



AGENDA

Fiscal Affairs Committee

Tuesday, March 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:** February 17, 2026
4. **Chair Comments**
5. **Business**
 - A. Review of February 2026 Preliminary Financial Statements
 - B. Review of 2025 90 day Operating Cash Balance analysis
 - C. Review and recommendation of 2025 Preliminary Surplus calculation
 - D. Technology / Information Systems Discussion
 - E. Member Assistance Program
 - F. FAC Year End Report
6. **Member Comments**
7. **Adjournment**

Next Meeting: Tuesday, April 21, 2026, 1:30-3:00pm, WC-Rm 2/Zoom



MINUTES

Fiscal Affairs Committee

Tuesday, February 17, 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

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 by adding Item E as Informational only Member Assistance Program.
Passed: unanimous
3. **Approve Meeting Minutes:** January 20, 2026
MOTION: Howard moved / Quast seconded to approve January 20, 2026, Meeting Minutes as presented.
Passed: unanimous
4. **Chair Comments**
 - Stated most of the items on the Agenda are for discussion purposes.
5. **Business**
 - A. Review of January 2026 Preliminary Financial Statements
CFO David Webster reviewed the January Financials.
Highlights include:
 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) New Assets Increase Year to Date January 2026 \$275,603

2. Statement of Financial Activities

a) YTD total revenue under budget (unfavorable) 3.5 percent of \$39,746.

b) YTD total expenses under budget (favorable) 4.7 percent or \$48,390.

c) January unrealized gains on investments \$161,218

d) January MCF fees under budget (unfavorable) 17 percent 55 actual compared to 66 budgeted.

e) Fees income for January under budget (unfavorable) 16 percent of \$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 percent YTD or \$3,344.

g) Recreation revenue over budget (favorable) by 17 percent \$21,356

h) Recreation Program expenses are over budget (unfavorable) by 25 percent or \$19,026.

i) January Operating Supplies under budget (favorable) 51 percent or \$29,793.

j) Net Operating Surplus is \$114,385 which is 8 percent more than budgeted.

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

Passed: unanimous

B. Discussion of Revised Browning Reserve Study and Discussion on Pool Reserve Study – Review Updated Forecast

MRR-A: the fund is solid, but does put pressure on the membership dues.

Two recommendations on MRR-A fund: 1) Recommend Reserve Study be updated by Browning after Budget approval in October with the best revised estimates, and post on website. 2) Review impact of increase in contribution rates with additional dollars added in CY 2026; review the impact on membership dues.

MOTION: Johnson moved / Quast seconded to approve the Browning Reserve Group to complete the CY 2026 reserve study, which is an offsite type of review.

Passed: 7 yes / 1 no (Sullwold)

MRR-B: Revise Cy 2025 Reserve Study/posted on website for updated gallons/investments; Post Cy 2026 Reserve Study Updates based on Budget; Continue to review model assumptions/impact on member dues in future years – inflation 3 percent and look at CPM Thresholds percent; 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, and 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.

C. Discussion of Information Systems Funding/Brainstorm

Code of Conduct: GVR encourages members to voice concerns and comments in a professional, business-like, and respectful manner.

**MOTION: Johnson moved / Stock seconded to move this topic to the March FAC Meeting.
Passed: unanimous**

D. Year-End Accomplishments Draft
Chair reviewed the Year-End Report.

E. Information Only: Member Assistance Program Summary

6. **Member Comments:** 0 comments

7. **Adjournment**

MOTION: Howard moved / Quast seconded to adjourn the meeting at 3:08pm.

