



## **AGENDA**

### **BOARD OF DIRECTORS WORK SESSION**

Wednesday, October 14, 2026 2:00pm  
WC Room 2 / Zoom

**Directors:** Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Dale Howard, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

### **AGENDA TOPIC**

- 2:00    **1.    Call to Order / Roll Call**
- 2:05    **2.    Amend / Approve Agenda**
- 2:10    **3.    Discussion of Proposed Fiscal Year Budget (Somers)**
- 3:20    **4.    Del Sol Café Phase 3 (Somers)**
- 3:50    **5.    Member Comments**
- 4:00    **6.    Adjournment**

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



Green Valley Recreation, Inc.  
**Board of Directors Work Session**  
**Proposed Budget for 2027**

**Prepared By:** Dave Dixon, CFO

**Meeting Date:** October 14, 2026

**Presented By:** Scott Somers, CEO

**Consent Agenda:** NA

**Originating Committee / Department:**

Finance Department/Fiscal Affairs Committee (FAC)

**Action Requested:**

Review and discuss the 2027 Budget, Capital Budget, Capital Improvement Plan, Fees Schedule, and 3-year forecast.

**Strategic Plan:**

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

**Background Justification:**

Section 5.5.2 of the Corporate Policy Manual requires the Board to approve an annual budget no later than November 15<sup>th</sup> of each year. The budget policy is to promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives. Staff has prepared a Draft Operating and Capital Budget for 2027. The staff presented and reviewed the budgets with the Fiscal Affairs Committee (FAC) on September 22, 2026, and September 29, 2026.

A summary of the Recommended Operating Budget for 2027 is included on Table 1.

**FAC AND STAFF RECOMMENDED 2027 OPERATING BUDGET**

There is significant historical information as well as detailed financial data included in this report.

Noteworthy components of the proposed budget are:

- Members' 2027 dues rate increase from current \$545 to \$575 (5.5%). See table 2
- Membership Change Fee and Initial Fee for 2027 increase from \$3,200 to \$3,300 (3.1%). See table 2
- Personnel costs include a recommended modest 2.5% aggregate increase in wages (\$129,335), which also includes an increase of 4.0 full-time equivalents (FTE) from the 2026 budget for a total of 92.45 FTEs in 2027. See table 3
- \$20,000 for Non-Reserve Capital projects, specifically for accessibility improvements.

GVR staff have updated the three-year forecast for the years 2028 through 2030. While the Board of Directors are not required to approve this forecast, it is helpful for informational and planning purposes. A high-level summary of this forecast found in table 1 is as follows:

| Year | Forecasted Dues Rate | Forecasted Increase |
|------|----------------------|---------------------|
| 2028 | \$595                | 3.6%                |
| 2029 | \$620                | 4.3%                |
| 2030 | \$645                | 4.1%                |

