage
Revenue	Member Dues	6,947,340	7,051,930	7,134,340	7,350,040	7,499,520	\$ 149,480	2.0%
	LC,Trans., Crd Fees.	785,602	740,844	685,399	729,376	781,800	\$ 52,424	7.2%
	Capital Revenue	3,099,400	2,753,060	2,428,476	2,724,900	2,860,800	\$ 135,900	5.0%
	Membership Revenue	10,832,342	10,545,834	10,248,215	10,804,316	11,142,120	\$ 337,804	3.1%
	Programs	90,824	108,503	284,835	643,718	571,456	\$ (72,262)	-11.2%
	Instructional	310,729	405,592	497,714	480,000	498,000	\$ 18,000	3.8%
	Recreational Revenue	401,553	514,095	782,549	1,123,718	1,069,456	\$ (54,262)	-4.8%
	Investment Income	67,537	159,691	141,457	119,625	119,625	\$ -	0.0%
	Advertising Income	-	-	-	-	-		
	Cell Tower Lease Inc.	43,105	47,478	49,004	48,919	48,919	\$ (0)	0.0%
	Comm. Revenue	43,105	47,478	49,004	48,919	48,919	\$ (0)	0.0%
	Other Income	91,111	86,482	103,974	173,100	121,350	\$ (51,750)	-29.9%
	Facility Rent/Leases	21,163	20,822	26,825	27,500	18,620	\$ (8,880)	-32.3%
	Café Sales Income	-	-	-	-	-	\$ -	
	Contributed Income	-	-	-	-	-	\$ -	
	Other Revenue	112,273	107,304	130,799	200,600	139,970	\$ (60,630)	-30.2%
	Total Operating Revenue	11,456,810	11,374,402	11,352,024	12,297,178	12,520,090	\$ 222,912	1.8%
Expenses	Major Proj.-Rep. & Maint.	233,645	349,848	203,911	206,143	238,970	\$ 32,827	15.9%
	Facility Maintenance	235,823	397,335	263,255	396,230	421,600	\$ 25,370	6.4%
	Fees & Assessments	15,423	14,905	502	2,000	1,000	\$ (1,000)	-50.0%
	Utilities	951,134	1,081,395	1,105,702	1,081,000	1,106,400	\$ 25,400	2.3%
	Depreciation	1,595,311	1,362,706	1,291,606	1,268,520	1,268,520	\$ -	0.0%
	Furniture & Equipment	197,048	210,599	225,173	198,963	229,874	\$ 30,911	15.5%
	Vehicle Expenses	88,254	96,330	90,018	100,000	80,000	\$ (20,000)	-20.0%
	Facilities & Equipment	3,316,637	3,513,118	3,180,167	3,252,856	3,346,364	\$ 93,508	2.9%
	Wages	3,924,322	3,837,632	4,418,359	4,653,287	4,516,589	\$ (136,698)	-2.9%
	Payroll Taxes	296,565	288,685	339,007	370,215	350,519	\$ (19,696)	-5.3%
	Benefits	922,239	888,922	808,291	790,024	897,672	\$ 107,648	13.6%
	Personnel	5,143,126	5,015,239	5,565,657	5,813,526	5,764,780	\$ (48,746)	-0.8%
	Food & Catering	26,193	30,936	47,631	92,310	78,698	\$ (13,612)	-14.7%
	Recreation Contracts	375,954	368,360	516,714	712,086	651,787	\$ (60,299)	-8.5%
	Bank & Credit Card Fees	61,743	73,550	77,903	81,500	67,895	\$ (13,605)	-16.7%
	Program	463,890	472,846	642,248	885,896	798,380	\$ (87,516)	-9.9%
	Communications	107,705	104,443	114,860	109,900	107,569	\$ (2,331)	-2.1%
	Printing	82,151	81,655	87,847	97,000	129,500	\$ 32,500	33.5%
	Advertising	19,285	28,380	28,938	18,000	11,000	\$ (7,000)	-38.9%
	Communications	209,141	214,478	231,645	224,900	248,069	\$ 23,169	10.3%
	Supplies	391,150	527,959	437,196	547,100	570,906	\$ 23,806	4.4%
	Postage	18,212	17,587	23,618	19,500	21,125	\$ 1,625	8.3%
	Dues & Subscriptions	15,623	13,564	16,321	14,900	13,687	\$ (1,213)	-8.1%
	Travel	9,163	2,340	5,404	9,700	8,622	\$ (1,078)	-11.1%
	Investment Fees Expense	44,087	45,614	33,354	26,600	27,450	\$ 850	3.2%
	Operations	478,235	607,064	515,893	617,800	641,790	\$ 23,990	3.9%
	Information Technology	80,826	157,210	101,890	137,041	142,777	\$ 5,736	4.2%
	Professional Fees	239,207	304,543	191,534	170,500	224,350	\$ 53,850	31.6%
	Commercial Insurance	338,380	340,565	380,115	417,185	447,064	\$ 29,879	7.2%
	Taxes	53,308	77,862	43,758	53,000	53,532	\$ 532	1.0%
	Conferences & Training	26,507	14,894	11,418	25,750	24,200	\$ (1,550)	-6.0%
	Employee Recognition	14,111	13,872	13,495	12,500	13,000	\$ 500	4.0%
	Marketing Expenses	-	-	-	-	-	\$ -	
	Corporate Expenses	752,339	908,946	742,210	815,976	904,923	\$ 88,947	10.9%
	Total Operating Expenses	10,363,369	10,731,691	10,877,820	11,610,954	11,704,306	\$ 93,352	0.8%
Net	Gross surplus(Rev-Exp)/ Net Cash I	1,093,442	642,711	474,204	686,224	815,784	\$ 129,560	18.9%
	Unrea. Gain/Loss on Invest.							
Accrual Basis Net from Operations		1,093,442	642,711	474,204	686,224	815,784	\$ 129,560	18.9%
Capital Outlay - Non Reserve Capital		192,930	43,980	227,000	22,489	-		
Transfer to Initiatives Fund		623,580	559,835	610,956	547,770	575,040		
Transfer of Prior Surplus to Initiatives		12,559	428,596	-	-	-		
Transfer to MRR A Fund		1,132,047	1,179,941	1,220,295	1,300,102	1,400,102		
Transfer to MRR B Pool Fund		270,472	289,405	299,400	320,358	323,562		
Excess Revenues over Total Expenditures, Transfers & Non Reserve Capital		3,325,030	3,144,468	2,831,855	2,876,943	3,114,488		