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



**Fiscal Affairs
Financial Report
As of February 28, 2026**

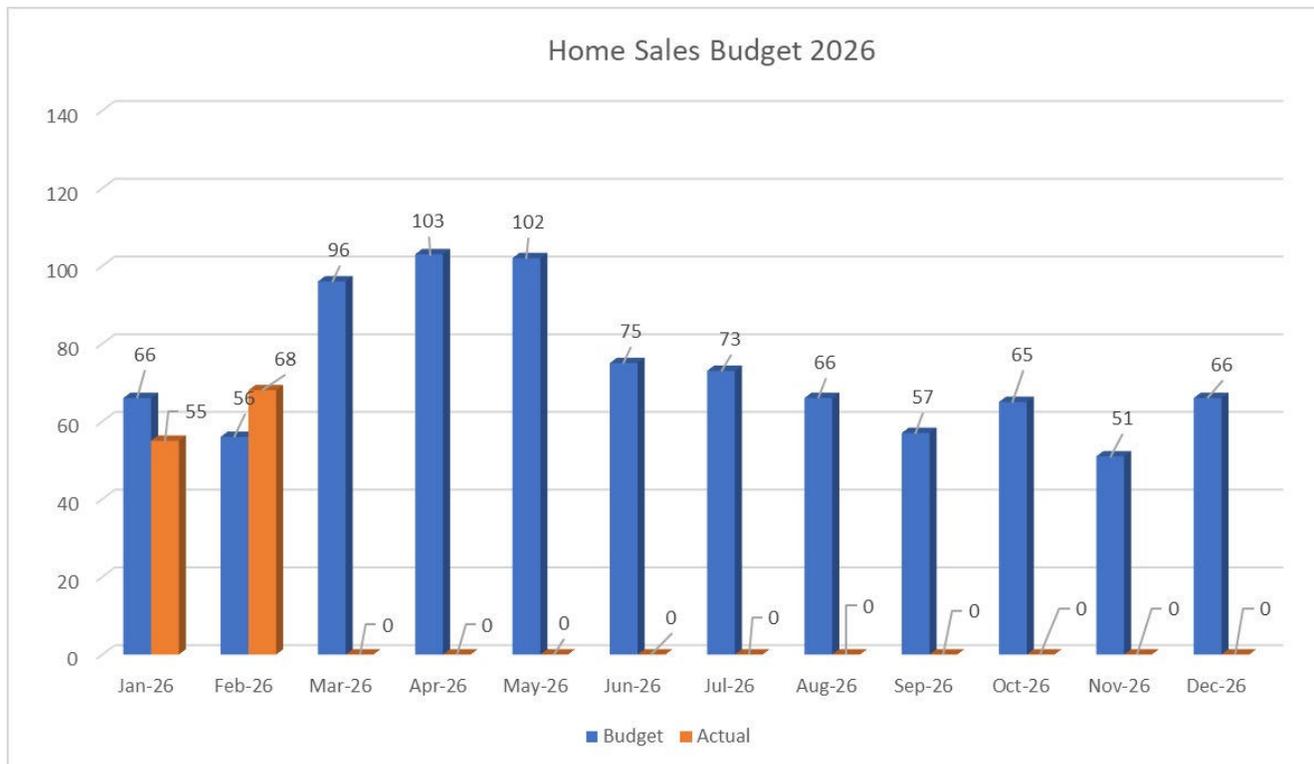
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through February 28, 2026 and include the financial statements as of February 28, 2026. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the February 28, 2026 total year to date Increase in Net Assets based on GVR's 2026 Financial Statements:

Month	Operating Increase Net Assets	Unrealized Gains on Investments	GVR 2026		Budget Variance	
			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	\$227,078	\$115,864	\$342,942	68	\$84,933	\$83,519
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
Total YTD '26	\$341,463	\$277,082	\$618,545	123	\$45,187	\$131,909



- 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 68 Home Resales during the month of February. This number of sales is 12 (21%) more than budgeted for February and 7 (11%) more than February of the prior year. Year to date, GVR has 1 home sale more than budgeted (1%). 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 February, 2026.



- The number of home sales through the first 10 days weeks of March, 2026 is 41 and GVR anticipates another 38 home sales to finalize in March 2026. This total projected 79 homes for March 2026 is 17 less than budgeted and will result in GVR being 16 (7.8%) homes under budget through March 2026.
- GVR has added 5 new Member Households year to date 2026 (page 4). The budgeted number of new households for 2026 is 20.

- The February 2026 Statement of Financial Position (page 2) reports the Total Net Assets to be \$36,232,855 which is a \$618,545 increase for the year (page 2 and 3) and includes \$277,082 of Unrealized Gains on Investments for February 2026 year to date.
- The February 28 Operational cash on hand is 614,317 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$6,313,900 which is a \$57,876 increase during the month of February. The cash projections for 2026 are on pages 6 and 7.
- The Net Fixed Assets are \$23,253,463 as of February 28, 2026 (page 2). Total net Capital Purchases for the year to date are \$124,788.
- Total Current Liabilities are \$7,093,767 (page 2). This includes 10 months of deferred revenue for 2026 dues.
- Designated Net Assets equal \$12,833,813 which reflects a net increase of \$32,965 for the month of February, 2026. The year-to-date net unrealized gains on investments are \$277,082 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$2,277,002 which is 2% over budget and 3% more than the prior year.
 - Guest cards and Tenant cards Revenue budgets are seasonally weighted toward January and February of each year to where 41% of the revenue occurs in these two months.
 - Guest card revenue is under budget for Jan-Feb 2026 by \$8,673 (16%). If this holds true for 2026, the total Guest Card Revenue for 2026 budgeted at \$116,295 may possibly be under budget by \$18,607 ($\$116,295 \times 16\%$) at year end.
 - Tenant Card Revenue for Jan-Feb 2026 is under budget by \$6,254 (10%). If this holds true for 2026, the total Tenant Card Revenue for 2026 budgeted at \$168,515 may possibly be under budget by \$16,852 ($\$168,515 \times 10\%$) at year end.
 - The Combined potential shortfall of Tenant and Guest cards for 2026 may be \$35,456 ($\$18,607 + \$16,852$) or 12% ($\$35,456 / \$284,810$).
 - Please be aware that, in January, 2026, the Board made the following revisions to the guest pass policy:
 - Reduce the daily guest cards from \$10 to \$5
 - Reduce the weekly guest pass from \$30 to \$15
 - Allow four guests on the \$85 annual card



- The total expenses for the year are \$1,935,539 which is \$131,909 (6.4%) under budget and 1% MORE than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year-to-date February 28, 2026:

EXPENSES YTD FEBRUARY 2026				
<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	545,013	40,546	7%	Facility Maintenance is \$23K (33%) under budget. Utilities are \$29K (14%) over budget
Program Expenses	214,391	(4,459)	-2%	Recreation Expenses are \$4K (2%)over budget. Corresponding Recreational Income is \$54K (21%) better than budgeted.
Communi-cations	41,776	(3,347)	-9%	Printing costs are \$3K (18%) over budget.
Operational Expenses	56,307	48,818	46%	Operating Supplies are \$41K (44%) under budget,
Corporate Expenses	124,408	13,516	10.0%	IT Software expenses are \$19K (79%) under budget and Professional fees are \$8K (24%) over budget.
Personnel & Benefits	953,644	36,836	4%	Wages are \$37K (5%) under budget. Benefits are \$2K (1%) over budget.
TOTAL EXPENSES	<u>1,935,539</u>	<u>131,910</u>	<u>6.4%</u>	under budget

- The Capital Improvements Projects Master List is included on page 5.
- A preliminary calculation of the GVR Surplus is included on page 8. The final surplus calculation will be provided after the 2025 Audit is finalized.
- An informational memorandum regarding the MAP Fund is included on page 9.
- An informational report regarding the 2025 90 day cash balance is included on page 10.
- The Year End FAC Report is included on pages 11 – 12.





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

Prepared By: David Webster, CFO

Meeting Date: March 17, 2026

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 February 2026:

1. Statement of Financial Position
 - a. Operating Cash increase for February was \$57,876.
 - b. Designated Funds Cash net increase for February was \$32,965.
 - c. Net Assets Increase Year to Date February 2026 was \$618,545 and includes \$277,082 of unrealized gains.
2. Statement of Financial Activities
 - a. YTD total revenue over budget (favorable) 2% or \$45,187.
 - b. YTD total expenses under budget (favorable) 6% or \$131,909.
 - c. YTD unrealized gains on investments \$277,082.
 - d. February MCF fees over budget (favorable) 11%, 68 actual compared to 56 budgeted.
 - e. YTD Fees income under budget (unfavorable) 11% or \$21,751 due primarily to lower than budgeted Transfer Fees, Guest Card Fees, and Tenant Fees revenues.
 - f. YTD GVR personnel under budget (favorable) by 4% YTD or \$36,836.
 - g. YTD Recreation revenue over budget (favorable) by 21% or \$53,901.
 - h. YTD Recreation Program expenses are over budget (unfavorable) by 2% or \$4,459.
 - i. YTD Operating Expenses under budget (favorable) 6% or \$131,909.
 - j. Gross Operating Surplus is \$341,463 which is 108% more than budgeted.



Green Valley Recreation, Inc.
Statement of Financial Position

As of Date: February 28, 2026 and Dec 31, 2025

	February 28, 2026	Dec 31, 2025
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	614,317	1,525,682
Accounts Receivable	742,869	404,170
Prepaid Expenses	202,067	267,712
Maintenance Inventory	61,927	61,927
Designated Investments (Charles S./SBH)		
Emergency - Fund	587,945 (1)	573,244 (18)
MRR - Fund	8,739,815 (2)	7,387,735 (19)
Initiatives - Fund	1,435,095 (3)	1,339,862 (20)
Pools & Spas - Fund	2,070,958 (4)	1,697,677 (21)
Total Designated Investments (CS/SBH)	12,833,813 (5)	10,998,517 (22)
Undesignated Invest. (JP Morgan Long Term)	1,728,232 (6)	1,609,852 (23)
Undesignated Invest. (JP Morgan)	3,913,475 (7)	2,605,102 (24)
Investments	18,475,520 (8)	15,213,472 (25)
Total Current Assets	20,096,700	17,472,962
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	35,555,766	35,430,978
Sub-Total	53,572,851	53,448,063
Less - Accumulated Depreciation	(30,319,388)	(30,084,796)
Net Fixed Assets	23,253,463 (9)	23,363,267 (26)
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	36,447	36,447
Total Assets	43,386,610	40,872,676
LIABILITIES		
Current Liabilities		
Accounts Payable	372,645	447,933
Deferred Dues Fees & Programs	6,438,062	4,524,612
Accrued Payroll	102,537	58,200
Compensation Liability	-	-
MCF Refund Liability	143,555	141,000
In-Kind Lease Liability -Current	3,333	-
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	33,633	33,633
Total Current Liabilities	7,093,767	5,205,378
In-Kind Lease Liability - LT	38,667	42,667
Notes Payable	11,000	-
Financing ROU Liability - LT	10,321	10,321
Total Long Term Liabilities	59,988	52,988
TOTAL NET ASSETS	36,232,855 (10)	35,614,311 (27)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	587,945 (11)	573,244 (28)
Maint - Repair - Replacement	8,739,815 (12)	7,387,735 (29)
Initiatives	1,435,095 (13)	1,339,862 (30)
Pools & Spas	2,070,958 (14)	1,697,677 (31)
Sub-Total	12,833,813 (15)	10,998,517
Unrestricted Net Assets	22,780,498	24,615,793
Net change Year-to-Date	618,545 (16)	-
Unrestricted Net Assets	23,399,042 (17)	24,615,793
TOTAL NET ASSETS	36,232,855	35,614,311



Green Valley Recreation, Inc.