Table 1

|                           |  | 2027 Budget & 3-Year Forecast |  | 2027        | 2028        | 2029        | 2030        | 2028 2029 2030       |       |       |
|---------------------------|-----------------------------------------------------------------------------------|-------------------------------|--|-------------|-------------|-------------|-------------|----------------------|-------|-------|
|                           |                                                                                   | 1..12                         |  | Budget      | Forecast    | Forecast    | Forecast    | Projected % Increase |       |       |
|                           |                                                                                   |                               |  |             |             |             |             | % Increase           |       |       |
|                           |                                                                                   |                               |  |             |             |             |             |                      |       |       |
| Revenue                   | Full Time Equivalents                                                             | 92.45                         |  | 92.45       | 92.45       | 92.45       | 92.45       |                      |       |       |
|                           | Head Count                                                                        | 116                           |  | 116         | 116         | 116         | 116         | 2.00%                | 2.00% | 2.00% |
|                           | Member Dues                                                                       | 8,001,700                     |  | 8,287,160   | 8,642,800   | 8,999,040   | 8,999,040   | 3.6%                 | 4.3%  | 4.1%  |
|                           | Life Care, Transfer Fees, Card Fees                                               | 750,730                       |  | 782,540     | 783,590     | 789,240     | 789,240     | 4.2%                 | 0.1%  | 0.7%  |
|                           | Capital Revenue                                                                   | 2,752,200                     |  | 2,845,800   | 2,929,500   | 3,013,200   | 3,013,200   | 3.4%                 | 2.9%  | 2.9%  |
|                           | Membership Revenue                                                                | 11,504,630                    |  | 11,915,500  | 12,355,890  | 12,801,480  | 12,801,480  |                      |       |       |
|                           | Programs                                                                          | 563,574                       |  | 591,753     | 633,175     | 677,498     | 677,498     | 5.0%                 | 7.0%  | 7.0%  |
|                           | Instructional                                                                     | 552,048                       |  | 568,609     | 597,040     | 629,877     | 629,877     | 3.0%                 | 5.0%  | 5.5%  |
|                           | Recreational Revenue                                                              | 1,115,622                     |  | 1,160,362   | 1,230,215   | 1,307,375   | 1,307,375   |                      |       |       |
|                           | Investment Income                                                                 | 415,000                       |  | 423,300     | 431,766     | 440,401     | 440,401     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Cell Tower Lease Income                                                           | -                             |  | -           | -           | -           | -           | 0.0%                 | 0.0%  | 0.0%  |
|                           | Communication Revenue                                                             | -                             |  | -           | -           | -           | -           |                      |       |       |
|                           | Other Income                                                                      | 109,750                       |  | 111,945     | 114,744     | 118,186     | 118,186     | 2.0%                 | 2.5%  | 3.0%  |
|                           | Facility Rent/Leases                                                              | 14,520                        |  | 14,956      | 15,404      | 15,866      | 15,866      | 3.0%                 | 3.0%  | 3.0%  |
|                           | Café Sales Income                                                                 | 216,550                       |  | 225,212     | 234,220     | 243,589     | 243,589     | 4.0%                 | 4.0%  | 4.0%  |
|                           | Contributed Income                                                                | 5,000                         |  | -           | -           | -           | -           | 0.0%                 | 0.0%  | 0.0%  |
|                           | Other Revenue                                                                     | 345,820                       |  | 352,113     | 364,368     | 377,642     | 377,642     |                      |       |       |
| Total Operating Revenue   |                                                                                   | 13,381,072                    |  | 13,851,275  | 14,382,240  | 14,926,898  | 14,926,898  | 3.5%                 | 7.5%  | 11.6% |
| Expenses                  | Major Proj.-Rep. & Maint.                                                         | 244,724                       |  | 249,618     | 254,611     | 259,703     | 259,703     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Facility Maintenance                                                              | 387,763                       |  | 395,518     | 403,429     | 411,497     | 411,497     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Fees & Assessments                                                                | -                             |  | -           | -           | -           | -           | 2.0%                 | 2.0%  | 2.0%  |
|                           | Utilities                                                                         | 1,042,493                     |  | 1,101,205   | 1,136,727   | 1,174,751   | 1,174,751   | 3.0%                 | 3.0%  | 3.0%  |
|                           | Depreciation                                                                      | 1,577,204                     |  | 1,608,748   | 1,640,923   | 1,673,742   | 1,673,742   | 2.0%                 | 2.0%  | 2.0%  |
|                           | Furniture & Equipment                                                             | 252,546                       |  | 257,597     | 262,749     | 268,004     | 268,004     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Vehicle Expenses                                                                  | 90,000                        |  | 91,800      | 93,636      | 95,509      | 95,509      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Facilities & Equipment                                                            | 3,594,731                     |  | 3,704,487   | 3,792,075   | 3,883,206   | 3,883,206   |                      |       |       |
|                           | Wages                                                                             | 4,825,093                     |  | 5,018,097   | 5,218,821   | 5,427,573   | 5,427,573   | 4.0%                 | 4.0%  | 4.0%  |
|                           | Payroll Taxes                                                                     | 374,120                       |  | 389,084     | 404,648     | 420,834     | 420,834     | 4.0%                 | 4.0%  | 4.0%  |
|                           | Benefits                                                                          | 999,442                       |  | 1,049,414   | 1,091,390   | 1,135,046   | 1,135,046   | 5.0%                 | 4.0%  | 4.0%  |
|                           | Personnel                                                                         | 6,198,654                     |  | 6,456,595   | 6,714,859   | 6,983,453   | 6,983,453   |                      |       |       |
|                           | Food & Catering                                                                   | 105,003                       |  | 107,103     | 109,245     | 111,430     | 111,430     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Recreation Contracts                                                              | 760,049                       |  | 790,451     | 829,973     | 871,472     | 871,472     | 4.0%                 | 5.0%  | 5.0%  |
|                           | Bank & Credit Card Fees                                                           | 87,123                        |  | 88,866      | 90,643      | 92,456      | 92,456      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Program                                                                           | 952,175                       |  | 986,420     | 1,029,862   | 1,075,358   | 1,075,358   |                      |       |       |
|                           | Communications                                                                    | 92,020                        |  | 93,860      | 95,738      | 97,652      | 97,652      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Printing                                                                          | 103,965                       |  | 106,044     | 108,165     | 110,328     | 110,328     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Advertising                                                                       | 15,000                        |  | 15,300      | 15,606      | 15,918      | 15,918      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Communications                                                                    | 210,985                       |  | 215,204     | 219,509     | 223,899     | 223,899     |                      |       |       |
|                           | Supplies                                                                          | 465,049                       |  | 471,638     | 474,590     | 474,064     | 474,064     | 2.0%                 | 1.0%  | 1.0%  |
|                           | Postage                                                                           | 22,800                        |  | 23,256      | 23,721      | 24,196      | 24,196      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Dues & Subscriptions                                                              | 19,770                        |  | 20,165      | 20,569      | 20,980      | 20,980      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Travel                                                                            | 8,575                         |  | 8,661       | 8,747       | 8,835       | 8,835       | 1.0%                 | 1.0%  | 1.0%  |
|                           | Other Operating Expense                                                           | 109,550                       |  | 110,646     | 111,752     | 112,869     | 112,869     | 1.0%                 | 1.0%  | 1.0%  |
|                           | Operations                                                                        | 625,744                       |  | 634,366     | 639,380     | 640,944     | 640,944     |                      |       |       |
|                           | Information Technology                                                            | 136,508                       |  | 139,238     | 142,022     | 144,863     | 144,863     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Professional Fees                                                                 | 191,250                       |  | 193,589     | 197,461     | 201,410     | 201,410     | 2.0%                 | 2.0%  | 2.0%  |
|                           | Commercial Insurance                                                              | 458,057                       |  | 480,960     | 495,389     | 510,251     | 510,251     | 5.0%                 | 3.0%  | 3.0%  |
|                           | Taxes                                                                             | 18,654                        |  | 19,028      | 19,408      | 19,796      | 19,796      | 2.0%                 | 2.0%  | 2.0%  |
|                           | Conferences & Training                                                            | 23,522                        |  | 23,522      | 23,757      | 23,995      | 23,995      | 0.0%                 | 1.0%  | 1.0%  |
|                           | Employee Recognition                                                              | 13,000                        |  | 13,000      | 13,130      | 13,261      | 13,261      | 0.0%                 | 1.0%  | 1.0%  |
|                           | Corporate Expenses                                                                | 840,991                       |  | 869,337     | 891,168     | 913,576     | 913,576     |                      |       |       |
|                           | Total Operating Expenses                                                          | 12,423,281                    |  | 12,866,409  | 13,286,851  | 13,720,436  | 13,720,436  |                      |       |       |
| Net<br>Adj. to Cash Basis | Gross Surplus (Rev-Exp)/Net Cash Flow                                             | 957,791                       |  | 984,866     | 1,095,388   | 1,206,462   | 1,206,462   |                      |       |       |
|                           | Unrealized Gain/(Loss) on Investments                                             | -                             |  | -           | -           | -           | -           |                      |       |       |
|                           | Accrual Basis Net from Operations                                                 | 957,791                       |  | 984,866     | 1,095,388   | 1,206,462   | 1,206,462   |                      |       |       |
|                           | Subtract: In Kind                                                                 | (2,250)                       |  | (2,250)     | (2,250)     | (2,250)     | (2,250)     |                      |       |       |
|                           | Non-Reserve Capital Projects                                                      | (20,000)                      |  | (20,000)    | (20,000)    | (20,000)    | (20,000)    |                      |       |       |
|                           | Income From Reserve Funds                                                         | (290,500)                     |  | (296,310)   | (302,236)   | (308,281)   | (308,281)   |                      |       |       |
|                           | Reserved Funding/Initiatives                                                      | (552,420)                     |  | (571,200)   | (588,000)   | (604,800)   | (604,800)   |                      |       |       |
|                           | MRR B (Pools & Spas)                                                              | (366,778)                     |  | (392,452)   | (419,924)   | (449,319)   | (449,319)   |                      |       |       |
|                           | Reserve Funding/MRR A                                                             | (1,508,102)                   |  | (1,616,102) | (1,724,102) | (1,832,102) | (1,832,102) |                      |       |       |
|                           | Cash Basis Change in Net Assets Net of Reserves                                   | (1,782,259)                   |  | (1,913,448) | (1,961,124) | (2,010,290) | (2,010,290) |                      |       |       |
|                           | Add Back:                                                                         |                               |  |             |             |             |             |                      |       |       |
|                           | MRR Operating Expenses                                                            | 115,054                       |  | 212,000     | 224,720     | 238,203     | 238,203     |                      |       |       |
|                           | Depreciation                                                                      | 1,577,204                     |  | 1,608,748   | 1,640,923   | 1,673,742   | 1,673,742   |                      |       |       |
|                           | Expenses from Reserve Funds                                                       | 90,000                        |  | 92,700      | 95,481      | 98,345      | 98,345      |                      |       |       |
|                           | Cash Basis Net Surplus (Deficit)                                                  | -                             |  | -           | -           | -           | -           |                      |       |       |