 Initiatives		2022	2023	2024	2025	2026	Change in Budget FY 25 to FY 26	
		1..12	1..12	1..12	1..12	1..12	Amount	Percentage
		Actual	Actual	Actual	Budget	Budget		
Revenue	Member Dues						\$ -	
	LC,Trans., Crd Fees.						\$ -	
	Capital Revenue						\$ -	
	Membership Revenue	-	-	-	-	-	\$ -	
	Programs						\$ -	
	Instructional						\$ -	
	Recreational Revenue	-	-	-	-	-	\$ -	
	Investment Income	66,431	54,406	24,526	63,510	63,510	\$ -	0.0%
	Advertising Income						\$ -	
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
	Contributed Income						\$ -	
	Other Revenue	-	-	-	-	-	\$ -	
	Total Operating Revenue	66,431	54,406	24,526	63,510	63,510	\$ -	0.0%
Expenses	Major Proj.-Rep. & Maint.						\$ -	
	Facility Maintenance						\$ -	
	Fees & Assessments						\$ -	
	Utilities						\$ -	
	Depreciation						\$ -	
	Furniture & Equipment						\$ -	
	Vehicle Expenses						\$ -	
	Facilities & Equipment	-	-	-	-	-	\$ -	
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies						\$ -	
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	16,468	16,324	8,017	15,948	14,948	\$ (1,000)	-6.3%
	Operations	16,468	16,324	8,017	15,948	14,948	\$ (1,000)	-6.3%
	Information Technology						\$ -	
	Professional Fees						\$ -	
	Commercial Insurance						\$ -	
	Taxes						\$ -	
	Conferences & Training						\$ -	
	Employee Recognition						\$ -	
	Marketing Expenses						\$ -	
	Corporate Expenses	-	-	-	-	-	\$ -	
	Total Operating Expenses	16,468	16,324	8,017	15,948	14,948	\$ (1,000)	-6.3%
Net	Gross surplus(Rev-Exp)/ Net Cash I	49,963	38,082	16,509	47,562	48,562	\$ 1,000	2.1%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	49,963	38,082	16,509	47,562	48,562	\$ 1,000	2.1%
Beginning Balance Initiatives Fund		2,166,737	2,531,557	1,750,056	993,705	973,772		
Capital Purchases		(530,924)	(1,898,235)	(1,352,176)	(616,265)	(1,291,038)		
Revenue over Expenditures		49,963	38,082	16,509	48,562	48,562		
Transfer to Initiatives Fund for Capital I		623,580	559,835	579,316	547,770	575,040		
Transfer of Prior Surplus into Initiatives		12,559	428,596					
Transfer of Emergency Funds to Initiatives		467,156						
Unrealized Gain (Loss) on Investment		(257,514)	90,221	-	-	-		
Ending Balance Initiatives Fund		<u>2,531,557</u>	<u>1,750,056</u>	<u>993,705</u>	<u>973,772</u>	<u>306,336</u>		

 Maintenance Repair & Replace		2022	2023	2024	2025	2026	Change in Budget FY 25 to FY 26	
		1..12	1..12	1..12	1..12	1..12		
		Actual	Actual	Actual	Budget	Budget	Amount	Percentage
Revenue	Member Dues						\$ -	
	LC, Trans., Crd Fees.						\$ -	
	Capital Revenue						\$ -	
	Membership Revenue	-	-	-	-	-	\$ -	
	Programs						\$ -	
	Instructional						\$ -	
	Recreational Revenue	-	-	-	-	-	\$ -	
	Investment Income	206,177	211,483	218,263	218,805	218,805	\$ -	0.0%
	Advertising Income							
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
	Contributed Income						\$ -	
	Other Revenue	-	-	-	-	-	\$ -	
Total Operating Revenue		206,177	211,483	218,263	218,805	218,805	\$ -	0.0%
Expenses	Major Proj.-Rep. & Maint.	18,976	77,023	177,584				
	Facility Maintenance		11,256	58,948				
	Fees & Assessments							
	Utilities							
	Depreciation							
	Furniture & Equipment	7,614	87,634	55,589				
	Vehicle Expenses							
	Facilities & Equipment	26,590	175,913	292,121	-	-		
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies	27,848	19,082	38,990				
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	55,542	54,380	55,931	51,208	51,208	\$ -	0.0%
	Operations	83,390	73,462	94,921	51,208	51,208	\$ -	0.0%
	Information Technology	7,512	4,431	4,483				
	Professional Fees			3,457				
	Commercial Insurance							
	Taxes							
	Conferences & Training							
	Employee Recognition							
	Marketing Expenses							
	Corporate Expenses	7,512	4,431	7,940	-	-		
Total Operating Expenses		117,492	253,806	394,982	51,208	51,208	\$ -	0.0%
Net	Gross surplus(Rev-Exp)/ Net Cash	88,685	(42,323)	(176,719)	167,597	167,597	\$ -	0.0%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	88,685	(42,323)	(176,719)	167,597	167,597	\$ -	0.0%
Beginning Balance MRR-A Fund		8,025,718	7,043,208	7,175,602	7,586,792	7,440,839		
Capital Purchases		(1,089,453)	(1,466,751)	(632,386)	(1,613,652)	(1,773,709)		
Revenue over Expenditures		88,685	(42,323)	(176,719)	167,597	167,597		
MRR Funding Transfer from Operating		1,132,047	1,179,941	1,220,295	1,300,102	1,400,102		
Unrealized Gain (Loss) on Investment		(1,113,789)	461,527	-	-	-		
Ending Balance MRR-A Fund		7,043,208	7,175,602	7,586,792	7,440,839	7,234,829		