Summary Statement of Activities

YTD Period: 2 month period ending February 28, 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			
Revenue										
Member Dues	1,227,604	1,264,154	36,550	3%	1,264,154	1,261,493	2,661	0.2%	7,568,960	6,304,806
LC, Trans., Crd Fees.	163,913	170,089	6,176	4%	170,089	191,840	(21,751)	(11%)	800,700	630,611
Capital Revenue	400,891	402,316	1,425	0%	402,316	397,882	4,434	1%	2,860,800	2,458,484
Programs	108,016	131,208	23,192	21%	131,208	117,409	13,799	12%	571,456	440,248
Instructional	145,032	176,470	31,438	22%	176,470	136,368	40,102	29%	498,000	321,530
Recreational Revenue	253,048	307,678	54,630	22%	307,678	253,777	53,901	21%	1,069,456	761,778
Investment Income	74,470	75,710	1,241	2%	75,710	72,500	3,210	4%	435,000	359,290
Advertising Income	-	-	-	0%	-	-	-	0%	-	-
Cell Tower Lease Inc.	8,252	8,518	266	3%	8,518	8,153	365	4%	48,919	40,401
Comm. Revenue	8,252	8,518	266	3%	8,518	8,153	365	4%	48,919	40,401
Other Income	38,188	46,032	7,844	21%	46,032	42,399	3,633	9%	117,350	71,318
Facility Rent	4,700	1,838	(2,863)	(61%)	1,838	3,103	(1,266)	(41%)	18,620	16,783
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	333	667	333	100%	667	667	-	0%	4,000	3,333
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	43,222	48,536	5,315	12%	48,536	46,169	2,367	5%	139,970	91,434
Total Revenue	2,171,399	2,277,002	105,603	5%	2,277,002	2,231,815	45,187	2.0%	12,923,805	10,646,803
Expenses										
Major Proj.-Rep. & Maint.	35,424	27,248	8,177	23%	27,248	39,828	12,581	32%	238,970	211,722
Facility Maintenance	61,664	47,390	14,274	23%	47,390	70,267	22,877	33%	421,600	374,210
Fees & Assessments	60	150	(90)	(150%)	150	167	17	10%	1,000	850
Utilities	231,010	185,935	45,074	20%	185,935	215,094	29,158	14%	1,084,093	898,158
Depreciation	227,160	234,592	(7,432)	(3%)	234,592	211,420	(23,172)	(11%)	1,268,520	1,033,928
Furniture & Equipment	23,893	31,422	(7,529)	(32%)	31,422	35,451	4,029	11%	229,874	198,452
Vehicles	12,742	18,277	(5,535)	(43%)	18,277	13,333	(4,943)	(37%)	80,000	61,723
Facilities & Equipment	591,953	545,013	46,940	8%	545,013	585,559	40,546	7%	3,324,057	2,779,044
Wages	721,622	726,704	(5,082)	(1%)	726,704	764,049	37,345	5%	4,584,295	3,857,590
Payroll Taxes	62,977	65,502	(2,525)	(4%)	65,502	67,236	1,734	3%	355,699	290,197
Benefits	142,137	161,438	(19,301)	(14%)	161,438	159,195	(2,243)	(1%)	897,672	736,234
Personnel	926,736	953,644	(26,908)	(3%)	953,644	990,480	36,836	4%	5,837,665	4,884,021
Food & Catering	4,372	9,339	(4,967)	(114%)	9,339	18,745	9,406	50%	78,698	69,359
Recreation Contracts	168,043	176,835	(8,792)	(5%)	176,835	155,928	(20,907)	(13%)	651,787	474,952
Bank & Credit Card Fees	25,814	28,217	(2,403)	(9%)	28,217	35,259	7,042	20%	67,895	39,678
Program	198,229	214,391	(16,162)	(8%)	214,391	209,932	(4,459)	(2%)	798,380	583,989
Communications	20,514	22,519	(2,005)	(10%)	22,519	17,928	(4,591)	(26%)	107,569	85,050
Printing	3,393	15,219	(11,826)	(349%)	15,219	18,667	3,448	18%	129,500	114,281
Advertising	386	4,038	(3,651)	(945%)	4,038	1,833	(2,204)	(120%)	11,000	6,962
Communications	24,293	41,776	(17,483)	(72%)	41,776	38,428	(3,347)	(9%)	248,069	206,293
Supplies	59,817	51,782	8,035	13%	51,782	92,651	40,869	44%	570,906	519,124
Postage	3,799	560	3,239	85%	560	3,521	2,961	84%	21,125	20,565
Dues & Subscriptions	1,111	1,485	(373)	(34%)	1,485	2,281	797	35%	13,687	12,202
Travel & Entertainment	-	223	(223)	0%	223	400	177	44%	2,400	2,177
Other Operating Expense	3,169	2,258	911	29%	2,258	6,272	4,014	64%	107,672	105,414
Operations	67,897	56,307	11,590	17%	56,307	105,125	48,818	46%	715,790	659,483
Information Technology	5,506	5,079	427	8%	5,079	23,796	18,717	79%	142,777	137,698
Professional Fees	31,460	41,565	(10,106)	(32%)	41,565	33,417	(8,149)	(24%)	234,350	192,785
Commercial Insurance	68,503	76,782	(8,279)	(12%)	76,782	74,511	(2,271)	(3%)	447,064	370,282
Taxes	-	-	-	0%	-	-	-	0%	53,532	53,532
Conferences & Training	264	-	264	100%	-	4,033	4,033	100%	24,200	24,200
Employee Recognition	412	982	(570)	(138%)	982	2,167	1,185	55%	13,000	12,018
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	106,145	124,408	(18,263)	(17%)	124,408	137,924	13,516	10%	914,923	790,515
Expenses	1,915,253	1,935,539	(20,286)	(1%)	1,935,539	2,067,448	131,909	6.4%	11,838,884	9,903,345
Gross Surplus(Rev-Exp)	256,146	341,463	85,317	33%	341,463	164,367	177,096	108%	1,084,921	743,458
Net Gain/Loss on Invest.	108,543	277,082	168,539		277,082	-	277,082		-	(277,082)
Net from Operations	364,689	618,545	253,855	70%	618,545	164,367	454,178		1,084,921	466,376