**Table 2**

| <b>Fee Schedule</b>                          | 2026    | 2027           |              |
|----------------------------------------------|---------|----------------|--------------|
|                                              | Fee     | Fee            | % Increase   |
| Annual Dues per Household                    | \$545   | <b>\$575</b>   | <b>5.5%</b>  |
| Life Care, Transfer, Tenant & Addl Card Fees |         |                |              |
| Annual Life Care Member Dues                 | \$545   | <b>\$575</b>   | <b>5.5%</b>  |
| Transfer Fee (Resale)                        | \$470   | <b>\$480</b>   | <b>2.1%</b>  |
| Guest Card Fees Annual Pass                  |         |                |              |
| Guest Card Daily Pass                        | \$5     | <b>\$5</b>     | <b>0.0%</b>  |
| Guest Card Weekly Pass                       | \$15    | <b>\$15</b>    | <b>0.0%</b>  |
| Guest Card Annual Pass (30 Day Punch Pass)   | \$85    | <b>\$85</b>    | <b>0.0%</b>  |
| 1-7 Days                                     | \$40    | <b>\$45</b>    | <b>12.5%</b> |
| 2 Weeks                                      | \$50    | <b>\$55</b>    | <b>10.0%</b> |
| 1 Month                                      | \$65    | <b>\$70</b>    | <b>7.7%</b>  |
| 2 Months                                     | \$100   | <b>\$105</b>   | <b>5.0%</b>  |
| 3 Months                                     | \$140   | <b>\$145</b>   | <b>3.6%</b>  |
| 4 Months                                     | \$180   | <b>\$185</b>   | <b>2.8%</b>  |
| 5 Months                                     | \$215   | <b>\$220</b>   | <b>2.3%</b>  |
| 6-12 Month Pass                              | \$250   | <b>\$255</b>   | <b>2.0%</b>  |
| Tenant Fees                                  |         |                |              |
| Additional Card Fees                         | \$140   | <b>\$170</b>   | <b>21.4%</b> |
| Membership Change Fee                        | \$3,200 | <b>\$3,300</b> | <b>3.1%</b>  |
| Initial Fee                                  | \$3,200 | <b>\$3,300</b> | <b>3.1%</b>  |
| Capital Revenue                              |         |                |              |
| Late Fees                                    | \$25    | <b>\$25</b>    | <b>0.0%</b>  |
| Estate Planning Fee                          | \$105   | <b>\$105</b>   | <b>0.0%</b>  |
| GVR Card Issuance Fee                        | \$5     | <b>\$5</b>     | <b>0.0%</b>  |
| Card Replacement Fee                         | \$5     | <b>\$5</b>     | <b>0.0%</b>  |

**Table 3**

| GVR Wages                         |                         |               |
|-----------------------------------|-------------------------|---------------|
|                                   | Proposed<br>2027 Budget | %<br>Increase |
| Cost of Living Adjustments        | \$96,915                | 2.0%          |
| Performance and Merit Adjustments | 23,229                  | 1.0%          |
| Total Wage Increase               | 120,144                 |               |
| Payroll Tax Increase              | 9,191                   |               |
| Total Increase of Wages & Taxes   | \$129,335               |               |
|                                   |                         |               |
| % of Dues to Pay for the Increase | 1.6%                    |               |

**FAC AND STAFF RECOMMENDED 2027 CAPITAL IMPROVEMENT PLAN AND CAPITAL BUDGET**

**Initiatives 5-Year Capital Improvement Plan and Capital Budget**

The Fiscal Affairs Committee (FAC) met on August 18, 2026, to hear from GVR clubs on project proposals. Staff had prepared a draft Initiatives 5-year capital improvement plan for review which showed construction of an expanded wood shop beginning in 2028 and with several smaller more affordable project beginning in 2027. Committee members and attendees expressed interest in prioritizing construction of an expanded woodshop in 2027 over the smaller projects. Staff have therefore modified the draft 5-year capital improvement plan based on this feedback.

The FAC reviewed the Draft Capital Improvement Plan and Budget for 2027 on September 29, 2026, and recommended approval as presented in Table 4 with one exception – move the infra-red sauna project from 2029 to 2027. The sauna at Desert Hills is a popular amenity. An additional sauna would allow members to continue enjoying this amenity when one sauna is down for repairs and/or cleaning.

Per the Corporate Policy Manual (CPM), Section 3, Subsection 5.3.5, the Initiatives Reserve Fund shall be used to support new initiatives that contribute to meeting GVR ends. Funds come from twenty percent (20%) of the Membership Change Fee (MCF) assessed on each GVR Member property sold; and twenty five percent (25%) of the Initial Fee assessed on each GVR member property sold. The MCF fee applies upon transfer of title of a GVR membership property. The Initial Fee applies upon the sale of a deed-restricted GVR property from a developer to a third party or upon an owner electing to voluntarily deed restrict property for GVR membership.

