



## **AGENDA**

### **Fiscal Affairs Committee**

**Tuesday, February 17, 2026**

**1:30pm – 3:00pm MST**

**West Center Room 2 / Zoom**

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives."

**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)

#### **Agenda Topic**

1. **Call to Order / Roll Call - Establish Quorum**
2. **Approve or Amend the Agenda**
3. **Approve Meeting Minutes:** January 20, 2026
4. **Chair Comments**
5. **Business**
  - A. Review of January 2026 Preliminary Financial Statements
  - B. Discussion of revised Browning Reserve Study and discussion on Pool Reserve Study - review updated forecast
  - C. Discussion of Information Systems funding /brainstorm
  - D. Year-end Accomplishments draft
6. **Member Comments**
7. **Adjournment**

**Next Meeting:** Tuesday, March 17, 2026, 1:30-3:00pm, WC-Rm 2/Zoom



## MINUTES

### Fiscal Affairs Committee

Tuesday, January 20, 2026

1:30pm – 3:00pm 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, Betsy Walton

**Board Attendees:** Lanny Smith

**Visitors:** 1

### Agenda Topic

1. **Call to Order / Roll Call - Establish Quorum**
2. Approve or Amend Agenda  
**MOTION: Johnson moved / Howard seconded to amend the Agenda to include November in Business 5.A and add two items to the Agenda: 1) Business item C regarding Board recommended financial statements and 2) Business item D approval of the transfer of the emergency fund over \$500,000**  
**Passed: unanimous**
3. **Approve Meeting Minutes:** November 18, 2025  
**MOTION: Quast moved / Sullwold seconded approve the November 18, 2025, Meeting Minutes as presented.**  
**Passed: unanimous**
4. **Chair Comments**
  - Review of the last three months for the FAC from January – March: Reserve Study – since adding additional dollars on the expense side review the ratios for the pool report; in February have an overview discussion on software technology and how to fund it (finance mechanism); in March make a decision on where to move the surplus fund, and do the year-end report.
  - Encouraged FAC members to submit committee applications for the 2026-2027 FAC.

## 5. **Business**

### A. Review of December 2025 Preliminary Financial Statements

David Webster CFO reviewed the November and December Financials.

Highlights include:

#### 1. Statement of Financial Position

- a. Operating Cash increase for December \$3,986,619 due primarily to dues collections.
- b. Designated Funds Cash net decrease for December \$8,833
- c. Net Assets Increase Year to Date December \$1,890,806

#### 2. Statement of Financial Activities

- a. YTD revenue under budget (unfavorable) 0.8% or \$95,894
- b. YTD expenses under budget (favorable) 2.2% or \$252,161
- c. November unrealized gains on investments \$46,269, YTD gains \$807,942
- d. December MCF fees over budget (favorable) 87 actual compared to 71 budgeted, YTD over budget (favorable) 918 compared to 862 budgeted.
- e. YTD utilities are 10% under budget (favorable) or \$975,385 actual vs a budget of \$1,081,000
- f. GVR personnel under budget (favorable) by 2% YTD or \$118,091
- g. Recreation revenue under budget (unfavorable) by \$240,949
- h. Recreation Program expenses are under budget (favorable) by \$180,051
- i. Preliminary 2025 Surplus is calculated to be \$162,386

**MOTION: Sullwold moved / Howard seconded to accept the November Financials.**

**Passed: unanimous**

**MOTION: Sullwold moved / Howard seconded to accept the December Financials.**

**Passed: unanimous**

### B. Discussion on the Staff Cost Savings List

Highlights of the discussion:

- Most of these cost savings impact membership.
- Test ideas: closing certain holidays; keep major centers open on holidays versus all centers; closing some centers at holidays reduces personnel costs; have a roving employee during the holiday versus an onsite staff; staff collect data to recommend a plan to the FAC; lower pool and spa temperatures; or consider one degree from East Center pool; possibly bring back pool or spa covers; close Canoa Hills fitness and repurpose the room; possibly renovate Las Campanas fitness room; review software systems that help GVR operate efficiently; .
- This discussion is about being efficient and meet the membership's needs at all times.

### C. FAC Recommendation for Board Financial Statements

**MOTION: Johnson moved / Sullwold seconded to standardize the**

**monthly financials for the Board Regular Meeting Book to include the Staff Report Monthly Highlights, Statement of Financial Position, and the Summary Statement of Activities.**

**Passed: unanimous**

- D. Recommended Transfer of Emergency Fund of \$500,000  
Staff is recommending not to move the Emergency Fund since it is generating more investment income. When the funds may be needed FAC can recommend to move the funds.

6. **Member Comments:** 0 comments

7. **Adjournment**

**MOTION: Howard moved / Quast seconded to adjourn the meeting at 2:36pm MST.**

**Next Meeting:** Tuesday, February 17, 2026, 1:30-3:00pm, WC-Rm 2/Zoom

DRAFT



P.O. Box 586 Green Valley AZ 85622

520.625.3440

**Fiscal Affairs  
Financial Report  
As of January 31, 2026**

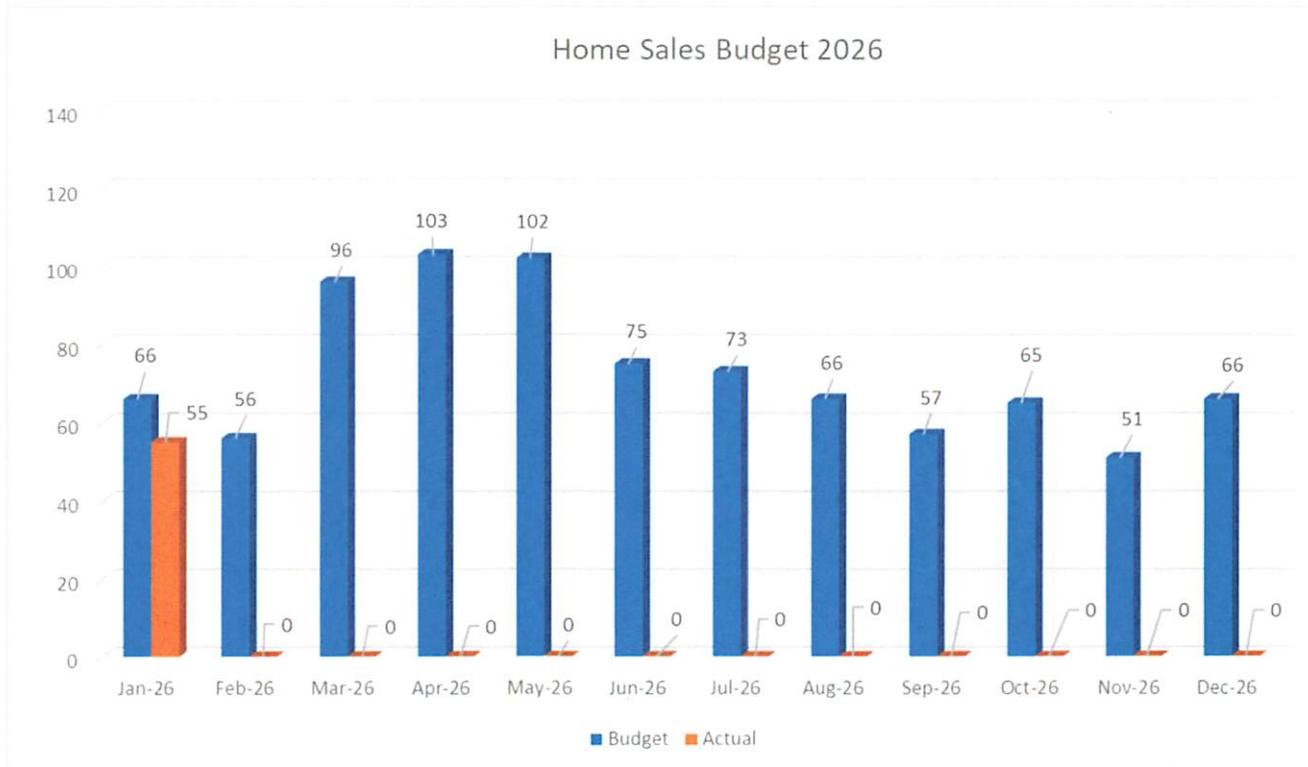
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through January 31, 2026 and include the financial statements as of January 31, 2026. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the January 31, 2026 total year to date Increase in Net Assets based on GVR's 2026 Financial Statements:

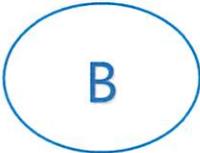
Month	GVR 2026				Budget Variance	
	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets	Homes Sold	Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-26	\$114,385	\$161,218	\$275,603	55	(\$39,746)	\$48,390
Feb-26			\$0			
Mar-26			\$0			
Apr-26			\$0			
May-26			\$0			
Jun-26			\$0			
Jul-26			\$0			
Aug-26			\$0			
Sep-26			\$0			
Oct-26			\$0			
Nov-26			\$0			
Dec-26	\$0	\$0	\$0	0	\$0	\$0
<b>Total YTD '26</b>	<b>\$114,385</b>	<b>\$161,218</b>	<b>\$275,603</b>	<b>55</b>	<b>(\$39,746)</b>	<b>\$48,390</b>

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- While the preceding table illustrates the performance for the year 2026 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2026 budget.
- There were 55 Home Resales during the month of January. This number of sales is 11 (17%) less than budgeted for January and 13 (19%) less than January of the prior year. GVR offsets home sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 4 and the current allowance is \$141,000 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through January, 2026.