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
NEW MEMBERS	-	5											5
Total Members (2026)	13,902	13,907	13,907	13,907	13,907	13,907	13,907	13,907	13,907	13,907	13,907	13,907	13,907
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	-	5	-	-	-	-	-	-	-	-	-	-	5
Transfer Fee (new build no Initial fee)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (Voluntary Deed Restriction w/Initial fee)	-	5	-	-	-	-	-	-	-	-	-	-	5
Transfer Fee (estate planning)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee (resale)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Fee Non-Resale	3	4	-	-	-	-	-	-	-	-	-	-	7
Budget Monthly Resales (2026)	66	56	96	103	102	75	73	66	57	65	51	66	876
Monthly Resales (2026)	55	68	-	-	-	-	-	-	-	-	-	-	123
Monthly Delta Actual vs Budget (2026)	↓ (11) ↑	12											↑ 1
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%
YTD Budget (2026)	66	122	218	321	423	498	571	637	694	759	810	876	876
YTD Resales (2026)	55	123	-	-	-	-	-	-	-	-	-	-	123
YTD Over/(Under) Budget	↓ (11) ↑	1											↓ (753)
YTD Over/(Under) Budget	(16%)	1%											(86%)
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	73	-	-	-	-	-	-	-	-	-	-	128
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	-	-	-	-	-	-	-	-	-	-	8
HB 2119 (no MCF assessed)	10	3	-	-	-	-	-	-	-	-	-	-	13

Capital Improvement Projects Master List

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.	Mar-26	Dec-26	Construction-1%	Mobilization began 3/9. Finalize construction cost estimate, schedule, and construction documents with team. Waiting for "industrial water discharge" permit from Pima County.	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	Bidding	Bids are due 3/20. Review bids and award contract.	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-25% Demo-95%	Demolition completed on 3/9, except for pool equipment room due to electrical boxes in place. Schematic Design (30% plans) and cost estimate to be ready for March BOD meeting. Soils drilling to begin 3/20 with testing and report ready after two weeks.	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.	Apr-26	May-26	Pre-con- 0%	Bids received on 2/27. Awarded contract to Canyon Fence Co. Work to begin in mid April and take approximately four weeks.	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**