Table 4

| Capital Improvement Plan (CIP)<br>Cash Funding Projections |                       |                     |                     |                      |                      |                      |
|------------------------------------------------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|                                                            | 2026                  | 2027                | 2028                | 2029                 | 2030                 | 2031                 |
| <b>Initiatives</b>                                         |                       |                     |                     |                      |                      |                      |
| Beginning Balance                                          | \$ 1,339,862          | \$ 484,488          | \$ 498,897          | \$ 473,503           | \$ 866,675           | \$ 850,500           |
| Funding From Operations Revenue                            | \$ 526,728            | \$ 552,420          | \$ 571,200          | \$ 588,000           | \$ 604,800           | \$ 604,800           |
| Additional Funding (Surplus)                               |                       |                     |                     |                      |                      |                      |
| Transfer from Emergency                                    |                       |                     |                     |                      |                      |                      |
| Net Investment Earnings                                    | \$ 38,688             | \$ 13,989           | \$ 14,405           | \$ 13,672            | \$ 25,025            | \$ 24,558            |
| Club Contributions                                         | \$ 40,424             | \$ 5,000            |                     |                      |                      |                      |
| <b>Total Revenue</b>                                       | <b>\$ 605,840</b>     | <b>\$ 571,409</b>   | <b>\$ 585,605</b>   | <b>\$ 601,672</b>    | <b>\$ 629,825</b>    | <b>\$ 629,358</b>    |
| <b>Expenditures</b>                                        |                       |                     |                     |                      |                      |                      |
| <b>Current Projects:</b>                                   |                       |                     |                     |                      |                      |                      |
| Del Sol Clubhouse Parking Lot Note                         | \$ (11,000)           | \$ (11,000)         | \$ (11,000)         | \$ (11,000)          | \$ (11,000)          |                      |
| Woodshop Expansion                                         |                       | \$ (300,000)        | \$ (600,000)        |                      |                      |                      |
| LC Third Tennis Court                                      |                       |                     |                     |                      | \$ (200,000)         |                      |
| SRAL Lower Level Expansion                                 |                       |                     |                     |                      | \$ (400,000)         |                      |
| Abrego South Locker Room Building                          | \$ (50,000)           | \$ (175,000)        |                     |                      |                      |                      |
| Metal Arts Shop & Yard                                     | \$ (3,568)            |                     |                     |                      | \$ (35,000)          |                      |
| <b>Proposed Projects:</b>                                  |                       |                     |                     |                      |                      |                      |
| EC Tennis Court (\$150,000)                                |                       | \$ (60,000)         |                     |                      |                      |                      |
| DH Steam Room                                              |                       |                     |                     | \$ (60,000)          |                      |                      |
| Infrared Sauna                                             |                       | \$ (11,000)         |                     |                      |                      |                      |
| Room Divider for SRAL                                      |                       |                     |                     |                      |                      |                      |
| Sidewalk at SRS                                            |                       |                     |                     | \$ (14,500)          |                      |                      |
| DSC lift for Billiards                                     |                       |                     |                     |                      |                      |                      |
| Shade structures                                           |                       |                     |                     | \$ (123,000)         |                      |                      |
| Café walk-up window                                        |                       |                     |                     |                      |                      |                      |
| <b>Total Expenditures</b>                                  | <b>\$ (1,461,214)</b> | <b>\$ (557,000)</b> | <b>\$ (611,000)</b> | <b>\$ (208,500)</b>  | <b>\$ (646,000)</b>  | <b>\$ -</b>          |
| <b>Ending Balance</b>                                      | <b>\$ 484,488</b>     | <b>\$ 498,897</b>   | <b>\$ 473,503</b>   | <b>\$ 866,675</b>    | <b>\$ 850,500</b>    | <b>\$ 1,479,857</b>  |
| <b>Maintenance Repair &amp; Replacement</b>                |                       |                     |                     |                      |                      |                      |
| Beginning Balance                                          | \$ 7,385,186          | \$ 7,522,214        | \$ 6,739,667        | \$ 6,691,540         | \$ 6,498,781         | \$ 6,747,175         |
| Annual Funding (per Reserve Study)                         | \$ 1,400,102          | \$ 1,508,102        | \$ 1,616,102        | \$ 1,724,102         | \$ 1,832,102         | \$ 1,940,102         |
| Additional Funding                                         |                       |                     |                     |                      |                      |                      |
| Net Investment Earnings                                    | \$ 451,093            | \$ 484,004          | \$ 428,384          | \$ 441,744           | \$ 423,877           | \$ 447,148           |
| Projects:                                                  |                       |                     |                     |                      |                      |                      |
| Per Reserve Study (Third Draft 2026 for 2028+)             | \$ (1,714,167)        | \$ (2,774,653)      | \$ (2,092,613)      | \$ (2,358,605)       | \$ (2,007,585)       | \$ (2,218,780)       |
| <b>Ending Balance</b>                                      | <b>\$ 7,522,214</b>   | <b>\$ 6,739,667</b> | <b>\$ 6,691,540</b> | <b>\$ 6,498,781</b>  | <b>\$ 6,747,175</b>  | <b>\$ 6,915,645</b>  |
| <b>MRR Part B - Pools and Spas</b>                         |                       |                     |                     |                      |                      |                      |
| Beginning Balance                                          | \$ 1,697,677          | \$ 1,846,712        | \$ 1,420,443        | \$ 1,887,224         | \$ 2,401,741         | \$ 2,967,953         |
| Funding                                                    | \$ 342,783            | \$ 366,778          | \$ 392,452          | \$ 419,924           | \$ 449,319           | \$ 480,771           |
| Additional Funding                                         |                       |                     |                     |                      |                      |                      |
| Net Investment Earnings                                    | \$ 161,052            | \$ 90,753           | \$ 74,329           | \$ 94,593            | \$ 116,893           | \$ 141,398           |
| Abrego South Pool                                          | \$ (354,800)          | \$ (883,800)        |                     |                      |                      |                      |
| <b>Ending Balance</b>                                      | <b>\$ 1,846,712</b>   | <b>\$ 1,420,443</b> | <b>\$ 1,887,224</b> | <b>\$ 2,401,741</b>  | <b>\$ 2,967,953</b>  | <b>\$ 3,590,122</b>  |
| <b>Subtotal Capital Projects Reserves</b>                  | <b>\$ 9,853,414</b>   | <b>\$ 8,659,007</b> | <b>\$ 9,052,266</b> | <b>\$ 9,767,196</b>  | <b>\$ 10,565,628</b> | <b>\$ 11,985,625</b> |
| <b>Emergency</b>                                           |                       |                     |                     |                      |                      |                      |
| Beginning Balance                                          | \$ 573,244            | \$ 641,272          | \$ 667,564          | \$ 694,934           | \$ 723,426           | \$ 753,087           |
| Annual Funding                                             | \$ -                  | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| Transfer to Initiative                                     |                       |                     |                     |                      |                      |                      |
| Net Investment Earnings                                    | \$ 68,028             | \$ 26,292           | \$ 27,370           | \$ 28,492            | \$ 29,660            | \$ 30,877            |
| Projects:                                                  |                       |                     |                     |                      |                      |                      |
| <b>Ending Balance</b>                                      | <b>\$ 641,272</b>     | <b>\$ 667,564</b>   | <b>\$ 694,934</b>   | <b>\$ 723,426</b>    | <b>\$ 753,087</b>    | <b>\$ 783,964</b>    |
| <b>Total Board Designated Funds</b>                        | <b>\$ 10,494,686</b>  | <b>\$ 9,326,571</b> | <b>\$ 9,747,200</b> | <b>\$ 10,490,623</b> | <b>\$ 11,318,715</b> | <b>\$ 12,769,588</b> |

### **Non-Reserve Capital Projects**

The 2026 Non-Reserve Capital Budget was \$20,000. Due to 2027 budget constraints, this budget does not include the \$100,000 allocation for non-budgeted, unplanned items, per the Capital Improvement Policy and Process. However, the 2027 Budget does include \$20,000 for accessibility projects.

### **Maintenance, Repair & Replacement Reserve Fund (MRR-A)**

The recommended reserve contribution for 2027 is \$1,508,102 and the amount will be transferred from the Operations Fund at the beginning of the year. Anticipated project costs scheduled in 2027 from the reserve study are \$2,774,653 as noted in table 5.

Per the CPM, Section 3, Subsection 5.3.3, this fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study. Annually, GVR shall transfer the full year's Annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve.

**Table 5**

| <b>Maintenance Repair and Replacement (MRR - A) Fund<br/>Budgeted Expenditures for 2027</b> | <b>Total Amount</b> | <b>Percent of<br/>Total MRR -<br/>A Budget</b> |
|---------------------------------------------------------------------------------------------|---------------------|------------------------------------------------|
| Roofing                                                                                     | \$650,000           | 23.43%                                         |
| Sports Courts                                                                               | \$429,276           | 15.47%                                         |
| Pool Equipment and Decks                                                                    | \$374,247           | 13.49%                                         |
| Kitchen, Restroom & Locker Room Rehab                                                       | \$366,534           | 13.21%                                         |
| Vehicles                                                                                    | \$135,962           | 4.90%                                          |
| Painting Exterior                                                                           | \$127,187           | 4.58%                                          |
| Structural Repairs                                                                          | \$105,302           | 3.80%                                          |
| Furnishings                                                                                 | \$94,548            | 3.41%                                          |
| Recreation                                                                                  | \$92,296            | 3.33%                                          |
| Flooring                                                                                    | \$91,814            | 3.31%                                          |
| Outdoor Equipment                                                                           | \$61,161            | 2.20%                                          |
| Mechanical Equipment                                                                        | \$47,362            | 1.71%                                          |
| Office Equipment                                                                            | \$46,161            | 1.66%                                          |
| Safety                                                                                      | \$36,772            | 1.33%                                          |
| Painting Interior                                                                           | \$36,236            | 1.31%                                          |
| Appliances                                                                                  | \$35,253            | 1.27%                                          |
| Water System                                                                                | \$19,542            | 0.70%                                          |
| Audio / Visual                                                                              | \$10,000            | 0.36%                                          |
| Maintenance Equipment                                                                       | \$10,000            | 0.36%                                          |
| Fencing                                                                                     | \$5,000             | 0.18%                                          |
| <b>Total 2027 MRR - A Budget</b>                                                            | <b>\$2,774,653</b>  | <b>100%</b>                                    |

### **Maintenance, Repair & Replacement of Pools and Spas (MRR-B)**

The MRR-B Fund is a relatively new fund. Per the CPM, the fund shall be used to fund the replacement of pools and spas.