- The number of home sales through the first two weeks of February, 2026 is 23 and GVR anticipates another 33 home sales to finalize in February 2026. This total projected 56 homes for February 2026 is 1 less than budgeted and will result in GVR being 12 (10%) homes under budget through February 2026.
- GVR has added 0 new Member Households year to date 2026 (page 4). The budgeted number of new households for 2029 is 20.



- The January 2026 Statement of Financial Position (page 2) reports the Total Net Assets to be \$35,896,326 which is a \$275,603 increase for the year (page 2 and 3) and includes \$161,218 of Unrealized Gains on Investments for January 2026 year to date.
- The January 31 Operational cash on hand is 734,666 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$6,313,900 which is a \$573,264 increase during the month of January. The cash projections for 2026 are on pages 6 and 7.
- The Net Fixed Assets are \$23,293,110 as of January 31, 2026 (page 2). Total net Capital Purchases for the year to date are \$47,725.
- Total Current Liabilities are \$7,772,200 (page 2). This includes 11 months of deferred revenue for 2026 dues.
- Designated Net Assets equal \$12,800,848 which reflects a net increase of \$1,802,331 for the month of January, 2026. This increase includes annual 2026 funding for MRR A (\$1,400,102) and MRR B Pools and Spas (\$342,783) which was transferred out from Operating Cash. The year-to-date net unrealized gains on investments are \$161,218 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$1,096,995 which is 3.5% under budget and 0.5% less than the prior year.
- The total expenses for the year are \$982,610 which is \$48,390 (4.7%) under budget and 2% less than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year-to-date January 31, 2026:

**EXPENSES YTD JANUARY 2026**

<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	278,108	16,479	6%	Repair & Maintenance is \$17K (48%) under budget
Program Expenses	89,252	3,197	3%	Recreation Expenses are \$9K (15%) over budget. Corresponding Recreational Income is \$24K (19%) better than budgeted.
Communications	16,794	(3,163)	-23%	Printing costs are \$4K (106%) over budget.
Operational Expenses	28,606	29,793	51%	Operating Supplies are \$20K (42%) under budget,
Corporate Expenses	63,533	5,429	8.0%	IT Software expenses are \$8K (70%) under budget and Professional fees are \$4K (24%) over budget.
Personnel & Benefits	<u>506,317</u>	<u>(3,344)</u>	-1%	Wages are \$1K (0.2%) under budget. Benefits are \$3K (3%) over budget.
<b>TOTAL EXPENSES</b>	<b><u>982,610</u></b>	<b><u>48,391</u></b>	<b><u>4.7%</u></b>	under budget

- The Capital Improvements Projects Master List is included on page 5.
- Memos that discuss the MRR Reserve Fund and the MRR B Pools and Spas Reserve Fund are included on pages 8 – 24.
- An informational memorandum regarding the MAP Fund is included on page 25.
- A Fiscal Affairs Committee Year-End Report is included on pages 26 – 27.
- A copy of a MRR Reserves Part A and B presentation is included at the end of this meeting book.





Green Valley Recreation, Inc.  
**Board of Directors Meeting**  
**January 2026 Financial Highlights**

Prepared By: David Webster, CFO

Meeting Date:

Presented By: David Webster, CFO

Consent Agenda: N/A

**Originating Committee / Department:**

Administration

**Strategic Plan Goal:**

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

**Background Justification:**

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

**Key Points/Highlights for January 2026:**

1. Statement of Financial Position
  - a. Operating Cash increase for January \$573,264 due primarily to dues collections.
  - b. Designated Funds Cash net increase for January \$1,802,331 due primarily to annual funding of MRR (\$1,400,102) and MRR B Pools and Spas (\$342,783).
  - c. Net Assets Increase Year to Date January 2026 \$275,603
2. Statement of Financial Activities
  - a. YTD total revenue under budget (unfavorable) 3.5% or \$39,746.
  - b. YTD total expenses under budget (favorable) 4.7% or \$48,390.
  - c. January unrealized gains on investments \$161,218.
  - d. January MCF fees under budget (unfavorable) 17% 55 actual compared to 66 budgeted.
  - e. Fees income for January under budget (unfavorable) 16% or \$19,331 due primarily to lower than budgeted Transfer Fees, Guest Card Fees, and Tenant Fees revenues.
  - f. GVR personnel over budget (unfavorable) by 0.6% YTD or \$3,344.
  - g. Recreation revenue over budget (favorable) by 17% \$21,356.
  - h. Recreation Program expenses are over budget (unfavorable) by 25% or \$19,026.
  - i. January Operating Supplies under budget (favorable) 51% or \$29,793.
  - j. Net Operating Surplus is \$114,385 which is 8% more than budgeted.



**Green Valley Recreation, Inc.**  
**Statement of Financial Position**

As of Date: January 31, 2026 and Dec 31, 2025

	January 31, 2026	Dec 31, 2025
	Total	Total
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash/Cash Equivalents	734,666	1,525,682
Accounts Receivable	996,746	404,170
Prepaid Expenses	225,536	267,712
Maintenance Inventory	61,927	61,927
Designated Investments (Charles S./SBH)		
Emergency - Fund	583,198 (1)	573,244 (18)
MRR - Fund	8,750,175 (2)	7,387,735 (19)
Initiatives - Fund	1,403,092 (3)	1,339,862 (20)
Pools & Spas - Fund	2,064,384 (4)	1,697,677 (21)
Total Designated Investments (CS/SBH)	12,800,848 (5)	10,998,517 (22)
Undesignated Invest. (JP Morgan Long Term)	1,674,123 (6)	1,609,852 (23)
Undesignated Invest. (JP Morgan)	3,905,111 (7)	2,605,102 (24)
Investments	18,380,082 (8)	15,213,472 (25)
<b>Total Current Assets</b>	<b>20,398,957</b>	<b>17,472,962</b>
<b>Fixed Assets</b>		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	35,478,704	35,430,978
Sub-Total	53,495,788	53,448,063
Less - Accumulated Depreciation	(30,202,679)	(30,084,796)
<b>Net Fixed Assets</b>	<b>23,293,110 (9)</b>	<b>23,363,267 (26)</b>
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	36,447	36,447
<b>Total Assets</b>	<b>43,728,514</b>	<b>40,872,676</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	336,338	441,520
Deferred Dues Fees & Programs	7,156,327	4,524,612
Accrued Payroll	101,235	58,200
Compensation Liability	-	-
MCF Refund Liability	141,000	141,000
In-Kind Lease Liability - Current	3,667	-
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	33,633	33,633
<b>Total Current Liabilities</b>	<b>7,772,200</b>	<b>5,198,965</b>
In-Kind Lease Liability - LT	38,667	42,667
Notes Payable	11,000	-
Financing ROU Liability - LT	10,321	10,321
<b>Total Long Term Liabilities</b>	<b>59,988</b>	<b>52,988</b>
<b>TOTAL NET ASSETS</b>	<b>35,896,326 (10)</b>	<b>35,620,723 (27)</b>
<b>NET ASSETS</b>		
Temporarily Designated:		
Board Designated:		
Emergency	583,198 (11)	573,244 (28)
Maint - Repair - Replacement	8,750,175 (12)	7,387,735 (29)
Initiatives	1,403,092 (13)	1,339,862 (30)
Pools & Spas	2,064,384 (14)	1,697,677 (31)
<b>Sub-Total</b>	<b>12,800,848 (15)</b>	<b>10,998,517</b>
Unrestricted Net Assets	22,819,875	24,622,206
Net change Year-to-Date	275,603 (16)	-
<b>Unrestricted Net Assets</b>	<b>23,095,478 (17)</b>	<b>24,622,206</b>
<b>TOTAL NET ASSETS</b>	<b>35,896,326</b>	<b>35,620,723</b>