 MRR B Pools		2022	2023	2024	2025	2026	Change in Budget FY 25 to FY 26	
		1..12	1..12	1..12	1..12	1..12		
		Actual	Actual	Actual	Budget	Budget	Amount	Percentage
Revenue	Member Dues						\$ -	
	LC, Trans., Crd Fees.						\$ -	
	Capital Revenue						\$ -	
	Membership Revenue	-	-	-	-	-	\$ -	
	Programs						\$ -	
	Instructional						\$ -	
	Recreational Revenue	-	-	-	-	-	\$ -	
	Investment Income	20,236	19,478	29,655	20,880	20,880	\$ -	0.0%
	Advertising Income							
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
	Contributed Income						\$ -	
	Other Revenue	-	-	-	-	-	\$ -	
Total Operating Revenue		20,236	19,478	29,655	20,880	20,880	\$ -	0.0%
Expenses	Major Proj.-Rep. & Maint.						\$ -	
	Facility Maintenance						\$ -	
	Fees & Assessments						\$ -	
	Utilities						\$ -	
	Depreciation						\$ -	
	Furniture & Equipment						\$ -	
	Vehicle Expenses						\$ -	
	Facilities & Equipment	-	-	-	-	-	\$ -	
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies						\$ -	
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	9,774	5,269	8,583	4,958	4,958	\$ -	0.0%
	Operations	9,774	5,269	8,583	4,958	4,958	\$ -	0.0%
	Information Technology						\$ -	
	Professional Fees						\$ -	
	Commercial Insurance						\$ -	
	Taxes						\$ -	
	Conferences & Training						\$ -	
	Employee Recognition						\$ -	
	Marketing Expenses						\$ -	
	Corporate Expenses	-	-	-	-	-	\$ -	
Total Operating Expenses		9,774	5,269	8,583	4,958	4,958	\$ -	0.0%
Net	Gross surplus(Rev-Exp)/ Net Cash	10,462	14,209	21,072	15,922	15,922	\$ -	0.0%
	Unrea. Gain/Loss on Invest.							
	Accrual Basis Net from Operations	10,462	14,209	21,072	15,922	15,922	\$ -	0.0%

Beginning Balance MRR-B Pool Fund	1,083,705	576,963	814,765	1,200,643	1,584,531
Capital Purchases	(787,676)	(108,039)		-	(1,651,539)
Revenue over Expenditures	10,462	14,209	21,072	15,922	15,922
Transfer to MRR B Pool Fund	270,472	289,405	299,400	320,358	323,562
Unrealized Gain (Loss) on Investment	(18,172)	42,227	65,406	47,608	95,401
Ending Balance MRR-B Pool Fund	576,963	814,765	1,200,643	1,584,531	367,877

 Emergency Fund		2022	2023	2024	2025	2026	Change in Budget FY 25 to FY 26	
		1..12	1..12	1..12	1..12	1..12		
		Actual	Actual	Actual	Budget	Budget	Amount	Percentage
Revenue	Member Dues						\$ -	
	LC,Trans., Crd Fees.						\$ -	
	Capital Revenue						\$ -	
	Membership Revenue	-	-	-	-	-	\$ -	
	Programs						\$ -	
	Instructional						\$ -	
	Recreational Revenue	-	-	-	-	-	\$ -	
	Investment Income	11,697	11,296	12,600	12,180	12,180	\$ -	0.0%
	Advertising Income						\$ -	
	Cell Tower Lease Inc.						\$ -	
	Comm. Revenue	-	-	-	-	-	\$ -	
	Other Income						\$ -	
	Facility Rent/Leases						\$ -	
	Café Sales Income						\$ -	
	Contributed Income						\$ -	
	Other Revenue	-	-	-	-	-	\$ -	
	Total Operating Revenue	11,697	11,296	12,600	12,180	12,180	\$ -	0.0%
Expenses	Major Proj.-Rep. & Maint.						\$ -	
	Facility Maintenance						\$ -	
	Fees & Assessments						\$ -	
	Utilities						\$ -	
	Depreciation						\$ -	
	Furniture & Equipment						\$ -	
	Vehicle Expenses						\$ -	
	Facilities & Equipment	-	-	-	-	-	\$ -	
	Wages						\$ -	
	Payroll Taxes						\$ -	
	Benefits						\$ -	
	Personnel	-	-	-	-	-	\$ -	
	Food & Catering						\$ -	
	Recreation Contracts						\$ -	
	Bank & Credit Card Fees						\$ -	
	Program	-	-	-	-	-	\$ -	
	Communications						\$ -	
	Printing						\$ -	
	Advertising						\$ -	
	Communications	-	-	-	-	-	\$ -	
	Supplies						\$ -	
	Postage						\$ -	
	Dues & Subscriptions						\$ -	
	Travel						\$ -	
	Investment Fees Expense	4,655	3,212	4,012	2,886	2,886	\$ -	0.0%
	Operations	4,655	3,212	4,012	2,886	2,886	\$ -	0.0%
	Information Technology						\$ -	
	Professional Fees						\$ -	
	Commercial Insurance						\$ -	
	Taxes						\$ -	
	Conferences & Training						\$ -	
	Employee Recognition						\$ -	
	Marketing Expenses						\$ -	
	Corporate Expenses	-	-	-	-	-	\$ -	
	Total Operating Expenses	4,655	3,212	4,012	2,886	2,886	\$ -	0.0%
Net	Gross surplus(Rev-Exp)/ Net Cash	7,042	8,084	8,588	9,294	9,294	\$ -	0.0%
	Accrual Basis Net from Operations	7,042	8,084	8,588	9,294	9,294	\$ -	0.0%
Beginning Balance Emergency Fund		1,170,653	490,701	560,194	635,469	553,270		
Transfer to Initiatives Fund		(467,156)			(135,469)			
Revenue over Expenditures		7,042	8,084	8,588	9,294	9,294		
Unrealized Gain (Loss) on Investment		(219,838)	61,409	66,687	43,976	34,706		
Ending Balance Emergency Fund		<u>490,701</u>	<u>560,194</u>	<u>635,469</u>	<u>553,270</u>	<u>597,270</u>		



Reserve Study Transmittal Letter

Date: August 10, 2025
To: David Webster, Green Valley Recreation Inc
From: Browning Reserve Group, a division of Reserve Advisors, LLC (BRG)
Re: **Green Valley Recreation Inc; Update w/ Site Visit Review**
First Draft

Attached, please find the reserve study for Green Valley Recreation Inc. To assist in your understanding of the study, and to highlight key information you may need quickly, we have listed below some of the important information contained in the study. At BRG our goal is to bring clarity from complexity, so should you have any questions, please do not hesitate to contact us anytime.