The 2027 funding of MRR-B is budgeted at \$366,778 and is \$23,995 (7.0%) more than 2026.

The 2025 Fiscal Affairs Committee (FAC) suggested taking a different assessment approach to pools and spas going forward than presented in 2025. Staff concurred and have therefore developed a newly revised pools and spas analysis based on cost per square foot (Tables 6 and 7 respectively), rather than cost per gallon, the methodology used when developing the 2026 MRR-B plan and cash flow analysis. In addition to using cost per square foot, this analysis assumes and corrects the following:

- Year Built dates have been corrected and verified.
- Pool dimensions have been corrected and verified.
- Life expectancy of a pool is assumed to be 50 years except if a pool has been replastered within the last 12 years, in which case, 12 years was added to the life expectancy of a pool from the date of replaster. This currently applies to CP1, DH, and WC.
- Analysis assumes a 3% inflation escalation beginning with a cost per square foot of \$550 in 2027.
- Cash flow assumes a 7% additional contribution through 2033 and then decreases to 3% in 2034.
- Cash flow assumes first payment for ABS to occur in 2027.

At first glance, the cash flow for MRR-B is concerning (Table 7). However, recall the analysis is based on certain assumptions such as a life expectancy of 50 years for a pool, which, in many cases, may be extended with proper maintenance and upkeep, including replastering of the vessel. For example, CP2, CP1, and CV will all need to be replaced on or before 2029 and MV by 2033 based on these assumptions. Yet, staff have no reason to believe these mentioned pools will fail anytime soon. This doesn't mean they won't and that GVR shouldn't plan for a worst-case scenario, but it appears unlikely at this time that any of them will fail within the next five years.

The Board has several options at its disposal for increasing funding to MRR-B, if and when necessary to support and maintain existing GVR pools:

1. Should a cell tower lease buy-out for the WC and DH cell towers occur, staff has recommended the \$1,000,000 proceeds be deposited into the MRR-B Fund. This could occur in 2026, but has not been included in this analysis.
2. Dependent upon the projects planned and approved in the Initiatives 5-Year Capital Improvement Plan, beginning in 2031, the Board could redirect a portion of annual contributions from the Initiatives Fund to the MRR-B Fund.
3. The 7% contribution rate increase from the Operations Fund could be extended past 2033, when it is scheduled to decrease from 7% to 3%.
4. Any annual surplus could be deposited into the MRR-B Fund.
5. Use of a portion or all the Emergency Fund.

**Table 6**

**MRR-B Pools and Spas  
Life Expectancies and Cost Replacement**

**Inflation** 3.00%  
**Life Expect.** 50

| <b>Pool</b>        | <b>Sq Ft</b> | <b>\$/Sq Ft</b> | <b>2026 Cost Est</b> | <b>Year Built</b> | <b>Life Expec.</b> | <b>Replac. Year</b> | <b>Plan Year to Rebuild</b> | <b>Number Years to Rebuild</b> |
|--------------------|--------------|-----------------|----------------------|-------------------|--------------------|---------------------|-----------------------------|--------------------------------|
| Abrego North       | 2,196        | \$ 550          | \$ 1,207,800         | 2016              | 50                 | 2066                | 2066                        | 40                             |
| Abrego South       | 2,100        | \$ 550          | \$ 1,155,000         | 2027              | 50                 | 2077                | 2077                        | 51                             |
| Canoa Hills        | 4,510        | \$ 550          | \$ 2,480,500         | 1990              | 50                 | 2040                | 2040                        | 14                             |
| Canoa Ranch        | 2,982        | \$ 550          | \$ 1,640,100         | 2007              | 50                 | 2057                | 2057                        | 31                             |
| Casa Paloma I      | 2,240        | \$ 550          | \$ 1,232,000         | 1975              | 50                 | 2025                | 2028                        | 2                              |
| Casa Paloma II     | 1,800        | \$ 550          | \$ 990,000           | 1977              | 50                 | 2027                | 2027                        | 1                              |
| Continental Vistas | 1,800        | \$ 550          | \$ 990,000           | 1979              | 50                 | 2029                | 2029                        | 3                              |
| Desert Hills       | 3,510        | \$ 550          | \$ 1,930,500         | 1981              | 50                 | 2031                | 2040                        | 14                             |
| East Center        | 2,250        | \$ 550          | \$ 1,237,500         | 2023              | 50                 | 2073                | 2073                        | 47                             |
| Las Campanas       | 4,100        | \$ 550          | \$ 2,255,000         | 1997              | 50                 | 2047                | 2047                        | 21                             |
| Madera Vistas      | 1,500        | \$ 550          | \$ 825,000           | 1983              | 50                 | 2033                | 2033                        | 7                              |
| Santa Rita Springs | 2,850        | \$ 550          | \$ 1,567,500         | 1996              | 50                 | 2046                | 2046                        | 20                             |
| West Center        | 3,750        | \$ 550          | \$ 2,062,500         | 1980              | 50                 | 2030                | 2038                        | 12                             |