# Green Valley Recreation, Inc.

## Summary Statement of Activities

YTD Period: 1 month period ending January 31, 2026

FY Budget Period: Jan 1, 2026 - Dec 31, 2026

	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON			%	Fiscal Year Budget	Remaining FY Budget
	2025 YTD Actual	2026 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance			
<b>Revenue</b>										
Member Dues	613,606	631,428	17,822	3%	631,428	630,747	681	0.1%	7,568,960	6,937,532
LC, Trans., Crd Fees.	102,146	99,873	(2,272)	(2%)	99,873	119,204	(19,331)	(16%)	800,700	700,827
Capital Revenue	209,116	172,200	(36,916)	(18%)	172,200	214,618	(42,418)	(20%)	2,860,800	2,688,600
Programs	48,613	48,485	(128)	(0%)	48,485	51,523	(3,038)	(6%)	571,456	522,971
Instructional	76,813	94,288	17,474	23%	94,288	72,224	22,064	31%	498,000	403,712
<b>Recreational Revenue</b>	<b>125,426</b>	<b>142,773</b>	<b>17,347</b>	<b>14%</b>	<b>142,773</b>	<b>123,747</b>	<b>19,026</b>	<b>15%</b>	<b>1,069,456</b>	<b>926,683</b>
<b>Investment Income</b>	<b>32,039</b>	<b>34,944</b>	<b>2,905</b>	<b>9%</b>	<b>34,944</b>	<b>36,250</b>	<b>(1,306)</b>	<b>(4%)</b>	<b>435,000</b>	<b>400,056</b>
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	4,124	4,257	133	3%	4,257	4,077	181	4%	48,919	44,662
<b>Comm. Revenue</b>	<b>4,124</b>	<b>4,257</b>	<b>133</b>	<b>3%</b>	<b>4,257</b>	<b>4,077</b>	<b>181</b>	<b>4%</b>	<b>48,919</b>	<b>44,662</b>
Other Income	13,834	9,459	(4,375)	(32%)	9,459	6,213	3,246	52%	117,350	107,891
Facility Rent	1,755	1,728	(28)	(2%)	1,728	1,552	176	11%	18,620	16,893
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	333	333	-	0%	333	333	-	0%	4,000	3,667
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	-	-
<b>Other Revenue</b>	<b>15,922</b>	<b>11,520</b>	<b>(4,403)</b>	<b>(28%)</b>	<b>11,520</b>	<b>8,098</b>	<b>3,422</b>	<b>42%</b>	<b>139,970</b>	<b>128,450</b>
<b>Total Revenue</b>	<b>1,102,379</b>	<b>1,096,995</b>	<b>(5,384)</b>	<b>(0%)</b>	<b>1,096,995</b>	<b>1,136,740</b>	<b>(39,746)</b>	<b>(3.5%)</b>	<b>12,923,805</b>	<b>11,826,810</b>
<b>Expenses</b>										
Major Proj.-Rep. & Maint.	29,238	13,240	15,998	55%	13,240	19,914	6,674	34%	238,970	225,730
Facility Maintenance	32,877	18,205	14,672	45%	18,205	35,133	16,928	48%	421,600	403,395
Fees & Assessments	30	-	30	100%	-	83	83	100%	1,000	1,000
Utilities	109,011	100,696	8,315	8%	100,696	111,070	10,374	9%	1,084,093	983,397
Depreciation	113,580	117,883	(4,303)	(4%)	117,883	105,710	(12,173)	(12%)	1,268,520	1,150,637
Furniture & Equipment	20,526	20,664	(138)	(1%)	20,664	16,008	(4,656)	(29%)	229,874	209,210
Vehicles	8,619	7,419	1,200	14%	7,419	6,667	(753)	(11%)	80,000	72,581
<b>Facilities &amp; Equipment</b>	<b>313,882</b>	<b>278,108</b>	<b>35,775</b>	<b>11%</b>	<b>278,108</b>	<b>294,586</b>	<b>16,479</b>	<b>6%</b>	<b>3,324,057</b>	<b>3,045,949</b>
Wages	377,250	382,873	(5,623)	(1%)	382,873	382,025	(849)	(0%)	4,584,295	4,201,421
Payroll Taxes	34,140	35,538	(1,398)	(4%)	35,538	35,600	62	0%	355,699	320,161
Benefits	86,623	87,906	(1,283)	(1%)	87,906	85,348	(2,558)	(3%)	897,672	809,766
<b>Personnel</b>	<b>498,013</b>	<b>506,317</b>	<b>(8,304)</b>	<b>(2%)</b>	<b>506,317</b>	<b>502,973</b>	<b>(3,344)</b>	<b>(1%)</b>	<b>5,837,665</b>	<b>5,331,348</b>
Food & Catering	4,372	1,457	2,915	67%	1,457	9,737	8,280	85%	78,698	77,241
Recreation Contracts	74,378	69,459	4,920	7%	69,459	60,282	(9,177)	(15%)	718,787	649,328
Bank & Credit Card Fees	15,864	18,337	(2,473)	(16%)	18,337	22,431	4,094	18%	67,895	49,559
<b>Program</b>	<b>94,615</b>	<b>89,252</b>	<b>5,363</b>	<b>6%</b>	<b>89,252</b>	<b>92,449</b>	<b>3,197</b>	<b>3%</b>	<b>865,380</b>	<b>776,128</b>
Communications	5,869	8,745	(2,876)	(49%)	8,745	8,964	219	2%	107,569	98,824
Printing	2,274	7,711	(5,437)	(239%)	7,711	3,750	(3,961)	(106%)	62,500	54,789
Advertising	386	338	49	13%	338	917	579	63%	11,000	10,662
<b>Communications</b>	<b>8,529</b>	<b>16,794</b>	<b>(8,264)</b>	<b>(97%)</b>	<b>16,794</b>	<b>13,631</b>	<b>(3,163)</b>	<b>(23%)</b>	<b>181,069</b>	<b>164,275</b>
Supplies	37,425	26,799	10,626	28%	26,799	46,326	19,526	42%	570,906	544,107
Postage	-	392	(392)	0%	392	1,760	1,368	78%	21,125	20,733
Dues & Subscriptions	1,261	561	701	56%	561	1,141	580	51%	13,687	13,126
Travel & Entertainment	-	-	-	0%	-	200	200	100%	2,400	2,400
Other Operating Expense	2,934	854	2,080	71%	854	8,973	8,118	90%	107,672	106,818
<b>Operations</b>	<b>41,621</b>	<b>28,606</b>	<b>13,014</b>	<b>31%</b>	<b>28,606</b>	<b>58,399</b>	<b>29,793</b>	<b>51%</b>	<b>715,790</b>	<b>687,184</b>
Information Technology	3,468	3,550	(82)	(2%)	3,550	11,898	8,348	70%	142,777	139,227
Professional Fees	6,769	20,659	(13,890)	(205%)	20,659	16,708	(3,951)	(24%)	234,350	213,691
Commercial Insurance	34,252	38,796	(4,544)	(13%)	38,796	37,255	(1,541)	(4%)	447,064	408,268
Taxes	-	-	-	0%	-	-	-	0%	53,532	53,532
Conferences & Training	264	-	264	100%	-	2,017	2,017	100%	24,200	24,200
Employee Recognition	357	528	(171)	(48%)	528	1,083	555	51%	13,000	12,472
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
<b>Corporate Expenses</b>	<b>45,110</b>	<b>63,533</b>	<b>(18,423)</b>	<b>(41%)</b>	<b>63,533</b>	<b>68,962</b>	<b>5,429</b>	<b>8%</b>	<b>914,923</b>	<b>851,390</b>
<b>Expenses</b>	<b>1,001,769</b>	<b>982,610</b>	<b>19,160</b>	<b>2%</b>	<b>982,610</b>	<b>1,031,000</b>	<b>48,390</b>	<b>4.7%</b>	<b>11,838,884</b>	<b>10,856,275</b>
Gross Surplus(Rev-Exp)	100,609	114,385	13,776	14%	114,385	105,740	8,645	8%	1,084,921	970,536
Net Gain/Loss on Invest.	163,241	161,218	(2,023)		161,218	-	161,218		-	(161,218)
<b>Net from Operations</b>	<b>263,850</b>	<b>275,603</b>	<b>11,753</b>	<b>4%</b>	<b>275,603</b>	<b>105,740</b>	<b>169,863</b>		<b>1,084,921</b>	<b>809,318</b>



## GVR MEMBER PROPERTIES MONTHLY REPORT

2026	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	YTD
<b>NEW MEMBERS</b>	-												-
Total Members (2026)	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902	13,902
Members Last Year (2025)	13,873	13,875	13,877	13,879	13,880	13,881	13,883	13,886	13,887	13,890	13,892	13,902	13,902
Members Before Last Year (2024)	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,871	13,872	13,872	13,872
Membershi Change Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee ( <u>new build</u> no Initial fee)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee ( <u>Voluntary Deed Restriction</u> w/Initial fee)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (estate planning)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (resale)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee Non-Resale	3	-	-	-	-	-	-	-	-	-	-	-	3
<b>Budget Monthly Resales (2026)</b>	66	56	96	103	102	75	73	66	57	65	51	66	876
Monthly Resales (2026)	55	-	-	-	-	-	-	-	-	-	-	-	55
Monthly Delta Actual vs Budget (2026)	↓ (11)												↓ (11)
Monthly Resales Last Year (2025)	68	61	105	94	93	78	65	73	68	67	59	67	898
Monthly Resales 2 years prior (2024)	62	55	100	98	94	64	69	58	62	61	43	67	833
	7.5%	6.7%	11.8%	11.1%	10.8%	8.2%	7.7%	7.6%	7.5%	7.4%	5.9%	7.7%	100.0%
<b>YTD Budget (2026)</b>	66	122	218	321	423	498	571	637	694	759	810	876	876
YTD Resales (2026)	55	-	-	-	-	-	-	-	-	-	-	-	55
YTD Over/(Under) Budget	↓ (11)												↓ (821)
YTD Over/(Under) Budget	(16%)												(94%)
YTD Resales Last Year (2025)	68	129	234	328	421	499	564	637	705	772	831	898	898
YTD Resales Before 2 years prior (2024)	62	117	217	315	409	473	542	600	662	723	766	833	833
Total Sales (new and resale) (2026)	55	-	-	-	-	-	-	-	-	-	-	-	55
Total Sales (new and resale) Last Year (2025)	69	63	107	96	94	79	67	76	69	70	61	97	948
Total Sales (new and resale) Before 2 years prior (2024)	64	56	104	99	98	64	70	59	64	66	44	67	855
MCF Refund	4	-	-	-	-	-	-	-	-	-	-	-	4
HB 2119 (no MCF assessed)	10	-	-	-	-	-	-	-	-	-	-	-	10