1. Where do I find the recommended reserve contribution for next year's budget?

This is found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* **\$1,400,102** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$102.87 Household/yr @ 13,610.** For any other funding related issues, if any, see *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."*

2. Where do I find the status of the reserve fund, based on the Percent Funded calculation?

This is found for the 30-year term of the study in *Section IV, "30 Year Reserve Funding Plan, Including Fully Funded Balance and % Funded."* For the year for which the study was prepared, 2026, the Project is **54.7%** funded.

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.

Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that GVR's reserves are inadequately funded.

3. Where do I find the assumptions for interest and inflation factors?

While this information is in various places in the study, it can always be found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* For this study the assumption is **2.50%** for the interest rate and **2.50%** for the inflation factor. Please be advised these rates estimate the values that will stand the test of time over the 30-year term of the study, not simply only next year.

DRAFT

Green Valley Recreation Inc - 2772

August 10, 2025 - Reserve Study

Page Two

Please read the two helpful sections entitled "Glossary" and "Notes to the Auditor." The glossary explains common reserve study terms as well as BRG specific terminology. The Notes to the Auditor while intended to assist the auditor, has useful information for the casual reader on how year zero, (2025) the current fiscal year is dealt with in the study.



RESERVE STUDY

Update w/ Site Visit Review

Green Valley Recreation Inc

First Draft

Published - August 10, 2025

Prepared for the 2026 Fiscal Year

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Green Valley Recreation Inc

First Draft

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Green Valley Recreation Inc

First Draft

Member Distribution Materials

The following Reserve Study sections, located at the end of the report, should be provided to each member.

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Green Valley Recreation Inc

First Draft

Published - August 10, 2025

Prepared for the 2026 Fiscal Year

Reserve Study Summary

A Reserve Study was conducted of Green Valley Recreation Inc (the "**Project**") which is a Project with a total of 13,868 households. An **Update With Site-Visit Review** is a reserve study update in which the following tasks are performed:

- development of a reserve component inventory (verification only, not quantification);
- condition assessment based upon on-site visual observation;
- life and valuation estimates;
- fund status;
- and a funding plan.

[Association] is a project with a total of [UnitNbr] [UnitTyp].

Physical Inspection

Browning Reserve Group, a division of Reserve Advisors, LLC ("**BRG**") conducted a physical inspection of the Project. The inspection encompassed those major components that the Project is required to maintain. For this study components are determined to be major components if:

1. As of the date of the study, they have a remaining useful life of less than 30 years, and a value greater than \$5,000.00.
2. Such additional components, if any, determined by the Project Manager.

During the inspection, BRG utilized the services of our own construction cost estimator. In addition, independent contractors were retained to render opinions on selected components as indicated in Section VI, Included Component Listing.

Supplemental information to the physical inspection may have been obtained from the following sources:

1. Project plans where available.
2. Maintenance records of the reserve components where available.
3. Project board members, management and staff.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget unless otherwise noted in "*Section III, Reserve Funding Plan*." In addition BRG relied on the Project to provide an accurate Beginning Reserve Balance.

The status of the Project's reserves, as reflected in the following Reserve Study, is as follows:

1. The Expenditure Forecast of the following Reserve Study identifies the major components which the Project is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:
 - a. Its current estimated replacement cost;
 - b. Its estimated useful life; and
 - c. Its estimated remaining useful life.
2. It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$12,906,312.
 - [For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]
3. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2026 is estimated to be \$7,057,099, constituting 54.7% of the total expenditures anticipated for all such major components through their first end of useful life replacement.
4. Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$1,400,102 [*\$102.87 Household per yr (average)*] for the fiscal year ending December 31, 2026 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

Funding Assessment

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.

Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that GVR's reserves are inadequately funded.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Project is 54.7% funded. The following scale can be used as a measure to determine the Project's financial picture whereas the lower the percentage, the higher the likelihood of the Project requiring a special assessment, or other large increases to the reserve contribution in the future.



Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in Section III, Reserve Fund Balance Forecast) was developed using the Cash Flow method. This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Funding Goals

The funding goal employed for Green Valley Recreation Inc is

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

Limitations

The intention of the Reserve Study is to forecast Green Valley Recreation's (GVR's) ability to repair or replace major components as they wear out in future years. The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Supplemental Disclosures

General:

BRG has no other involvement(s) with the Project which could result in actual or perceived conflicts of interest.

Personnel Credentials:

BRG is a California licensed general building contractor (CSLB #768851), and BRG's founder, Robert Browning, holds the Reserve Specialist (RS #46) and Professional Community Association Manager (PCAM #723) designations from the Community Associations Institute (CAI).

Completeness:

BRG has found no material issues which, if not disclosed, would cause a distortion of the Project's situation.

Reliance on Client Data:

Information provided by the official representative of the Project regarding financial, physical, quantity, or historical issues will be deemed reliable by BRG.

Scope:

This Reserve Study is a reflection of information provided to BRG and assembled for the Project's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.