Table 7

| MRR-B Pool & Spa Cash Flow |                       |                      |           |             |             |                |           |
|----------------------------|-----------------------|----------------------|-----------|-------------|-------------|----------------|-----------|
| Interest                   | 6.00%                 |                      |           |             |             |                |           |
| Annual Inc. Contr. 1       | 7.0% through '33      |                      |           |             |             |                |           |
| Annual Inc. Contr. 1       | 3.0% beginning in '34 |                      |           |             |             |                |           |
| Year                       | Beginning Balance     | Annual Contributions | Income    | Available   | Expenditure | Ending Balance | Location  |
| 2026                       | 1,697,677             | 342,783              | 122,428   | 2,162,888   | -           | 2,162,888      |           |
| 2027                       | 2,162,888             | 366,778              | 151,780   | 2,681,445   | (2,258,300) | 423,145        | ABS & CP2 |
| 2028                       | 423,145               | 392,452              | 48,936    | 864,533     | (1,307,029) | (442,495)      | CP1       |
| 2029                       | (442,495)             | 419,924              | -         | (22,571)    | (1,081,800) | (1,104,371)    | CV        |
| 2030                       | (1,104,371)           | 449,319              | -         | (655,053)   | -           | (655,053)      |           |
| 2031                       | (655,053)             | 480,771              | -         | (174,282)   | -           | (174,282)      |           |
| 2032                       | (174,282)             | 514,425              | 20,409    | 360,552     | -           | 360,552        |           |
| 2033                       | 360,552               | 550,435              | 54,659    | 965,646     | (1,014,646) | (49,000)       | MV        |
| 2034                       | (49,000)              | 566,948              | 31,077    | 549,024     | -           | 549,024        |           |
| 2035                       | 549,024               | 583,956              | 67,979    | 1,200,959   | -           | 1,200,959      |           |
| 2036                       | 1,200,959             | 601,475              | 108,146   | 1,910,580   | -           | 1,910,580      |           |
| 2037                       | 1,910,580             | 619,519              | 151,806   | 2,681,905   | -           | 2,681,905      |           |
| 2038                       | 2,681,905             | 638,105              | 199,201   | 3,519,210   | (2,940,632) | 578,578        | WC        |
| 2039                       | 578,578               | 657,248              | 74,150    | 1,309,975   | -           | 1,309,975      |           |
| 2040                       | 1,309,975             | 676,965              | 119,216   | 2,106,157   | (6,672,033) | (4,565,877)    | DH & CH   |
| 2041                       | (4,565,877)           | 697,274              | -         | (3,868,603) | -           | (3,868,603)    |           |
| 2042                       | (3,868,603)           | 718,192              | -         | (3,150,410) | -           | (3,150,410)    |           |
| 2043                       | (3,150,410)           | 739,738              | -         | (2,410,672) | -           | (2,410,672)    |           |
| 2044                       | (2,410,672)           | 761,930              | -         | (1,648,742) | -           | (1,648,742)    |           |
| 2045                       | (1,648,742)           | 784,788              | -         | (863,954)   | -           | (863,954)      |           |
| 2046                       | (863,954)             | 808,332              | -         | (55,622)    | (2,831,079) | (2,886,702)    | SRS       |
| 2047                       | (2,886,702)           | 832,582              | -         | (2,054,120) | (4,194,964) | (6,249,084)    | LC        |
| 2048                       | (6,249,084)           | 857,559              | -         | (5,391,525) | -           | (5,391,525)    |           |
| 2049                       | (5,391,525)           | 883,286              | -         | (4,508,239) | -           | (4,508,239)    |           |
| 2050                       | (4,508,239)           | 909,785              | -         | (3,598,454) | -           | (3,598,454)    |           |
| 2051                       | (3,598,454)           | 937,078              | -         | (2,661,376) | -           | (2,661,376)    |           |
| 2052                       | (2,661,376)           | 965,190              | -         | (1,696,186) | -           | (1,696,186)    |           |
| 2053                       | (1,696,186)           | 994,146              | -         | (702,040)   | -           | (702,040)      |           |
| 2054                       | (702,040)             | 1,023,970            | 19,316    | 341,246     | -           | 341,246        |           |
| 2055                       | 341,246               | 1,054,690            | 83,756    | 1,479,692   | -           | 1,479,692      |           |
| 2056                       | 1,479,692             | 1,086,330            | 153,961   | 2,719,984   | -           | 2,719,984      |           |
| 2057                       | 2,719,984             | 1,118,920            | 230,334   | 4,069,238   | (4,100,382) | (31,144)       | CR        |
| 2058                       | (31,144)              | 1,152,488            | 67,281    | 1,188,625   | -           | 1,188,625      |           |
| 2059                       | 1,188,625             | 1,187,062            | 142,541   | 2,518,229   | -           | 2,518,229      |           |
| 2060                       | 2,518,229             | 1,222,674            | 224,454   | 3,965,357   | -           | 3,965,357      |           |
| 2061                       | 3,965,357             | 1,259,355            | 313,483   | 5,538,194   | -           | 5,538,194      |           |
| 2062                       | 5,538,194             | 1,297,135            | 410,120   | 7,245,449   | -           | 7,245,449      |           |
| 2063                       | 7,245,449             | 1,336,049            | 514,890   | 9,096,388   | -           | 9,096,388      |           |
| 2064                       | 9,096,388             | 1,376,131            | 628,351   | 11,100,870  | -           | 11,100,870     |           |
| 2065                       | 11,100,870            | 1,417,415            | 751,097   | 13,269,382  | -           | 13,269,382     |           |
| 2066                       | 13,269,382            | 1,459,937            | 883,759   | 15,613,078  | (3,939,889) | 11,673,189     | ABN       |
| 2067                       | 11,673,189            | 1,503,735            | 790,615   | 13,967,539  | -           | 13,967,539     |           |
| 2068                       | 13,967,539            | 1,548,847            | 930,983   | 16,447,370  | -           | 16,447,370     |           |
| 2069                       | 16,447,370            | 1,595,313            | 1,082,561 | 19,125,243  | -           | 19,125,243     |           |
| 2070                       | 19,125,243            | 1,643,172            | 1,246,105 | 22,014,520  | -           | 22,014,520     |           |
| 2071                       | 22,014,520            | 1,692,467            | 1,422,419 | 25,129,407  | -           | 25,129,407     |           |
| 2072                       | 25,129,407            | 1,743,241            | 1,612,359 | 28,485,007  | -           | 28,485,007     |           |
| 2073                       | 28,485,007            | 1,795,538            | 1,816,833 | 32,097,378  | (4,964,720) | 27,132,658     | EC        |
| 2074                       | 27,132,658            | 1,849,405            | 1,738,924 | 30,720,986  | -           | 30,720,986     |           |
| 2075                       | 30,720,986            | 1,904,887            | 1,957,552 | 34,583,426  | -           | 34,583,426     |           |
| 2076                       | 34,583,426            | 1,962,033            | 2,192,728 | 38,738,186  | -           | 38,738,186     |           |
| 2077                       | 38,738,186            | 2,020,894            | 2,445,545 | 43,204,626  | (5,215,314) | 37,989,312     | ABS       |

### **Emergency Fund**

The Emergency Fund was created to help pay for major, unanticipated repairs to, renovations of, or replacement of a GVR facility or infrastructure caused by a major event or events, defined as costing \$25,000 or more.

In the past, the Board has transferred the amounts greater than \$500,000 to the Initiatives Fund to help pay for initiative-type projects.

This budget proposal recommends maintaining all emergency funds in the Emergency Fund (Attachment 5) since the investment policy of the Emergency Fund has a higher anticipated rate of return than either the Initiatives Fund or MRR-B Fund.

### **CONSOLIDATED OPERATING AND CAPITAL BUDGET**

A summary of the consolidated Operating and Capital Budget for 2027 illustrated on table 8.

**Table 8**  
**GVR**  
**Budget**  
**FY 2027**

|                                              | <b>2027</b>          |
|----------------------------------------------|----------------------|
| <b>INITIATIVES CAPITAL IMPROVEMENT PLAN:</b> |                      |
| Del Sol Clubhouse Parking Lot Note           | \$ 11,000            |
| Woodshop Expansion                           | \$ 300,000           |
| Abrego South Locker Room Building            | \$ 175,000           |
| EC Tennis Court (\$150,000)                  | \$ 60,000            |
| Infrared Sauna                               | \$ 11,000            |
| <b>TOTAL BUDGETED INITIATIVES CAPITAL</b>    | <b>\$ 557,000</b>    |
| <b>NON RESERVE CAPITAL PROJECTS</b>          | <b>\$ 20,000</b>     |
| <b>MRR-A CAPITAL PROJECTS</b>                | <b>\$ 2,774,653</b>  |
| <b>MRR-B - POOLS AND SPAS - ABREGO SOUTH</b> | <b>\$ 883,800</b>    |
| <b>GRAND TOTAL CAPITAL BUDGET</b>            | <b>\$ 4,235,453</b>  |
| <b>2027 OPERATING BUDGET</b>                 | <b>\$ 12,423,281</b> |
| <b>GRAND TOTAL 2027 BUDGETS</b>              | <b>\$ 16,658,734</b> |

**Fiscal Impact:**

Once approved, the 2027 Operating and Capital Budgets, Capital Improvement Plan, and Fee Schedule would be implemented on January 1, 2027.