Project Name	Center Location	Scope of Work	Estimated Construct. Start	Estimated Construct. Finish	Status	Summary Notes/Next Steps	Funding Sources	Budget Total	Expenses To Date	Balance
Desert Hills Kiln Room Enhancements	Desert Hills	Strengthen sub-floor for 5 kilns and brick flooring. Upgrade ventilation system and electrical needs.	Mar-26	Apr-26	Construction-20%	Contract signed with Building Excellence for \$94,424 (\$10,000 is contingency). Met with construction team and club reps on 2/4 to discuss project details on site. Next step: schedule work for March.	Initiatives	\$ 90,000	\$ -	\$ 90,000
West Center Lapidary Club Expansion	West Center	Expand Lapidary Club building to the west. Renovate existing space, including Billiards Room space.	Feb-26	Dec-26	Permitting	Architect submitted 100% plans for permitting 12/23. First comments received from Pima County. Review all plans with project team to finalize. Start construction late February.	Initia. \$991k Initia. \$43k	\$ 1,034,000	\$ 88,900	\$ 945,100
West Center Membership Services Expansion	West Center	Expand Membership Services offices in Auditorium lobby. Add lobby counters for events.	May-26	Jul-26	Rebid for Construction	Rebid project to start in May.	Initiatives	\$ 190,000	\$ -	\$ 190,000
Abrego South Pool and Locker Room	Abrego South	Redesign pool, spa, and locker rooms for potential reconstruction. Demolish existing pool facilities.	Oct-26	Mar-27	Design-5% Demo-0%	Awarded design contract to Burton and Associates. Community meeting held on 1/23 to get initial ideas. Summarize community input and begin design. Pool facility demolition to start late Feb.	Initia. \$250k \$1.651k MRR-B	\$ 1,901,539	\$ 9,600	\$ 1,891,939
Pickleball Center Fencing	Pickleball Center	Install west and north perimeter fencing and gates to better manage access and security.	Mar-26	Apr-26	Bidding	Scope of Work is complete. Get bids.	Initiatives	\$ 50,000		\$ 50,000
Las Campanas Fitness Room Expansion	Las Campanas	Expand Fitness Room into Cypress Room for additional capacity. Install new flooring and paint.	Jun-26	Jul-26	Planning	Need scope of work details.	Initiatives	\$ 100,000	\$ -	\$ 100,000
SRS Fitness Center Expansion	Santa Rita Springs	Remove corner RSA office to expand floor area in fitness room. Paint and patch to match.	Aug-26	Aug-26	Planning	Need scope of work details.	Initiatives	\$ 40,000		\$ 40,000

**GVR Cash Requirements Report  
FY 2026**

<b>ACTUAL / PROJECTED</b>	<b>Actual</b>	<b>Projected</b>										
	<b>Jan-26</b>	<b>Feb-26</b>	<b>Mar-26</b>	<b>Apr-26</b>	<b>May-26</b>	<b>Jun-26</b>	<b>Jul-26</b>	<b>Aug-26</b>	<b>Sep-26</b>	<b>Oct-26</b>	<b>Nov-26</b>	<b>Dec-26</b>
<b>Operating Cash at CHASE</b>												
Beginning of Month Balance	1,525,682	734,666	555,065	443,690	538,459	503,989	669,520	594,112	281,802	247,332	312,863	401,488
Transfer In	-	-	-	400,000	400,000	600,000	600,000	600,000	400,000	500,000	200,000	-
Transfer Out	(1,300,000)	-	-	-	-	-	-	-	-	-	-	(1,500,000)
Cash Receipts	2,966,929	711,165	775,428	581,571	452,333	452,333	387,714	387,714	452,333	452,333	775,428	4,146,427
Cash Disbursements	(2,457,945)	(890,767)	(886,803)	(886,803)	(886,803)	(886,803)	(1,063,122)	(1,300,024)	(886,803)	(886,803)	(886,803)	(1,063,121)
Net Operating Cash Flow	508,984	(179,601)	(111,374)	(305,232)	(434,470)	(434,470)	(675,408)	(912,310)	(434,470)	(434,470)	(111,374)	3,083,306
Ending of Month Balance	734,666	555,065	443,690	538,459	503,989	669,520	594,112	281,802	247,332	312,863	401,488	1,984,794
<b>Operating Investment Accounts (A&amp;B)</b>												
Beginning of Month Balance	4,214,954	5,579,234	5,579,234	5,579,234	5,179,234	4,779,234	4,179,234	3,579,234	2,979,234	2,579,234	2,079,234	1,879,234
Transfer In	1,300,000	-	-	-	-	-	-	-	-	-	-	1,500,000
Transfer Out	-	-	-	(400,000)	(400,000)	(600,000)	(600,000)	(600,000)	(400,000)	(500,000)	(200,000)	-
Earned Income on Investments	64,280	-	-	-	-	-	-	-	-	-	-	-
Ending of Month Balance	5,579,234	5,579,234	5,579,234	5,179,234	4,779,234	4,179,234	3,579,234	2,979,234	2,579,234	2,079,234	1,879,234	3,379,234
<b>MRR Reserve</b>												
Beginning of Month Balance	7,387,735	8,750,175	8,516,888	8,283,602	8,050,315	7,855,626	7,660,936	7,466,246	7,271,557	7,076,867	6,882,178	6,687,488
Transfer In MRR Funding	1,400,102	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(95,282)	(249,670)	(249,670)	(249,670)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)
Net Earned Income on Investments	57,620	16,384	16,384	16,384	16,384	16,384	16,384	16,384	16,384	16,384	16,384	16,384
Ending of Month Balance	8,750,175	8,516,888	8,283,602	8,050,315	7,855,626	7,660,936	7,466,246	7,271,557	7,076,867	6,882,178	6,687,488	6,492,799
<b>MRR - B Pool and Spa Replacement Reserve</b>												
Beginning of Month Balance	1,697,677	2,064,383	2,066,553	2,068,723	2,070,893	2,073,063	2,075,233	1,664,301	1,253,152	841,895	430,312	431,614
Transfer In MRR B Pool & Spa Funding	342,783	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(500)	-	-	-	-	-	(412,885)	(412,885)	(412,885)	(412,885)	-	-
Net Earned Income on Invest	24,423	2,170	2,170	2,170	2,170	2,170	1,953	1,736	1,628	1,302	1,302	1,302
Ending of Month Balance	2,064,383	2,066,553	2,068,723	2,070,893	2,073,063	2,075,233	1,664,301	1,253,152	841,895	430,312	431,614	432,916
<b>Initiatives Reserve</b>												
Beginning of Month Balance	1,339,862	1,403,092	1,280,129	1,157,166	1,034,203	954,238	874,273	794,308	714,343	634,378	554,413	474,449
Transfer In	60,950	47,920	47,920	47,920	47,920	47,920	47,920	47,920	47,920	47,920	47,920	47,920
Other Funding	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investments	3,580	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409
Transfer Out	(1,300)	(173,292)	(173,292)	(173,292)	(130,294)	(130,294)	(130,294)	(130,294)	(130,294)	(130,294)	(130,294)	(130,294)
Ending of Month Balance	1,403,092	1,280,129	1,157,166	1,034,203	954,238	874,273	794,308	714,343	634,378	554,413	474,449	394,484
<b>Emergency Reserve</b>												
Beginning of Month Balance	573,244	583,198	584,614	586,031	587,448	588,864	590,281	591,698	593,114	594,531	595,948	597,364
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	9,954	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
Ending of Month Balance	583,198	584,614	586,031	587,448	588,864	590,281	591,698	593,114	594,531	595,948	597,364	598,781
<b>Total Reserve Accounts</b>												
	12,800,848	12,448,185	12,095,522	11,742,859	11,471,791	11,200,723	10,516,554	9,832,167	9,147,672	8,462,851	8,190,915	7,918,979
<b>Total Operating Cash</b>	<b>6,313,900</b>	<b>6,134,299</b>	<b>6,022,924</b>	<b>5,717,693</b>	<b>5,283,223</b>	<b>4,848,754</b>	<b>4,173,346</b>	<b>3,261,036</b>	<b>2,826,566</b>	<b>2,392,097</b>	<b>2,280,722</b>	<b>5,364,028</b>
<b>Grand Total Cash &amp; Investments</b>	<b>19,114,748</b>	<b>18,582,483</b>	<b>18,118,446</b>	<b>17,460,552</b>	<b>16,755,014</b>	<b>16,049,477</b>	<b>14,689,899</b>	<b>13,093,203</b>	<b>11,974,238</b>	<b>10,854,948</b>	<b>10,471,638</b>	<b>13,283,007</b>