Browning Reserve Group, a division of Reserve Advisors, LLC

30 Year Reserve Funding Plan Cash Flow Method

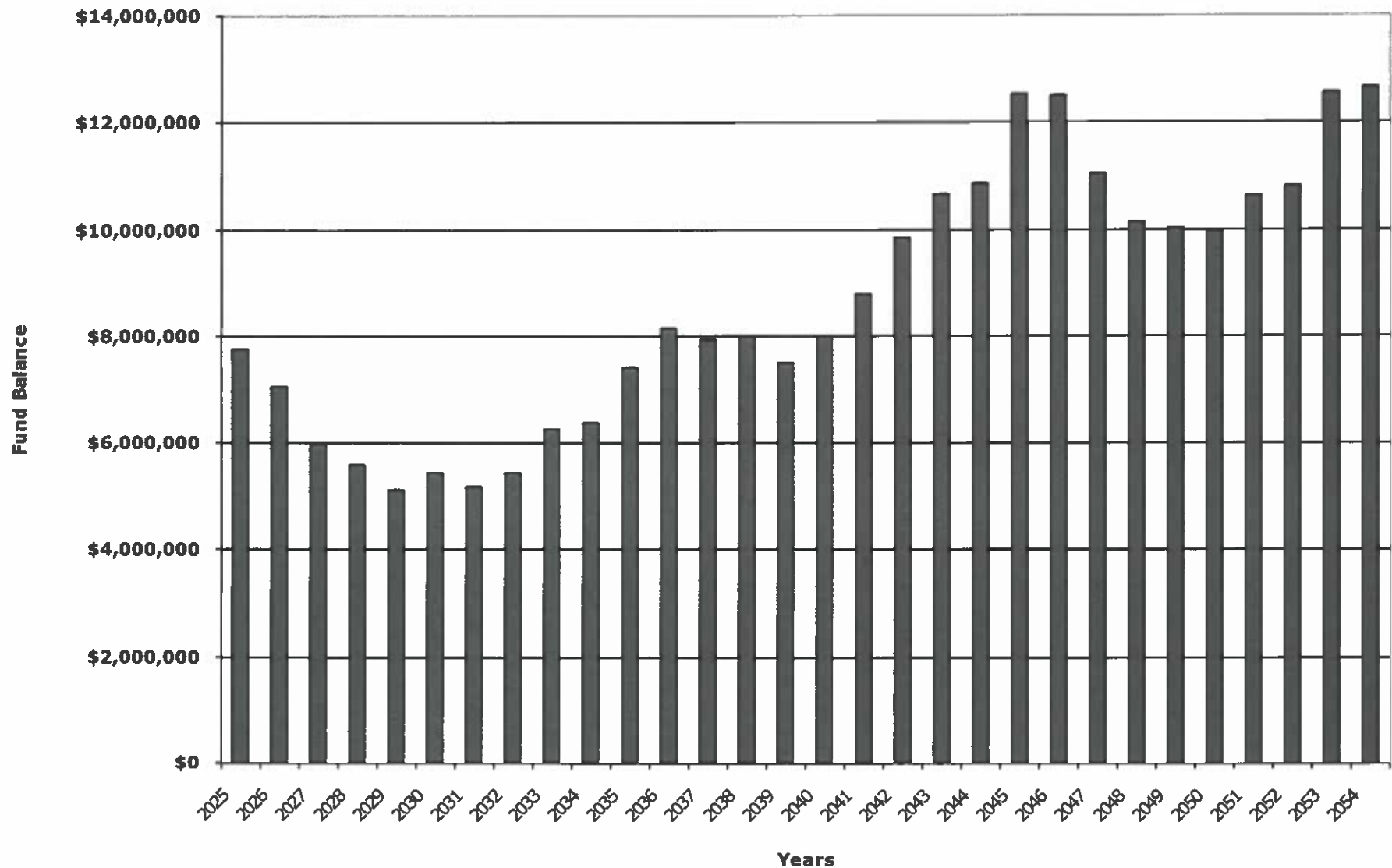
First Draft

Prepared for the 2026 Fiscal Year

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	7,100,000	7,758,866	7,057,099	5,986,189	5,579,800	5,111,036	5,448,424	5,188,325	5,444,009	6,258,412
Inflated Expenditures @ 2.5%	824,679	2,284,781	2,732,040	2,149,281	2,300,852	1,593,077	2,291,519	1,875,682	1,390,176	2,139,426
Reserve Contribution	1,300,102	1,400,102	1,500,102	1,600,102	1,700,102	1,800,102	1,900,102	2,000,102	2,060,105	2,121,908
<i>Household/yr @ 13,610</i>	95.53	102.87	110.22	117.57	124.92	132.26	139.61	146.96	151.37	155.91
<i>Percentage Increase</i>		7.7%	7.1%	6.7%	6.2%	5.9%	5.6%	5.3%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	183,443	182,913	161,028	142,790	131,986	130,364	131,318	131,263	144,474	156,241
Ending Balance	7,758,866	7,057,099	5,986,189	5,579,800	5,111,036	5,448,424	5,188,325	5,444,009	6,258,412	6,397,136

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	6,397,136	7,419,077	8,134,946	7,942,282	7,966,950	7,510,311	7,997,339	8,794,802	9,847,976	10,672,572
Inflated Expenditures @ 2.5%	1,334,194	1,727,288	2,709,815	2,559,968	3,107,589	2,238,094	2,019,526	1,864,953	2,197,352	2,932,861
Reserve Contribution	2,185,565	2,251,132	2,318,666	2,388,226	2,459,873	2,533,669	2,609,679	2,687,969	2,768,608	2,851,666
<i>Household/yr @ 13,610</i>	160.59	165.40	170.36	175.48	180.74	186.16	191.75	197.50	203.42	209.53
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	170,571	192,025	198,484	196,410	191,077	191,452	207,310	230,158	253,340	265,799
Ending Balance	7,419,077	8,134,946	7,942,282	7,966,950	7,510,311	7,997,339	8,794,802	9,847,976	10,672,572	10,857,176