**Board Options:**

- 1) Direct staff to finalize the 2027 Operating Budget, Capital Budget, Capital Improvement Plan, Fees Schedule, and 3-year forecast as recommended by the FAC and staff for approval at the October 28, 2026 Board of Directors regular meeting.
- 2) Consider amendments to the recommended 2027 Budget, Capital Budget, Capital Improvement Plan, Fees Schedule, and 3-year forecast budgets.

**Staff Recommendation:**

Option #1

**Attachments:**

- 1) FAC and Staff Recommended 2027 Budgets



**DRAFT**

# **2027 BUDGETS**

**Pending Approval and Adoption**

**October 28, 2026**

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## **BUDGET MESSAGE**

### **Fiscal Year 2027**

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the Fiscal Year 2027 (FY2027) Budget. Included in this Total Budget are the Operating Budget, Fee Schedule, Capital Budget, and the Five-Year Capital Improvement Plan for fiscal years 2027-2031.

We believe this budget advances GVR's Strategic Plan, Mission, and Vision by providing excellent facilities, programs, and services that create opportunities for recreation, social engagement, and leisure education. These investments enhance the overall member experience and quality of life while supporting a sound financial foundation and delivering strong value to our members.

Department directors remain committed to managing operations responsibly within budget parameters while ensuring the continued delivery of a broad range of essential services and programs. This budget supports quality recreation programming, proactive maintenance, and necessary infrastructure improvements, while balancing these priorities with the realities of limited resources and responsible financial stewardship.

With a continued focus on exceptional member service, staff is actively seeking opportunities to modernize processes, increase operational efficiencies, and enhance service delivery. Through these efforts, we strive to improve the member experience, maximize the value of available resources, and ensure GVR remains responsive to the evolving needs and expectations of our members.

## THE BUDGET PROCESS

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

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

The basis of budgeting conforms to Generally Accepted Accounting Principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2026 projected income and expenses are included for comparison purposes (page 26) and are the staff's best estimates. Included with the 2027 Budget is a three-year revenue and expenditure projection for years 2028 through 2030 (page 30).

The 2027 Budget presented includes the following functional areas:

**Administrative Services:** Board of Directors, administration, finance, membership services, human resources, communications and information technology.

**Field Services:** Center customer service, including custodial.

**Facilities Maintenance:** Maintenance, aquatics, landscaping, project management.

**Recreation:** Events and entertainment, movies, trips and tours, clubs, classes, fitness, drop-in opportunities.

## INTRODUCTION

Despite ongoing declines in the real estate market, GVR remains financially sound. Through prudent fiscal management, we are well positioned to prepare responsibly for the future while maintaining the high-value services and facilities our members expect.

Over the past five years, GVR has successfully completed approximately 13.7 million dollars' worth of projects, including Maintenance, Repair, and Replacement (MRR) planned projects, Non-Reserve Capital projects, and Initiatives projects. These investments reflect our ongoing commitment to maintaining and enhancing our facilities while meeting the evolving needs of our members.

## FY2027 OPERATING BUDGET

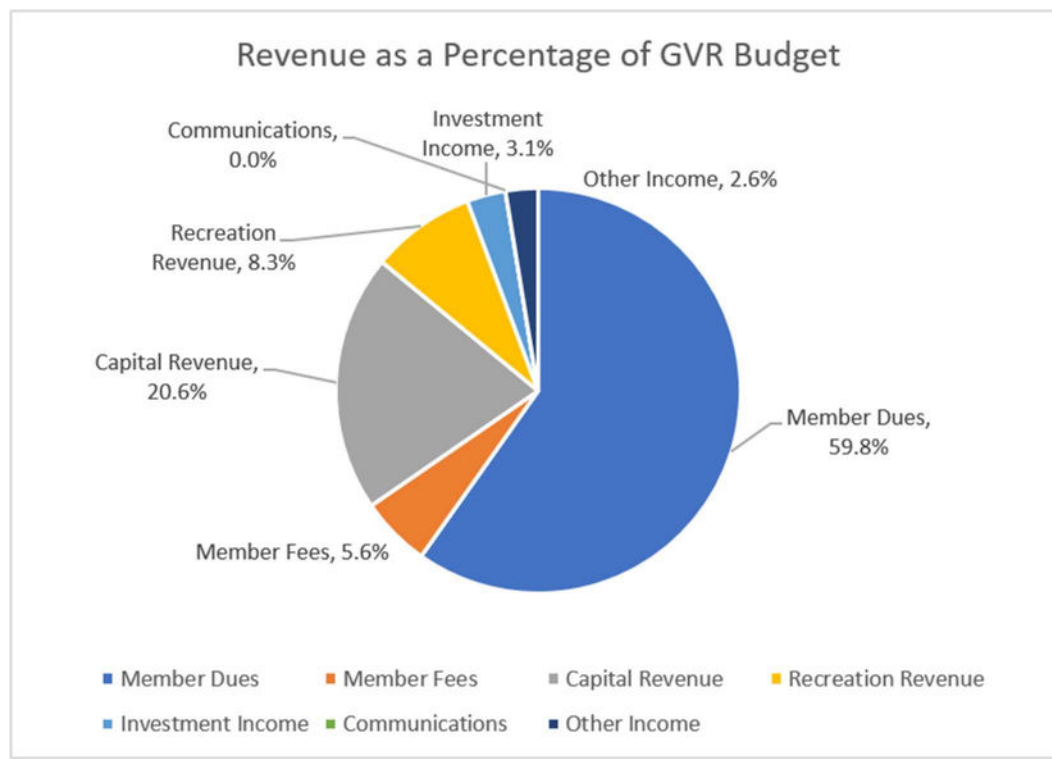
### Revenue

In consideration of the economic climate, we believe GVR's anticipated revenue assumptions for FY2027 are appropriate, especially when viewed considering the solid revenue performance over recent years, as illustrated in Figure 1:

**Figure 1 Total Revenue: Fiscal Year 2022-2027**

|                    | Total Revenue Fiscal Years 2022 - 2027 |                   |                   |                   |                     |                      |                        |
|--------------------|----------------------------------------|-------------------|-------------------|-------------------|---------------------|----------------------|------------------------|
|                    | FY 2022<br>Actual                      | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Budgeted | FY 2026<br>Projected | FY 2027<br>Recommended |
| Member Dues        | \$ 6,947,340                           | \$ 7,051,390      | \$ 7,134,340      | \$ 7,366,506      | \$ 7,568,960        | \$ 7,578,564         | \$ 8,001,700           |
| Member Fees        | \$ 785,602                             | \$ 740,844        | \$ 685,399        | \$ 759,426        | \$ 800,700          | \$ 828,194           | \$ 750,730             |
| Capital Revenue    | \$ 3,099,400                           | \$ 2,753,060      | \$ 2,428,476      | \$ 2,835,806      | \$ 2,860,800        | \$ 2,524,416         | \$ 2,752,200           |
| Recreation Revenue | \$ 401,553                             | \$ 514,095        | \$ 774,073        | \$ 868,769        | \$ 1,069,456        | \$ 1,111,300         | \$ 1,115,622           |
| Investment Income  | \$ 372,078                             | \$ 456,354        | \$ 426,501        | \$ 457,320        | \$ 435,000          | \$ 534,478           | \$ 415,000             |
| Communications     | \$ 43,105                              | \$ 47,478         | \$ 49,004         | \$ 50,583         | \$ 48,919           | \$ 51,804            | \$ -                   |
| Other Income       | \$ 112,273                             | \$ 107,844        | \$ 139,275        | \$ 159,775        | \$ 139,970          | \$ 286,829           | \$ 345,820             |
| Total Revenue      | \$ 11,761,351                          | \$ 11,671,065     | \$ 11,637,068     | \$ 12,498,184     | \$ 12,923,805       | \$ 12,915,585        | \$ 13,381,072          |