**GVR Cash Requirements Report  
FY 2026**

**ACTUAL / PROJECTED**

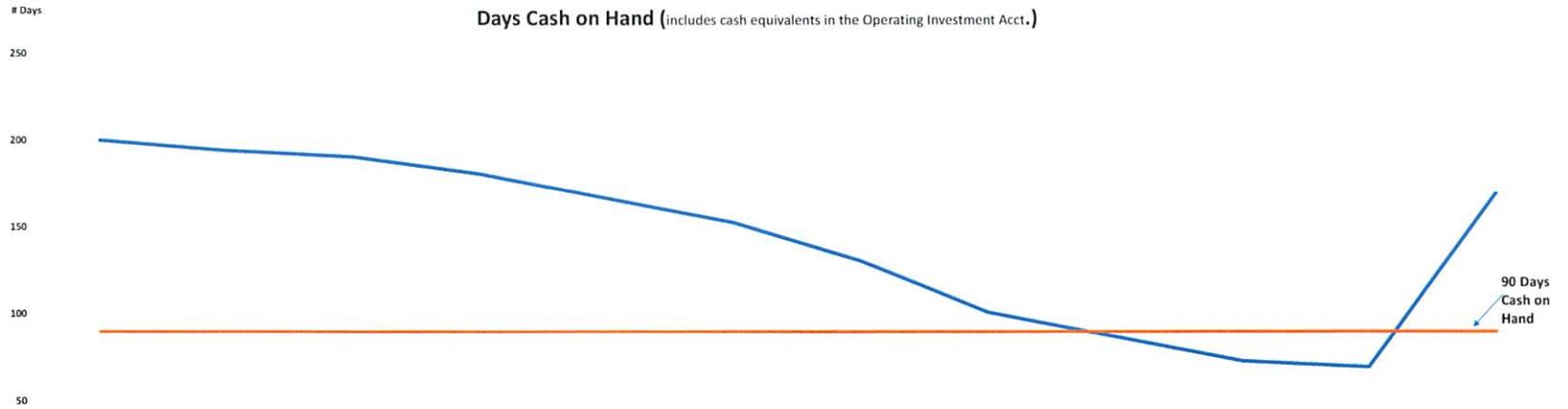
Actual Days Oper. Cash on Hand (net of MCF Allowance)

Actual Jan-26	Projected Feb-26	Projected Mar-26	Projected Apr-26	Projected May-26	Projected Jun-26	Projected Jul-26	Projected Aug-26	Projected Sep-26	Projected Oct-26	Projected Nov-26	Projected Dec-26
200	194	191	181	167	153	131	101	87	73	69	169

January 1, 2026 Beg. Balance:	
Total Reserve Accounts	10,998,518
Total Operating Cash	5,740,636
Grand Total Cash & Investments	16,739,154

Projected Ending Balance 2026	
Total Reserve Accounts	7,918,979
Total Operating Cash	5,364,028
Grand Total Cash & Investments	13,283,007

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





P.O. Box 586 Green Valley AZ 85622

520.625.3440

**MEMO**

TO: Scott Somers, CEO  
 CC: Natalie Whitman COO, Howey Murray, Controller  
 FROM: David Webster, CFO  
 DATE: January 28, 2026  
 RE: Maintenance Repair & Replacement Study Report

GVR received the final updated MRR A Browning Study report on January 27, 2026. The 709 page document is being posted to the GVR website. It is important that we remember that this report is for budgeting purposes only. I am offering some review notes as follows:

- The 2026 funding amount on the cover sheet equals \$1,400,102 matches the amount we budgeted for 2026 and funded in the MMR designated fund in January, 2026.
- The number of households reported on the MRR Study are 13,887 which was the number of households we reported in October, 2025 while we were preparing the 2026 budget. As of January 1, 2026, the number of households have increased to 13,902. The math of \$100.82 per household on the cover page of the MRR Study is correct ( $\$1,400,102 / 13,887$ ).
- The percentage funded on the cover sheet is reported to be 50.4% with a 30 year forecast on page 95 of the MRR Study. These percentages are correct and appear reasonable. The 2026 GVR budget document listed the anticipated funding level to be 54.7% on page 16. This 4.3% decrease is reasonable. The recent trend of the percentage funded is as follows:

	FY 2026	FY 2025	FY 2024	FY 2023
Percent Funded	50.4%	60.5%	50.4%	73.1%

The fully Funded Balance Percentage is the balance of the fund compared to the fully funded replacement cost of the components of the MRR Study (for example, for a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years, the fully funded balance of that component would be \$4,000). In general, we are currently seeing a more thorough and complete

listing of MRR components that are included in the MRR Study. Consequentially, the 10 year future estimate for planned components of the current study has increased 22% over the past 4 years. This more thorough MRR Study is a good thing but it does cause the calculated percentage funded to decline.

- The total of the components planned for 2026 in the MRR Study is \$2,489,039 and is totaled on page 48 of the MRR Study. This amount differs from the amount we reported on page 34 the 2026 budget document which is \$2,532,877. The final planned amount is \$43,838 (1.7%) less than the approved budget. This is an acceptable decrease and is primarily due to shifting projects between 2025 and 2026.
- The annual projected increases for funding the plan is reported on page 93 of the MRR Study and are as follows:

<u>Year</u>	<u>% Incr.</u>	<u>Amount per study</u>	<u>Amt forecasted on page 35 of 2026 budget</u>
○ 2026	7.7%	\$1,400,102	\$1,400,102
○ 2027	7.7%	\$1,508,102	\$1,500,102
○ 2028	7.2%	\$1,616,102	\$1,600,102
○ 2029	6.7%	\$1,724,102	\$1,700,102
○ 2030	6.3%	\$1,832,102	\$1,800,102
○ 2031	5.9%	\$1,940,102	
○ 2032	5.6%	\$2,048,102	
○ 2033 on	3.0%	\$2,111,593+	

- As you can see, the forecasted future funding amounts increased slightly from the draft MRR Study we had in October, 2025 when we developed the 2026 through 2030 forecast. I believe this is acceptable.
- The total current replacement costs reported on page 48 and 152 of the MRR Study is \$23,137,083. This number was not reported anywhere in the 2026 budget but is one of the indicators we look at to evaluate MRR Fund. With our projected ending 2026 balance of the fund being \$6,992,604, we have 30.0% of

our current replacement costs in place which, I believe, is a healthy level. This is a staff calculation and is not in the MRR Study.

- In general, I am pleased with the results of the MRR Study and continue to believe the fund remains at a healthy level. Page 2 of the cover letter of the MRR Study reports GVR to be in the middle of the Fair range of the percent funded calculation (fair equaling 30% through 70%). Discussions with our consultant, Browning Reserve Group, lead me to believe our overall position to be good.



## Reserve Study Transmittal Letter

Date: February 05, 2026  
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**  
Third 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. **\$100.82 Household/yr @ 13,887**. 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 **50.4%** funded.

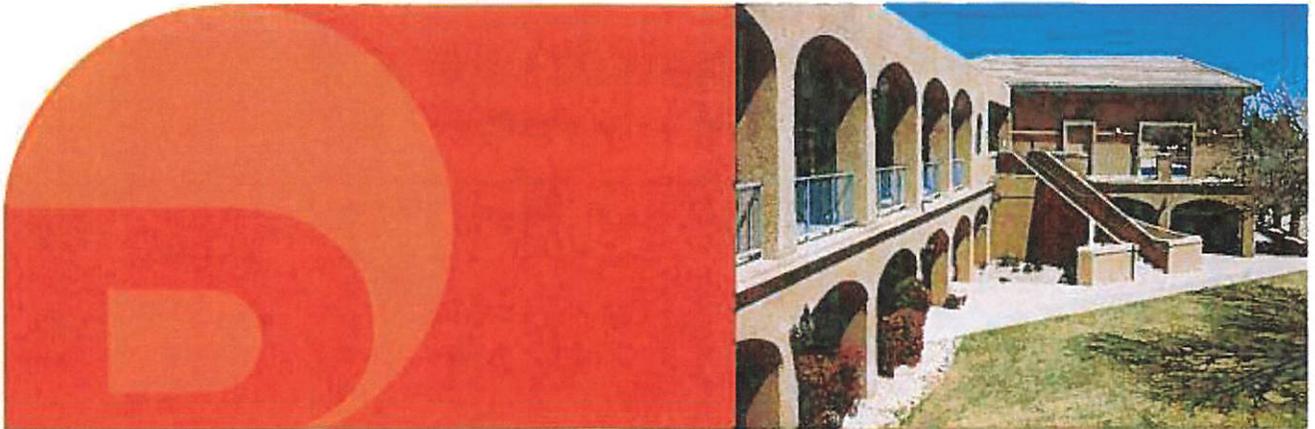
Based on the 30 year cash flow projection, GVR's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

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.

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**

Third Draft

Published - February 05, 2026

Prepared for the 2026 Fiscal Year

**Browning Reserve Group, A Division Of Reserve Advisors, LLC**

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**Green Valley Recreation Inc**  
Third Draft

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**Green Valley Recreation Inc**  
Third Draft

**Member Distribution Materials**

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

*Section      Report*

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## Green Valley Recreation Inc

Third Draft

Published - February 05, 2026

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 13,887 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 \$12,838,681.
  - [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 \$6,469,879, constituting 50.4% 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 [*\$100.82 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 50.4% 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*



## MEMO

TO: Scott Somers, CEO  
FROM: David Webster, CFO  
DATE: January 26, 2026  
RE: Maintenance Repair & Replacement Fund for Pools & Spas (MRR-B)

In 2021, Green Valley Recreation (GVR) replaced the East Center pool. At that time, the Fiscal Affairs Committee and the Board of Directors considered the need to establish a board designated fund to provide for all future pool and spa replacements. The resulting board approved MRR-B fund is identified in Section 5.3.4 of the Corporate Policy Manual (CPM). The CPM states the purpose of the MRR-B fund is to fund the replacement of pools and spas. The CPM also states that the target balance is to be of sufficient size as determined by the Board to fund replacements of GVR pools and spas. The target balance shall be based on GVR's staff estimate of the useful life of the pools and spas and a reasonable timetable for replacement of such items (CPM 5.3.4 B).