	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Beginning Balance	10,857,176	12,535,029	12,519,028	11,050,355	10,134,110	10,012,756	9,979,760	10,634,002	10,805,114	12,558,156
Inflated Expenditures @ 2.5%	1,548,155	3,350,642	4,875,745	4,387,357	3,675,942	3,684,856	3,107,438	3,705,973	2,256,170	4,053,361
Reserve Contribution	2,937,216	3,025,332	3,116,092	3,209,575	3,305,862	3,405,038	3,507,189	3,612,405	3,720,777	3,832,400
<i>Household/yr @ 13,610</i>	215.81	222.29	228.96	235.82	242.90	250.19	257.69	265.42	273.39	281.59
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	288,793	309,309	290,980	261,537	248,727	246,821	254,491	264,680	288,435	311,192
Ending Balance	12,535,029	12,519,028	11,050,355	10,134,110	10,012,756	9,979,760	10,634,002	10,805,114	12,558,156	12,648,387

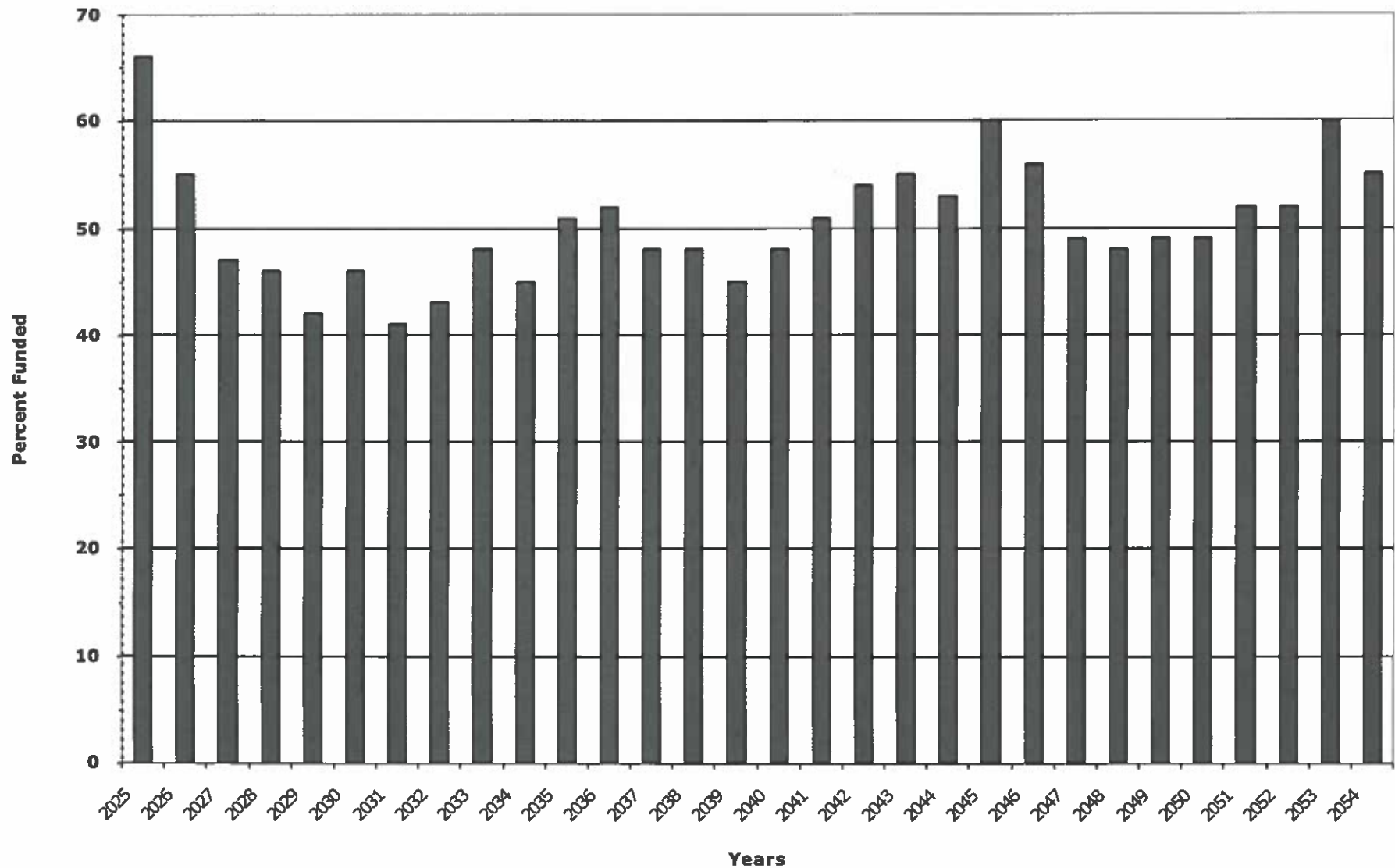


30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

First Draft

Prepared for the 2026 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2025	7,100,000	11,705,748	66.3%	824,679	1,300,102	0	183,443	7,758,866
2026	7,758,866	12,906,312	54.7%	2,284,781	1,400,102	0	182,913	7,057,099
2027	7,057,099	12,682,287	47.2%	2,732,040	1,500,102	0	161,028	5,986,189
2028	5,986,189	12,044,947	46.3%	2,149,281	1,600,102	0	142,790	5,579,800
2029	5,579,800	12,035,177	42.5%	2,300,852	1,700,102	0	131,986	5,111,036
2030	5,111,036	11,917,146	45.7%	1,593,077	1,800,102	0	130,364	5,448,424
2031	5,448,424	12,570,515	41.3%	2,291,519	1,900,102	0	131,318	5,188,325
2032	5,188,325	12,575,626	43.3%	1,875,682	2,000,102	0	131,263	5,444,009
2033	5,444,009	13,058,089	47.9%	1,390,176	2,060,105	0	144,474	6,258,412
2034	6,258,412	14,102,524	45.4%	2,139,426	2,121,908	0	156,241	6,397,136
2035	6,397,136	14,458,660	51.3%	1,334,194	2,185,565	0	170,571	7,419,077
2036	7,419,077	15,703,975	51.8%	1,727,288	2,251,132	0	192,025	8,134,946
2037	8,134,946	16,633,787	47.7%	2,709,815	2,318,666	0	198,484	7,942,282
2038	7,942,282	16,637,446	47.9%	2,559,968	2,388,226	0	196,410	7,966,950
2039	7,966,950	16,853,923	44.6%	3,107,589	2,459,873	0	191,077	7,510,311
2040	7,510,311	16,575,114	48.2%	2,238,094	2,533,669	0	191,452	7,997,339
2041	7,997,339	17,242,695	51.0%	2,019,526	2,609,679	0	207,310	8,794,802
2042	8,794,802	18,214,679	54.1%	1,864,953	2,687,969	0	230,158	9,847,976
2043	9,847,976	19,434,672	54.9%	2,197,352	2,768,608	0	253,340	10,672,572
2044	10,672,572	20,411,363	53.2%	2,932,861	2,851,666	0	265,799	10,857,176
2045	10,857,176	20,727,151	60.5%	1,548,155	2,937,216	0	288,793	12,535,029
2046	12,535,029	22,540,449	55.5%	3,350,642	3,025,332	0	309,309	12,519,028
2047	12,519,028	22,623,581	48.8%	4,875,745	3,116,092	0	290,980	11,050,355
2048	11,050,355	21,219,411	47.8%	4,387,357	3,209,575	0	261,537	10,134,110
2049	10,134,110	20,356,431	49.2%	3,675,942	3,305,862	0	248,727	10,012,756
2050	10,012,756	20,278,666	49.2%	3,684,856	3,405,038	0	246,821	9,979,760
2051	9,979,760	20,269,351	52.5%	3,107,438	3,507,189	0	254,491	10,634,002
2052	10,634,002	20,933,172	51.6%	3,705,973	3,612,405	0	264,680	10,805,114
2053	10,805,114	21,083,646	59.6%	2,256,170	3,720,777	0	288,435	12,558,156
2054	12,558,156	22,809,575	55.5%	4,053,361	3,832,400	0	311,192	12,648,387