ACTUAL / PROJECTED	Actual Jan-26	Actual 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
Operating Cash at CHASE												
Beginning of Month Balance	1,525,682	734,666	614,277	502,173	596,941	562,472	728,002	652,594	340,284	305,815	371,345	459,971
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	737,376	749,217	581,571	452,333	452,333	387,714	387,714	452,333	452,333	775,428	4,146,427
Cash Disbursements	(2,457,945)	(857,765)	(861,322)	(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	(120,389)	(112,105)	(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	614,277	502,173	596,941	562,472	728,002	652,594	340,284	305,815	371,345	459,971	2,043,276
Operating Investment Accounts (A&B)												
Beginning of Month Balance	4,214,954	5,579,234	5,641,707	5,641,707	5,241,707	4,841,707	4,241,707	3,641,707	3,041,707	2,641,707	2,141,707	1,941,707
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	62,473	-	-	-	-	-	-	-	-	-	-
Ending of Month Balance	5,579,234	5,641,707	5,641,707	5,241,707	4,841,707	4,241,707	3,641,707	3,041,707	2,641,707	2,141,707	1,941,707	3,441,707
MRR Reserve												
Beginning of Month Balance	7,387,735	8,750,175	8,739,815	8,447,835	8,155,854	7,902,471	7,707,781	7,513,091	7,318,402	7,123,712	6,929,023	6,734,333
Transfer In MRR Funding	1,400,102	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(95,282)	(73,588)	(308,364)	(308,364)	(269,767)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)	(211,073)
Net Earned Income on Investments	57,620	63,229	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	8,739,815	8,447,835	8,155,854	7,902,471	7,707,781	7,513,091	7,318,402	7,123,712	6,929,023	6,734,333	6,539,643
MRR - B Pool and Spa Replacement Reserve												
Beginning of Month Balance	1,697,677	2,064,383	2,070,957	2,073,127	2,075,297	2,077,467	2,079,637	1,669,905	1,258,756	847,499	435,916	437,218
Transfer In MRR B Pool & Spa Funding	342,783	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(500)	(700)	-	-	-	-	(411,685)	(412,885)	(412,885)	(412,885)	-	-
Net Earned Income on Invest	24,423	7,274	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	2,070,957	2,073,127	2,075,297	2,077,467	2,079,637	1,669,905	1,258,756	847,499	435,916	437,218	438,520
Initiatives Reserve												
Beginning of Month Balance	1,339,862	1,403,092	1,435,095	1,312,132	1,189,169	1,054,129	919,089	784,049	704,084	624,119	544,154	464,190
Transfer In	60,950	34,440	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	5,631	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409	2,409
Transfer Out	(1,300)	(8,068)	(173,292)	(173,292)	(185,369)	(185,369)	(185,369)	(130,294)	(130,294)	(130,294)	(130,294)	(130,294)
Ending of Month Balance	1,403,092	1,435,095	1,312,132	1,189,169	1,054,129	919,089	784,049	704,084	624,119	544,154	464,190	384,225
Emergency Reserve												
Beginning of Month Balance	573,244	583,198	587,945	589,362	590,779	592,195	593,612	595,029	596,445	597,862	599,279	600,695
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	9,954	4,747	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	587,945	589,362	590,779	592,195	593,612	595,029	596,445	597,862	599,279	600,695	602,112
Total Reserve Accounts												
Total Operating Cash	6,313,900	6,255,984	6,143,879	5,838,648	5,404,178	4,969,709	4,294,301	3,381,991	2,947,521	2,513,052	2,401,677	5,484,983
Grand Total Cash & Investments	19,114,748	19,089,796	18,566,335	17,849,747	17,030,440	16,269,828	14,856,375	13,259,679	12,140,714	11,021,424	10,638,113	13,449,483

**GVR Cash Requirements Report
FY 2026**

ACTUAL / PROJECTED

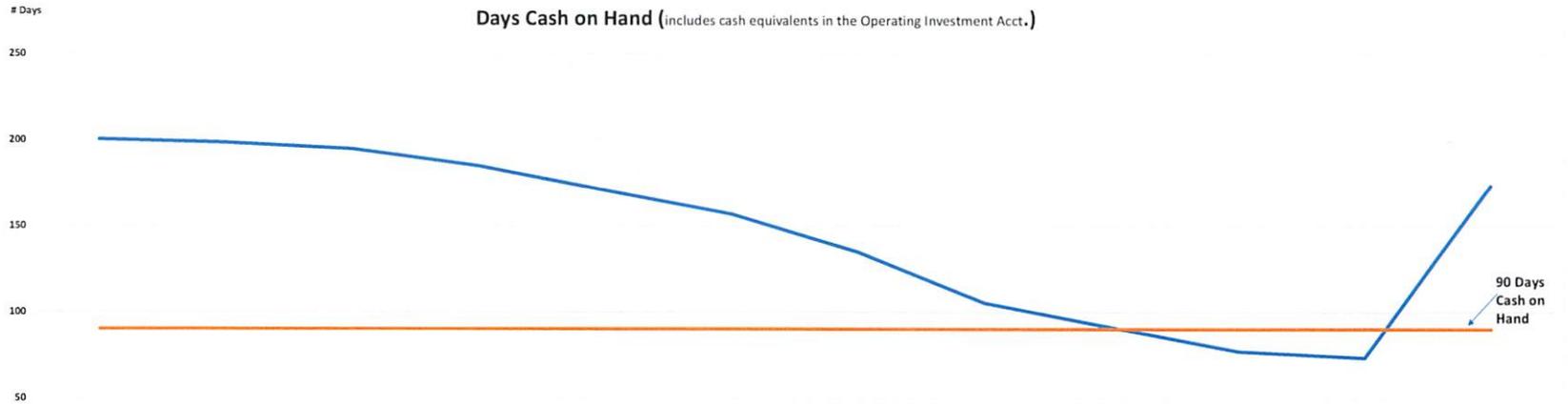
Actual Days Oper. Cash on Hand (net of MCF Allowance)

Actual Jan-26	Actual 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	198	195	185	171	157	135	105	91	77	73	173

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

Projected Ending Balance 2026	
Total Reserve Accounts	7,964,500
Total Operating Cash	5,484,983
Grand Total Cash & Investments	13,449,483

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





Green Valley Recreation, Inc.

Board of Directors Meeting Session

Use of Surplus

Prepared By: David Webster, CFO

Meeting Date: March 18, 2026

Presented By: David Webster, CFO

Consent Agenda: No

Originating Committee / Department:

Finance Department/Fiscal Affairs Committee (FAC)

Action Requested:

Provide direction on the use of the 2025 Budget surplus.