Unlike the MRR-A fund that is guided by an Annual Reserve study that is prepared by GVR's reserve consultant, Browning Reserve Group, the pool and spa annual contribution and target balance is determined by GVR staff. This calculation of MRR-B annual funding contributions are part of the annual GVR budget. Documentation of the MRR-B annual contributions is included with the Fund Projection and Pool and Spa Asset List that are enclosed. Key components of the calculation are a projected cost inflation factor of 3.0% and an earnings estimate of 6.0% per year. Also, the projected annual increase of funding to this MRRB Fund is 7% through 2033 and reverts to 3% annually after 2033. The Investment Policy Statement (IPS) for the MRR-B fund is included in the CPM, Appendix 1, Section 3. Additionally, it should be noted that the standard for useful life of pools is 35 years. GVR's experience is that our pools last over 50 years and have included this as the extended life in the Fund Projection.

The cash balance of the MRR-B Fund as of December 31, 2025 was \$1,697,677 and after the January budgeted funding of \$342,783, the current balance in the MRRB fund is now \$2,040,460.

Now, for illustrative purposes and additional analysis, I am providing multiple scenarios below. They all include the annual Contributions to the fund that are increased by 7% through 2033 as mentioned previously. The projected earning of the fund is set at 6% with the exception of 2026 which is projected to be 4.0% based on the recent revision to the IPS approved by the Investment committee.

All projections are based on approving and replacing the Abrego South pool in 2026 (if approved, construction will continue through 2027 but for conservative simplification, we are using 2026). This is followed, in order, by Casa Paloma 1, West Center, Casa Paloma 2, and then Continental Vista. These pools are selected, in order, due to the respective age of the pools. We will refer to these pools as the "Oldest 5 pools"

**Projection A (calculations included with this memo)**

Assumptions:

Abrego South replaced in 2026 at original "budgeted" MRR B component cost of \$1,651,539

Replacing the Oldest 5 pools in order every 4 years

Balance after ABS (2026)	\$470,540
Balance after CP1 (2030)	\$1,292,587
Balance after WC (2034)	\$2,259,371
Balance after CP2 (2038)	\$4,394,105
Balance after CV (2042)	\$7,285,802

MRRB is currently 36.1% fully funded.

MRRB remains at healthy levels after 2042.

**Projection B (calculations not included with this mem)**

Assumptions:

Abrego South replaced in 2026 at a more realistic component cost of \$1,100,000 rather than \$1,651,539

Replacing the Oldest 5 pools in order every 4 years

Balance after ABS (2026)	\$1,062,888
Balance after CP1 (2030)	\$2,040,413
Balance after WC (2034)	\$3,203,484
Balance after CP2 (2038)	\$5,586,026
Balance after CV (2042)	\$8,790,575

MRRB Fund remains at healthy levels after 2042.

**Projection C (calculations not included with this memo)**

Assumptions:

Abrego South replaced in 2026 at a more realistic component cost of \$1,100,000

Replacing the Oldest 5 Pools every 3 years rather than 4

Balance after ABS (2026) \$1,062,888

Balance after CP1 (2029) \$1,408,805

Balance after WC (2032) \$1,532,553

Balance after CP2 (2035) \$2,486,695

Balance after CV (2038) \$3,648,930

MRRB Fund remains at healthy levels after 2038 with continued replacements every 3 years.

**Projection D (calculations not included with this memo)**

Assumptions:

Replacing the Oldest 5 pools in order every 2 years rather than every 4 years

Balance after ABS (2026) \$1,062,888

Balance after CP1 (2028) \$842,344

Balance after WC (2030) \$128,574

Balance after CP2 (2032) \$51,220

Balance after CV (2034) \$(92,127)

In the scenario where GVR replaces 5 pools in 8 years, the MRRB Fund reaches a deficit in 2034 and is not able to address adequate pool replacements afterwards.

So, after reviewing these projections. It appears that the GVR MRR B Pool Fund should remain reasonably healthy with the planned annual contributions and forecasted returns as long as pool replacements don't occur more often than every 3 years. Obviously, this is a very general observation that is subject to several major variables. Hopefully, this analysis helps with strategic thinking regarding how often GVR can afford to replace pools and identifying which pools should be replaced.

GVR  
MRR-B Pools and Spas  
Asset List

Inflation 3.00%  
Life Expect. 35

Center	Pool	Gallons (Pool & Spa)	Cost (2026)	Year Built	Life Expec.	Replac. Year	Useful Life	Plan Year to Rebuilt	Number Years to Rebuilt
6	Casa Paloma I	89,242	\$ 1,048,440	1973	35	2008	-19	2030	4
5	West Center	118,663	\$ 1,394,086	1976	35	2011	-16	2034	8
7	Casa Paloma II	70,371	\$ 826,738	1976	35	2011	-16	2038	12
10	Continental Vistas	70,204	\$ 824,776	1979	35	2014	-13	2042	16
8	Desert Hills	122,448	\$ 1,438,553	1981	35	2016	-11	2046	20
9	Madera Vistas	37,545	\$ 441,089	1984	35	2019	-8	2050	24
13	Santa Rita Springs	87,222	\$ 1,024,708	1986	35	2021	-6	2054	28
11	Canoa Hills	128,000	\$ 1,503,780	1990	35	2025	-2	2058	32
12	Las Campanas	140,335	\$ 1,648,695	1997	35	2032	5	2062	36
4	Abrego South	45,962	\$ 1,100,000	1977	35	2026	-1	2026	40
14	Canoa Ranch	116,411	\$ 1,367,629	2008	35	2043	16	2070	44
3	Abrego North	59,950	\$ 704,309	2012	35	2047	20	2074	48
2	East Center	97,850	\$ 1,130,654	2022	35	2057	30	2078	52

## Internally prepared MRR-A Pool Reserve Analysis for illustrative purposes only

<b>MRR-B Pool &amp; Spa Replacement Fund</b>								<b>A</b>
<b>Interest</b>	6.00%							
<b>Contributions</b>								
<b>Annual Inc. Contr.</b>	7.0%							
<b>Year</b>	<b>Beginning Balance</b>	<b>Annual Contributions</b>	<b>Income</b>	<b>Available</b>	<b>Expenditure</b>	<b>Ending Balance</b>	<b>Location</b>	
2021	-	1,300,207	-	1,300,207	(216,502)	1,083,705		
2022	1,083,705	270,472	6,662	1,360,839	(783,876)	576,963		
2023	576,963	289,405	56,184	922,552	(107,787)	814,765		
2024	814,765	299,400	88,118	1,202,283	(1,640)	1,200,643		
2025	1,200,643	320,358	176,676	1,697,677	-	1,697,677		
2026	1,697,677	342,783	81,618	2,122,079	(1,651,539)	470,540	ABS	
2027	470,540	366,778	50,239	887,556	-	887,556		
2028	887,556	392,452	76,801	1,356,809	-	1,356,809		
2029	1,356,809	419,924	106,604	1,883,337	-	1,883,337		
2030	1,883,337	449,319	139,959	2,472,615	(1,180,028)	1,292,587	CP1	
2031	1,292,587	480,771	106,401	1,879,759	-	1,879,759		
2032	1,879,759	514,425	143,651	2,537,835	-	2,537,835		
2033	2,537,835	529,858	184,062	3,251,754	-	3,251,754		
2034	3,251,754	545,753	227,850	4,025,358	(1,765,987)	2,259,371	WC	
2035	2,259,371	562,126	169,290	2,990,787	-	2,990,787		
2036	2,990,787	578,990	214,187	3,783,963	-	3,783,963		
2037	3,783,963	596,359	262,819	4,643,142	-	4,643,142		
2038	4,643,142	614,250	315,444	5,572,836	(1,178,731)	4,394,105	CP2	
2039	4,394,105	632,678	301,607	5,328,389	-	5,328,389		
2040	5,328,389	651,658	358,803	6,338,850	-	6,338,850		
2041	6,338,850	671,208	420,603	7,430,661	-	7,430,661		
2042	7,430,661	691,344	487,320	8,609,326	(1,323,524)	7,285,802	CV	
2043	7,285,802	712,084	479,873	8,477,759	-	8,477,759		
2044	8,477,759	733,447	552,672	9,763,879	-	9,763,879		
2045	9,763,879	755,450	631,160	11,150,489	-	11,150,489		
2046	11,150,489	778,114	715,716	12,644,318	(2,598,187)	10,046,131	DH	
2047	10,046,131	801,457	650,855	11,498,444	-	11,498,444		
2048	11,498,444	825,501	739,437	13,063,381	-	13,063,381		
2049	13,063,381	850,266	834,819	14,748,466	-	14,748,466		
2050	14,748,466	875,774	937,454	16,561,694	(896,643)	15,665,051	MV	
2051	15,665,051	902,047	994,026	17,561,124	-	17,561,124		
2052	17,561,124	929,109	1,109,414	19,599,646	-	19,599,646		
2053	19,599,646	956,982	1,233,398	21,790,026	-	21,790,026		
2054	21,790,026	985,691	1,366,543	24,142,260	(2,344,459)	21,797,801	SRS	
2055	21,797,801	1,015,262	1,368,784	24,181,847	-	24,181,847		
2056	24,181,847	1,045,720	1,513,654	26,741,220	-	26,741,220		