Brief History of Membership Change Fee (MCF)

OBJECTIVE

The Board wanted to establish a fee to help subsidize the costs for the repair and maintenance of the facilities without increasing member dues. Discussions began back in 1993.

The name of this fee has changed several times over the years, you may see it referred to as: New Member Capital Fee (NCMF), Property Acquisition Capital Fee (PACF), Membership Change Fee (MCF).

2011

CPM updated to include:

NEW MEMBER CAPITAL FEE – adopted 12/2/11

Upon the purchase of any existing GVR membership property, the purchaser of such property shall pay a New Member Capital Fee in an amount to be determined by the Board of Directors; however, such fee shall not exceed the Initial Fee then in effect. The New Member Capital Fee is charged to assist in the deferred maintenance and upkeep of GVR's facilities and the funds collected are used exclusively for that purpose. This provision shall not apply to a purchaser who is currently a GVR member or has been a GVR member at any time within one year of the closing of the purchase.

2014

CPM updated to include:

NEW MEMBER CAPITAL FEE – adopted 08/26/14

Upon the purchase of any existing GVR membership property, the purchaser of such property shall pay a New Member Capital Fee in an amount to be determined by the Board of Directors; however, such fee shall not exceed the Initial Fee then in effect. Revenue from New Member Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs. This provision shall not apply to a purchaser who is currently a GVR member or has been a GVR member at any time within one year of the closing of the purchase.

2015

CPM updated to include:

NEW MEMBER CAPITAL FEE – adopted 12/17/15

Upon transfer of title to a GVR membership property, the new owner thereof shall pay a New Member Capital Fee unless such owner was a GVR membership property owner at the time of the transfer or within twelve months prior thereto. Revenue from New Member Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

Per Staff: In 2015, at closing, members would only pay the Transfer Fee if they were a current GVR owner of one or more properties.

2019

CPM updated to include:

E. Property Acquisition Capital Fee – updated 8/28/2019

1. Upon transfer of title to a GVR membership property, the new owner shall pay a Property Acquisition Capital Fee.
2. The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property, and held title to a single GVR membership property within 365 days prior.
3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.
4. Revenue from the Property Acquisition Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

Per Staff: The PACF did not go into effect until January 1, 2020. In closing, members paid the PACF and received a refund if they provided documents proving they had previously been a GVR member. This remains a current process through September, 2025.

2021

CPM updated to include:

F. Membership Change Fee – updated 12/15/21

1. Upon transfer of title of a GVR membership property, the new owner shall pay a Membership Change Fee.
2. The Membership Change Fee shall be refunded if the new owner was a GVR member within 365 days prior to the transfer of title and owns no other GVR property.
3. Revenue from the Membership Change Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs. A portion of the revenue from Membership Change Fee is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.
4. The Membership Change Fee does not apply to the transfer of title for estate purposes (e.g., into a trust).

2023

August 23, 2023, Change to the Membership Change Fee CPM

1.1.6 Membership Change Fee

A. Upon transfer of title of a GVR membership property, the new owner shall pay a Membership Change Fee. Exemptions:

1. The Membership Change Fee shall not apply to the transfer of legal ownership of a GVR deeded property from a trust if the resulting legal owners of the property are identical to the trustees of the trust immediately prior to the transfer.
2. A person or legal entity who acquires ownership of a legal or beneficial interest of the GVR property resulting from death, sells it within six (6) months of the date of death will be exempt from the Membership Change Fee (and Transfer Fee) provided

they do not elect to utilize the facilities or have Tenants in the property who wish to utilize the facilities.

B. The Membership Change Fee shall be refunded if the following apply:

1. A Member has owned and occupied a GVR property within 365 days of transfer of title, provided that the Member demonstrates that she/he has moved from one owner-occupied primary GVR residence to another owner-occupied primary GVR residence and has presented GVR with background material showing this was a change in primary residence.
2. The Member(s) has owned and occupied the GVR property being sold for at least one (1) year.
3. A tenant card has not been issued on the property within the twelve (12) months immediately prior to the sale of the owner-occupied property.
4. The Member(s) submit a refund request for the Membership Change Fee. GVR will review the property transaction details to confirm ownership and eligibility for both properties. Refunds will be processed upon verification.

C. Revenue from the Membership Change Fee may be used as will most effectively further the general purpose of The Corporation to provide for current and future needs. A portion of the revenue from Membership Change Fee is to be used to fund contributions to the Initiatives Reserve Fund as determined by the Board.