Strategic Plan:

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

Background Justification:

The Surplus Policy is stated in Section 3 – Reserve Policy Part 5.3.2 Part C. entitled **Calculation of Operating Surplus or Deficit**. The 2025 Financial statements are currently in the process of being audited and a final calculation of the 2025 Surplus is not available. However, GVR staff have prepared a preliminary surplus calculation for the fiscal year ending December 31, 2025, and don't anticipate significant audit changes to this calculation.

The intent of the surplus calculation is to determine if there is a surplus of operating revenue over operating expenses each year that can be transferred to a reserve fund. The preliminary calculation of the 2025 Surplus prepared by staff identifies a \$144,899 Operating Surplus for 2025. Additionally, GVR has an Operating Cash Policy guideline that recommends a minimum cash balance, at the lowest point during the year, of 90 days of the annual expenses. GVR has a cash flow cycle that annually results in a low point for Operating Cash around November 30th of each year. On November 30, 2025, GVR had an Operating Cash balance that was \$969,206 below the 90 day cash requirement calculation. While this cash level was lower than the 90 day guideline, by year end 2025, the balance was higher than expected due to cash dues receipts that were higher than expected for December 2025. Overall, GVR remains generally healthy with regard to Operating Cash but staff currently projects a November 2026 Operating Cash balance that is below the 90 Day Operating Cash Policy.

Fiscal Impact:

The entire surplus would need to remain in Cash to support the 90-day cash policy unless the FAC recommends otherwise.

Board Options:

- 1) Direct staff to leave the \$144,899 2025 Operating Surplus in GVR's Operating Cash Fund to help increase the projected November 2026 Operating Cash balance.
- 2) Direct Staff to transfer 50% of the 2025 Surplus to the MRR B Pool Fund and leave 50% in the Operating Cash fund.
- 3) Provide alternative direction of how the surplus shall be distributed.

Staff Recommendation:

Option #1

Attachments:

- 1) Preliminary Staff calculation of the 2025 Surplus.
- 2) 2025 90 Day Operating Cash Analysis.
- 3) Pool Reserve MRR-B Cash Flow

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

January through December 2025

SURPLUS CALCULATION NOT FINAL

	2025 Annual Budget	January - December		% of Variance	
		YTD Budget	Jan - Dec Actual		
Revenue:					
Member Dues	\$ 7,350,040	\$ 7,350,040	\$ 7,366,506	0.2%	More new Members than budgeted
LC, Trans., Crd Fees.	729,472	729,376	759,426	4.1%	Primarily more transfer fees than budgeted
Capital Revenue	2,724,900	2,724,900	2,835,806	4.1%	Collected 56 more homes sales than budgeted
Recreation	1,109,718	1,109,718	868,769	(21.7%)	Fewer Programs than budgeted (primarily concerts and tours)
Investment Income	435,000	435,000	466,619	7.3%	Better return on investments than budgeted
Communication	48,919	48,919	50,583	3.4%	Cell tower leases
Other Revenue	214,600	214,600	145,835	(32.0%)	Primarily less credit card fees than budgeted
Total Revenue	12,612,649	12,612,553	12,493,544	(0.9%)	
Expenditures:					
Facilities & Equipment NO DEPRECIATION	\$ 1,984,343	\$ 1,984,336	\$ 1,953,734	1.5%	Utilities under budget, Furniture & Equipment over budget
Personnel	5,813,616	5,813,526	5,696,073	2.0%	Wages under budget, medical & dental insurance over budget
Program	885,896	885,896	708,330	20.0%	Fewer Programs than budgeted (primarily concerts and tours)
Communications	224,900	224,900	212,108	5.7%	Advertising, printing, and phones under budget
Operations	692,800	692,800	663,842	4.2%	Supplies under budget
Corporate Expenses	815,978	815,978	828,928	(1.6%)	Commercial insurance over budget
Total Expenditures	10,417,533	10,417,436	10,063,015	3.4%	
Excess Revenues Over Exp.	\$ 2,195,116	\$ 2,195,117	\$ 2,430,529		
Transfers and Adjustments:					
Non Reserve Capital Projects	(22,486)	(22,486)	(31,684)		More non reserve capital projects than budgeted
Remove Income From Reserves	(278,400)	(278,400)	(327,945)		Better return on investments than budgeted
Reserve Funding Initiatives	(547,770)	(547,770)	(570,136)		Collected 56 more homes sales than budgeted
Reserve Funding MRR A & MRR-B	(1,620,460)	(1,620,460)	(1,620,460)		Funding of MRRA and MRRB on budget
MRR Expenses paid by Reserve	200,000	200,000	184,047		Non capital expenditures of MRR projects less than budgeted
Deduct Reserve Investment Exp.	74,000	74,000	80,549		Investment expenses more than budgeted
Modified Accrual Basis Surplus	-	-	144,899		