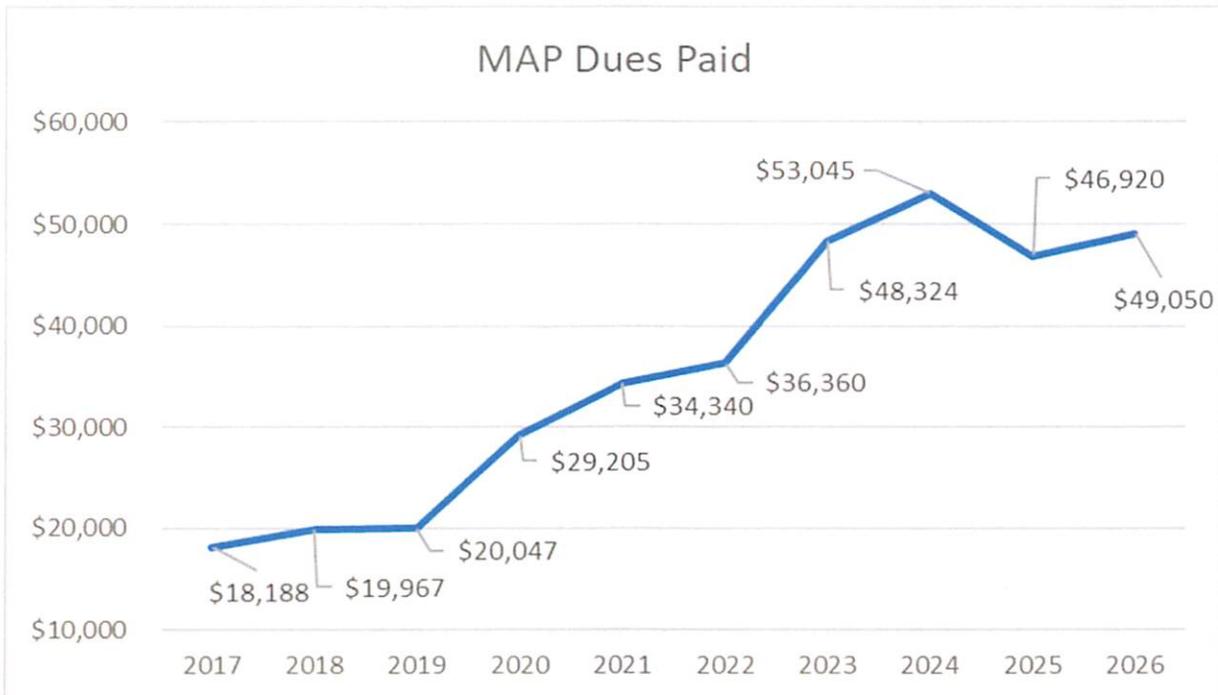


## MEMO

TO: Scott Somers, CEO  
 FROM: David Webster, CFO  
 CC: Howey Murray  
 DATE: February 10, 2026  
 RE: MAP Member Assistance Program

Hi Scott: The \$30,000 check from the GVR Foundation was received and applied towards 2026 Member Dues for MAP Recipients. The following provides some history regarding MAP.

GVR Member Assistance Program 2017 -2026							
Year	2020	2021	2022	2023	2024	2025	2026
Applicants	70	83	74	100	112	143	120
Total Approvals	59	71	72	98	110	116	111
Partial Awards	0	6	0	5	1	70	66
Full Awards (equivalents)	59	68	72	95.5	111	88.5	90
<b>Total Dues Waived</b>	<b>\$29,205</b>	<b>\$34,340</b>	<b>\$36,360</b>	<b>\$48,681</b>	<b>\$53,045</b>	<b>\$46,920</b>	<b>\$49,050</b>





**Year-End Report**  
**2025-2026**  
**Fiscal Affairs Committee**

**Chair:** Nellie Johnson

**Staff Liaison:** David Webster

**Committee Members:** Dale Howard, Bob Quast, Pat Reynolds, Steve Reynolds, Priscilla Spurgeon, Barry Stock, Eric Sullwold, Betsy Walton

**Committee Purpose:**

**3.3.2 Responsibilities**

- A. Review and recommend the annual budgets, including any fees or dues changes to the Board. Such review will consist of recommending, funding, financing, and usage of Reserve.
- B. Monitor progress toward achievement of annual fiscal objectives.
- C. Review financial statements, such as Operational Statement of Financial Position and Statement of Activities and capital purchases, and report to the Board, as appropriate.
- D. Review and recommend to the Board policy changes, if necessary, to assure financial control.
- E. Recommend the disposition of Operational Surplus or Deficit.

**Priorities Established for 2025-2026:**

- Careful review of monthly financial statements so the FAC can recommend acceptance by the Board
  - ✓ Monthly: **NJ: Completed successfully**
- Thorough review of Staff recommended 2025 operations and capital budgets, including three-year forecasts so a budget acceptance recommendation can be made to the Board
  - ✓ September – October: **NJ: Completed successfully**
- Review home sales forecasting methodology
  - ✓ May – June **NJ: researched home sales and demographics and discussed four areas that could impact home sales:**

**changing senior demographics; limited new developments, more renters than buyers, and changing family compositions/less children.**

- Continue review of operating cash recommendations to meet 90-day cash on hand policy; work with Investment Committee on recommendations
  - ✓ Quarterly NJ: **reviewed and acknowledged there will always be a dip in cash below the 90-day guideline due to front-loading of member dues**
- Review revenue enhancement ideas from staff
  - ✓ June – January NJ: **reviewed list presented by staff and discussed other options; some were included in budget recommendations.**
- Review revenue of Annual Pass and Guest Pass after BAC resolves concern regarding passes
  - ✓ December NJ: **review recommendations from BAC; recommendations included in fee revision of operating budget.**

**Task for Next Year:**

- *Continue review of home sales forecasting model, will emphasize on understanding renter information.*
- Review of MRR-B Pool reserve and options to better fund this reserve
- Continue to review informational systems needs of GVR and ways to fund this item.

Maintenance, Repair and Replacement Reserves (MRR)  
Part A and B UPDATED FOR CY 2026 Board Approved  
Budget

Nellie Johnson, Chair of FAC

February 17, 2026

# Maintenance, Repairs and Replacement(MMR)-Reserve Studies/Budget BACKGROUND

## MMR Part A

- Started with Browning in 2016; covers repairing and replacing existing equipment and facilities; excluded replacement of pools/spas
- CPM provides specific instructions “shall “ generate sufficient funds as noted in the Study to be added to the annual budget.
- CPM was modified by the Board in Cy 2019 and removed the 85% of fully funded requirement; however, Browning wasn’t aware of this change until mid- Cy 2024 and made the change to its formula in Cy 2025.
- Cy 2025 Contribution budget added \$1,300,102; increased 4.3% versus 6.5% in prior years
- Cy 2025 Board approved funding guidelines:
  - 70% of fully Funded Balance
  - 25% Replacement Costs

## Part B: Pools and Spas

- Created in Cy 2020/2021
- Completed by GVR Staff; not included in the Browning contract in Cy 2016 due to costs:
- Staff recommends an estimate using available data that is included in annual budget and future forecasts
- Cy 2025 added \$320,358 to the contribution level – 7.0 % increase each year to “catch up” due to underfunding of this reserve
- Cy 2025 Board approved to maintain as a separate reserve and use same funding guidelines as MMR- A
  - 70% of fully funded balance
  - 25% Replacement Costs

# Cy 2026 Board Approved MRR A

	Prior to Cy 2025	Cy 2025 Budget	Cy 2026 Budget
1. Contribution Level	6.5% contribution	4.3% (eliminated growth factor due to eliminating 85% goal;	7.7%
2. Board Approved Threshold Guidelines		70% fully funded balance ; 25 % replacement	70% Fully funded balance 25% replacement
3. Expenditures		\$2,170,343	
2. Impact on Contribution/reserve policy	Reached 85% of fully funded requirement in Cy 2036; maintained same contribution level of \$2.6 million for remaining years	Fully Funded Balance 60.5%  Replacement 34.7%	Fully Funded Balance: 50.4%  Replacement : 28%

# Funding Balance/Model is contingent on GVR spending up to the MRR-A recommended levels

- Browning revises its reserve study each year to account for inflation, timing of completion of projects, additions of new facilities:
- In Cy 2026, GVR added \$204,258 to Browning’s last draft; result is projected increase in contribution levels for Cy 2027 from 7.1% to 7.7; Cy 2028 from 6.6% to 7.2%;
- In third draft, Browning revised Cy 2025 expenses; Browning had originally assumed \$824,678 expenses in the first draft; investment income (\$489,316) and included additional Cy2026 dollars;

	2020	2021	2022	2023	2024	2025	2026
Budget	1,374,903	1,746,938	2,241,047	1,652,638	1,740,411	2,340,240	2,489,039
Actual	941,845	1,377,108	1,136,788	1,565,433	1,356,985	2,170,343	
	69%	79%	51%	95%	78%	93%	

# Comparison of Threshold Guidelines: 2025 to 2026

## Fully Funded Balance at or about 70%

	MRR-A
Cy 2025 Fully Funded	60.5%
Cy 2026 Board Budget	54.7%
Cy 2026 Budget with updated fund balance analysis /revision of Cy 2025 expenses	50.4%

Cy 2025 Browning report: Percent funding model (page 3 of Browning report))

- a; Pool – 0-30%
- b. Fair: 30%-70%
- d. Strong: 70% to 100%

## Cost of Replacement is at or about 25%

	MRR-A
Cy 2025	34.7%
Cy 2026 budget	35.5%
Cy 2026 Budget with updated fund balance analysis /revision of Cy 2025 expenses Cy 2026	28.0%

The Current Replacement cost is defined as the projected balance of the reserve divided by the total current replacement costs reported in the Annual Reserve Study.