MINUTES

Fiscal Affairs Committee

Tuesday, September 23, 2025

1:30pm – 3:30 0pm MST

West Center Room 2 / Zoom

Committee: Nellie Johnson (Chair), Dale Howard, Bob Quast, Pat Reynolds, Steve Reynolds, Priscilla Spurgeon, Barry Stock, Eric Sullwold, Betsy Walton, Kathi Bachelor (ex-officio), Scott Somers (CEO), David Webster (CFO/Liaison)

Absent: Pat Reynolds, Barry Stock

Board Attendees: Kathi Bachelor, Jodie Walker

Visitors: 2

Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. Approve or Amend Agenda
MOTION: Johnson moved / Quast seconded to amend the Agenda by moving items B, C, and F to the end of the Agenda.
Passed: unanimous
3. **Approve Meeting Minutes:** September 16, 2025
MOTION: Sullwold moved / Quast seconded to approve the September 16, 2025, Meeting Minutes as presented.
Passed: unanimous
4. **Business**
 - A. Revised 2026 Draft Budget and 3-Year Forecast
CFO David Webster reviewed recommendations from the September 16 FAC Meeting:
 - Revised Tenant Card Fee: Change from 2025 which had one fee for 4 – 12 month for \$170; 2026 has a 4 month for \$180, 5 month for \$215, and 6 – 12 month \$250. The increase for 2026 with these fee increases to \$18,900.**MOTION: Reynolds moved / Howard seconded to accept the Tenant Fees as presented by staff for 2026.**
Passed: 6 yes (Eric Sullwold did not vote)

- Estimated 94 per year of the Member Change Fee (MCF) refunds: Proposed in 2026 to eliminate the refund.

MOTION: Johnson moved / Howard seconded to approve to eliminate the MCF refund beginning July 1, 2026. Any homes sales closing before June 30, 2026, are eligible for the refund. Any homes sales closing after June 30, 2026, are not eligible for a refund.

Passed: 4 yes / 3 no (Quast, Sullwold, Walton)

- Non-reserve capital began at \$0 for 2026. FAC moved at the last FAC meeting to increase to \$20,000 for accessibility adjustments, member requests, and working with clubs. Increase the amount up to \$100,000 by 2029.

MOTION: Johnson moved / Quast seconded to use the non-reserve capital for planning and working with clubs, member requests, and putting the numbers officially in the forecast.

Passed: 4 yes / 3 no (Howard, Reynolds, Sullwold)

- Dues increase needs to be \$4 in addition to the \$10 already on the 2026 forecast. This would be a 2.64% increase. In 2027 the forecast is \$10 with an additional \$7, 2028 the forecast of \$10 with an additional \$7, and 2029 the forecast of \$10 with an additional of \$11.

MOTION: Spurgeon moved / Johnson seconded to approve the dues of \$545 for 2026, and on the forecast sheet \$557 for 2027, \$567 for 2028, and \$581 for 2029.

Passed: 6 yes / 1 no (Sullwold)

- MRR-A study by Browning was completed and the highlights include: 1) The inflation factor from 4.3 percent increase to 7 percent increase; 2) Commitment to maintain the facilities is to reach the goal of 70 percent. The study for last year was 60.5 percent and this year it slipped down to 54.7 percent even with the 7 percent adjustment; and 3) The cost of replacement is held to the dollar amount. The MRR-B (the pool replacement fund) is inadequately funded.

MOTION: Johnson moved / Walton seconded to postpone the vote on the dues to first discuss the Voluntary Deed Restriction and the marketing cost.

Passed: 6 yes / 1 no (Sullwold)

- B. Discuss Voluntary Deed Restriction Financing Options for Members
Chair Johnson shared information regarding a pilot program for financing options for Voluntary Deed Restriction.

MOTION: Quast moved / Walton seconded for FAC to recommend to the Board to investigate this pilot program on financing options for the Voluntary Deed Restriction program in a Work Session and to further it on for adoption by the Board.

Passed: 6 yes / 1 no (Sullwold)

C. Discuss Marketing Costs

The budget could use more funds in the marketing area. These funds could go toward optimizing Google searches, providing post cards with links to the GVR website to potential Voluntary Deed Restricted residents, and possibly a new marketing video.

MOTION: Sullwold moved / Quast seconded to increase the marketing budget by \$10,000 for staff to use to improve the digital footprint for marketing.

Passed: unanimous

D. Review Abrego South Staff report, Geotechnical report, and pool attendance summary

Discussion was held regarding the Abrego South pool and locker room issue.

MOTION: Johnson moved / Quast seconded to remove the Abrego Locker Room Building from the Initiative Fund, and the MRR-B Abrego Pool South at \$1.6 million from.... for planning purposes in the future.

Passed: 6 yes / 1 no (Spurgeon)

(Eric Sullwold left the meeting)

MOTION: Johnson moved / Quast seconded to add Abrego South demolition of the pool at \$100,000 in the Initiatives Fund.

(Steve Reynolds left the meeting)

Passed: 4 yes / 1 no (Spurgeon)

E. Review Draft Capital Improvement Plan and Capital Budget for fiscal year 2026

MOTION: Johnson moved / Quast seconded to move the Woodworking Shop up a year.

Passed: unanimous

F. Discuss CPM change for Initiatives Funding

Chair Johnson brought a proposed change to the Corporate Policy Manual (CPM) Part 6 GVR Programs and Clubs Section 2 - 6.2.6.A. The proposed change in is in red: A. 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.

MOTION: Quast moved / Spurgeon seconded to adopt the amended CPM change to 6.2.6.A. and recommend to the Board.

Passed: unanimous

G. Review summary of the Draft Reserve Study report from Browning Reserve Group

Consensus to move the MRR-A expenditures for 2026 from \$2.2 million to \$2.5 million.

5. **Member Comments:** Comments were made during the meeting.

6. **Adjournment**
No objections to adjourn. Meeting adjourned at 3:47pm MST

Next Meeting: Tuesday, October 21, 2025, 1:30-3:00pm, WC-Rm 2/Zoom

DRAFT