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

GVR
Operating Cash
90 day requirement analysis
FY 2025

Total Budget Expenses For 2025	\$ 11,685,954
Less Non-Cash Depreciation	\$ (1,268,520)
Less Expenses Paid by MRR Reserve	\$ (200,000)
Non Reserve Capital Purchases	\$ 22,489
Investment Expenses	\$ (74,000)
Reserve Funding From Revenues:	
Maintenance Repair & Repl.	\$ 1,300,102
MRR - B Pools & Spas	\$ 320,358
Initiatives	<u>\$ 547,770</u>
TOTAL	<u>\$ 2,168,230</u>
Total Cash Required to Fund GVR For Fiscal Year	\$ 12,334,153
Cash Transfer of MRR in January for One Time	<u>\$ (1,300,102)</u>
Total Cash Required	\$ 11,034,051
Days Per Year	<u>365</u>
Daily Average Cash Required	<u>\$ 30,230</u>
Minimum Days	<u>90</u>
Total GVR Cash Required for 90 Days	\$ 2,720,725
Actual Operating Cash Balance Nov. 30, 2025	<u>\$ 1,751,519</u>
Operating Cash at low point for 2025 resulted in an Operating balance that was less than the 90 day rule	<u>\$ 969,206</u>
Number of days below 90	32

This cash level was lower than expected. However, by year end 2025, the balance was higher than expected due to cash dues receipts that were higher than expected for December 2025. No action or changes to policy are required.



P.O. Box 586 Green Valley AZ 85622

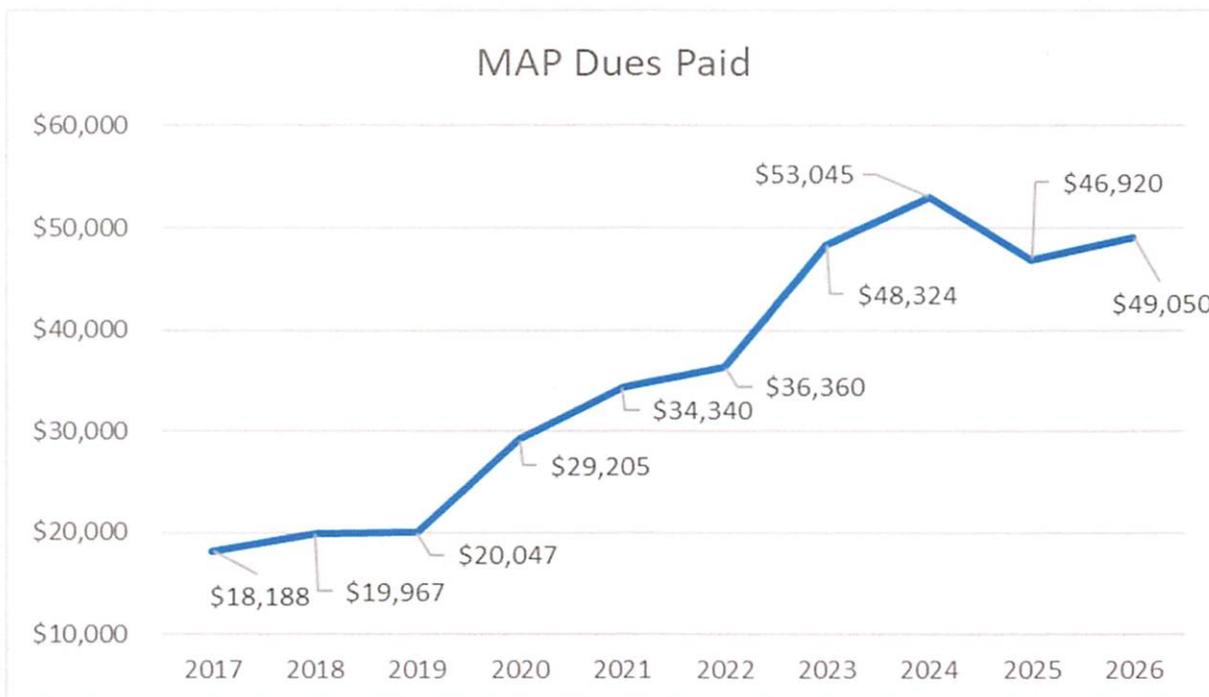
520.625.3440

MEMO

TO: Scott Somers, CEO
 FROM: David Webster, CFO
 CC: Howey Murray
 DATE: February 10, 2026 REVISED March 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	125
Total Approvals	59	71	72	98	110	116	120
Partial Awards	0	6	0	5	1	70	77
Full Awards (equivalents)	59	68	72	95.5	111	88.5	90
Total Dues Waived	\$29,205	\$34,340	\$36,360	\$48,681	\$53,045	\$46,920	\$49,050





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: **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: **Completed successfully**
- Review home sales forecasting methodology
 - ✓ May – June : **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/fewer children.

- Continue review of operating cash recommendations to meet 90-day cash on hand policy; work with Investment Committee on recommendations
 - ✓ Quarterly: **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 **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 **review recommendations from BAC; recommendations included in the fee revision of the operating budget.**

Task for Next Year:

- *Continue review of home sales forecasting model, will emphasize understanding renter information. Continue to review the informational/technology systems needs of GVR and ways to fund this item.*
- *Review the MMR A and MRR B Pool fund as it relates to the modeling for pool replacement and equipment repairs and the relationship between the two funds-*
- *Review of MRR-B Pool reserve and options to better fund this reserve*