Key Point: Costs of maintaining GVR facilities are increasing and impacting threshold levels and will take a greater % of member dues. At this time, the reserve is adequately funded.

# MMR- B Pools and Spas

## Background/Summary

- **Created in Cy 2020/2021**
- **Completed by GVR Staff;**
  - not included in the Browning contract in Cy 2016 due to costs:
  - staff recommends an estimate using available data that is included in annual budget and future forecasts
- **Cy 2025 Budget Contribution**
  - added \$320,358 or 7.0 increase; apply each year to “catch up” due to underfunding of this reserve
- **Cy 2026 Budget**
  - Added \$342,783
  - Board approved adding replacement Abrego Pool as a placeholder, pending due diligence review

## Part B: Pools and Spas Assumptions

- GVR has 13 pools of varying ages ; gallons per pool have been revised;
- Normal useful life of 35 years has been reached by 7 pools; extend useful life to last over 50 years.
- Assumes a pool is replaced every four years
- Assumes a 6% investment return on fund balances each year; For Cy 2026 it was adjusted to 4% based on Investment Committee/Board action.
- Cost of Each pool based on \$11.75 cost per gallon (based on East Pool )Cy 2022. This number was not updated for inflation from 2022 to 2026. A 3% inflation factor was applied at the time of replacement ie 2030 for Casa Paloma;

# Summary of Pool Assumptions

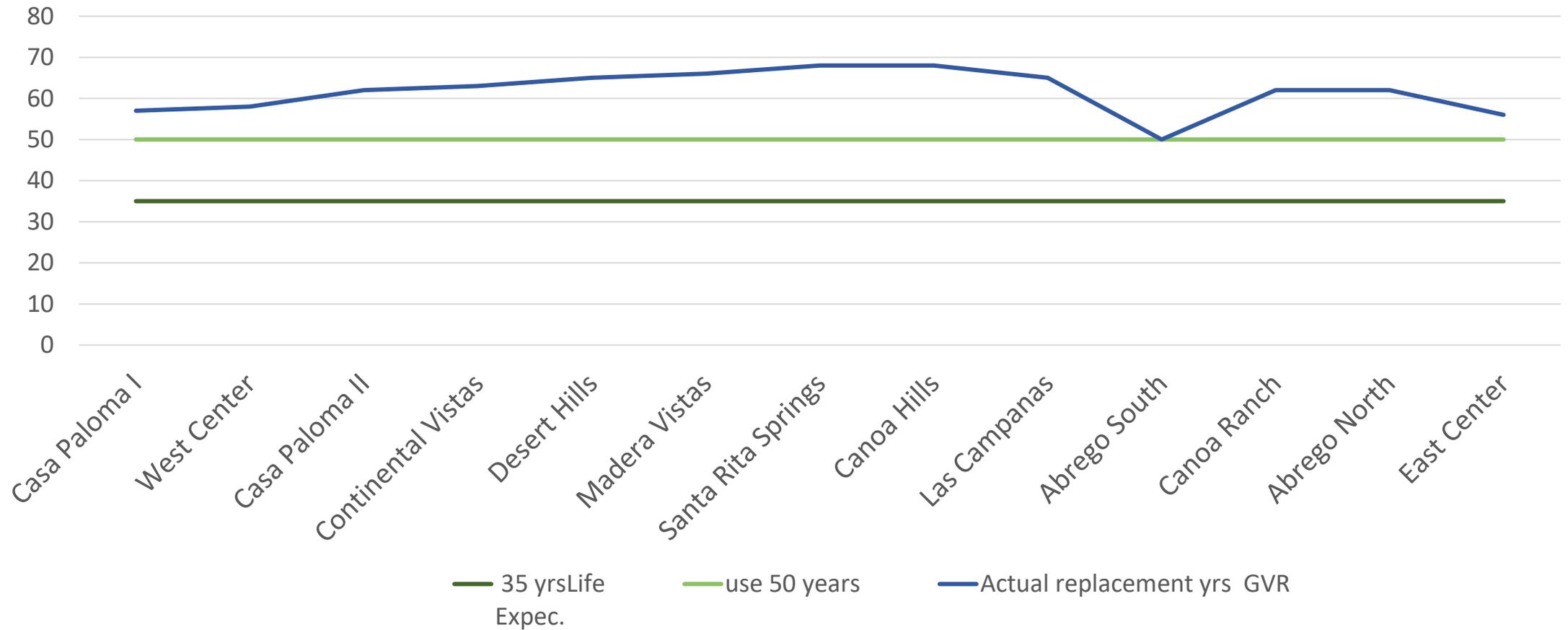
Pool	Gallons (Pool & Spa)	Cost (2026)	Year Built	35 yrsLife Expec.	Replac.35 year Year	Useful Life	Plan Year to Rebuilt	Number Years to Rebuilt	over 35
Casa Paloma I	89,242	\$ 1,048,440	1973	35	2008	-19	2030	4	22
West Center	118,663	\$ 1,394,086	1976	35	2011	-16	2034	8	23
Casa Paloma II	70,371	\$ 826,738	1976	35	2011	-16	2038	12	27
Continental Vistas	70,204	\$ 824,776	1979	35	2014	-13	2042	16	28
Desert Hills	122,448	\$ 1,438,553	1981	35	2016	-11	2046	20	30
Madera Vistas	37,545	\$ 441,089	1984	35	2019	-8	2050	24	31
Santa Rita Springs	87,222	\$ 1,024,708	1986	35	2021	-6	2054	28	33
Canoa Hills	128,000	\$ 1,503,780	1990	35	2025	-2	2058	32	33
Las Campanas	140,335	\$ 1,648,695	1997	35	2032	5	2062	36	30
Abrego South	45,962	\$ 539,974	1977	35	2041	14	2026	40	64
Canoa Ranch	116,411	\$ 1,367,629	2008	35	2043	16	2070	44	27
Abrego North	59,950	\$ 704,309	2012	35	2047	20	2074	48	27
East Center	97,850	\$ 1,130,654	2022	35	2057	30	2078	52	21

## Key Points

1. Original Abrego Pool projected at \$539,974; replace in 2041 at 64 years
2. Replacement every 4 years: exceed 50 year average
3. Cost for 2026 are the same as for 2022 and have not been updated for inflation of 3%.; inflation applied at time of replacement in future years.

# Usefull Life Expectancy/Assumptions

## GVR POOL LIFE EXPECTANCY



# Abrego South Pool Replacement Costs

	gallons	cost per gallon	Cost of Pool	Replacement Schedule
Cy 2025 Reserve Study Projection	45,962	11.75	540,054	replaced in Cy 2041
Board Approved Budget	45,962	35.93	1,651,539	Replace Cy 2026
Option B: Cost Revised to \$1.1m per GVR email 1/26	45,962	23.93	1,100,000	replace 2026

Key Point: Considerable variation in cost of replacement-

- a. Architect drawings options will help inform decision on replacement
- b. Consider developing a model assumption assuming pools are replaced on average of 50 years due to age overall age of GVR's 13 pools;

# Status of MRR-B Pool in Cy 2025 with FAC Recommendations /Board Adopted

**Fully Funded Balance at or about 70%**

**Cost of Replacement is at or about 25%**

	MRR-B
Cy 2025	33..7%
Cy 2026 Budget without Abrego (FAC)	36.1%
Cy 2026 budget with Abrego Pool \$1.651,539; fund balance at end of Cy2026 is \$470,540	?

	MRR-B
2025	11.6%
Cy 2026 Budget without Abrego	12..7%
Cy 2026 Budget with Abrego Pool (ending balance of \$470,540)	3.53%

	Cy 2026 no Abrego	Cy 2026 with Abrego
Total Replacement Cost	\$13,322,804	\$1.6 13,322,804
Fund Balance	\$ 1,697,677	\$ 470,540
%	12.70%	3.53%

# Summary/Actions

## MRR- A

- Recommend Reserve Study be updated by Browning after Budget Approval in October with the best revised estimates.; post on website
- Review impact of increase in contribution rates with additional dollars added in Cy 2026; review the impact on membership dues.
- FAC Motion: CPM required
  - Move to approve the Browning Reserve Group to complete the Cy 2026 reserve study, which is an offsite type of review.

## MRR-B

- Revise Cy 2025 Reserve Study/posted on website for updated gallons/investment
- Post Cy 2026 Reserve Study Updates based on Budget
- Continue to review model assumptions/impact on member dues in future years
  - Inflation 3%
  - Look at CPM Thresholds %
- Run alternative based on 50 year average replacement model
- Review funding strategies
  - Transfer of portion/all of the operating budget surplus
  - Change Initiative funding formula
  - Other
- Complete due diligence review for adequacy of overall Reserve Pool to make an informed decision on Abrego Pool: board to finalize a decision in the fall of Cy 2026