**Figure 2 Revenue Budgeted Highlights, Fiscal Year 2027**



A summary of the fee changes:

- Member dues: 2026 rate of \$545 increases \$30 to \$575 for 2027 (5.5%).
- Life Care Fees: 2026 rate of \$545 increases \$30 to \$575 for 2027 (5.5%).
- Initial Fee: 2026 rate of \$3,200 increases to \$3,300 for 2027 (3.125%).
- Membership Change Fee (MCF): 2026 rate of \$3,200 increases to \$3,300 for 2027 (3.125%).
- Transfer Fee: 2026 rate of \$470 increases \$10 to \$480 (2.125%)
- Tenant Fees:
  - 1 – 7 Days                      rate increase from \$40 to \$45
  - 2 Weeks                         rate increase from \$50 to \$55
  - 1 Month                         rate increase from \$65 to \$70
  - 2 Months                        rate increase from \$100 to \$105
  - 3 Months                        rate increase from \$140 to \$145
  - Tenant Fee 4 months            2027 rate is \$185
  - Tenant Fee 5 months            2027 rate is \$220
  - Tenant Fee 6-12 months       2027 rate is \$255
- Additional Card Fee rate increases from \$140 to \$170
- GVR Card Issuance Fee: 2027 rate is \$5

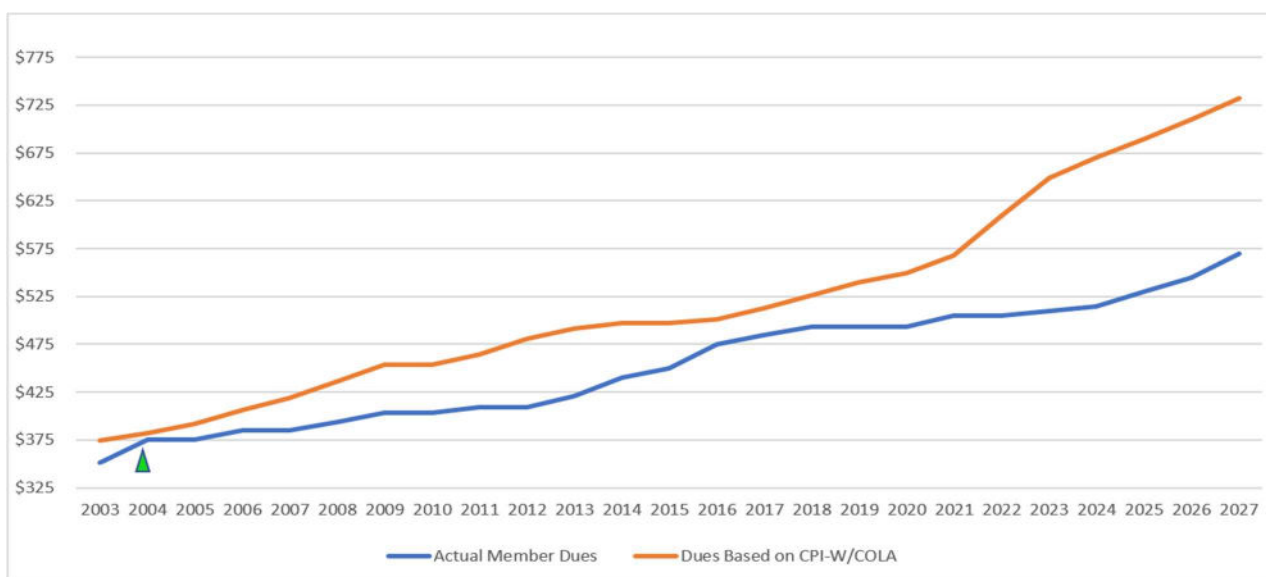
- GVR Card Replacement Fee: 2027 rate is \$5
- Late Fees remain \$25
- Estate Planning Fees remain at \$105

Guest card fees remain the same, including a daily guest card pass for \$5 per pass, a weekly guest card pass for \$15 per pass, and an annual guest card pass for \$85 per card.

The calculation of revenue is as follows:

Total member dues are based on 13,916 properties at \$575 per member household. The proposed dues rate reflects a **\$30 increase** in the annual dues rate effective January 1, 2027. Figure 3 illustrates how GVR has kept our dues rates below the rates indicated by the CPM. The CPM (Section 1 MEMBERSHIP & FACILITIES Subsection 1.1.2) states, "In establishing annual dues, the Fiscal Affairs Committee (FAC) and the Board shall use the following formula as a starting point: The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increases / decrease for the current year." Per the formula, the starting point is 3.15% (50% of 3.5% plus 50% of 2.8%). The proposed dues increase of \$30, or 5.5%, is above the 3.15% starting point guided by the CPM. The proposed rate recognizes that the CPM formula serves as a starting point for establishing annual dues and that additional consideration must be given to GVR's actual operating environment, financial requirements to fund reserves, and anticipated costs. The proposed increase will provide the resources necessary to sustain operations, meet financial obligations, and maintain the level of services expected by the membership.

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



The last time the annual member dues were close to matching GVR policy was in 2004. Since that time, the divergence has widened from a \$7 difference in 2004 to a \$165 difference in 2026 and a projected \$157 difference in 2027. See Figure 4 for past years' dues rates.

**Figure 4**

| GVR                      | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Actual Member Dues       | \$ 375 | \$ 375 | \$ 385 | \$ 385 | \$ 394 | \$ 403 | \$ 403 | \$ 409 | \$ 409 | \$ 421 | \$ 440 | \$ 450 |
| Dues Based on CPI-W/COLA | \$ 382 | \$ 392 | \$ 406 | \$ 419 | \$ 436 | \$ 454 | \$ 454 | \$ 464 | \$ 481 | \$ 491 | \$ 497 | \$ 497 |
|                          |        |        |        |        |        |        |        |        |        |        |        |        |
| GVR                      | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026   | 2027   |
| Actual Member Dues       | \$ 475 | \$ 485 | \$ 493 | \$ 493 | \$ 493 | \$ 505 | \$ 505 | \$ 510 | \$ 515 | \$ 530 | \$ 545 | \$ 575 |
| Dues Based on CPI-W/COLA | \$ 501 | \$ 513 | \$ 526 | \$ 540 | \$ 549 | \$ 568 | \$ 609 | \$ 649 | \$ 670 | \$ 690 | \$ 710 | \$ 732 |

The Membership Change Fee (MCF) rate reflects a \$100 increase to \$3,300. The 2027 MCF assumption is based on an estimated 822 total property transactions, along with 12 new voluntary deed-restricted properties charged the Initial Fee of \$3,300. Staff is projecting 789 home sales in 2026. The local real estate market has declined over the past three years. Below is a summary of home sales for the past ten years:

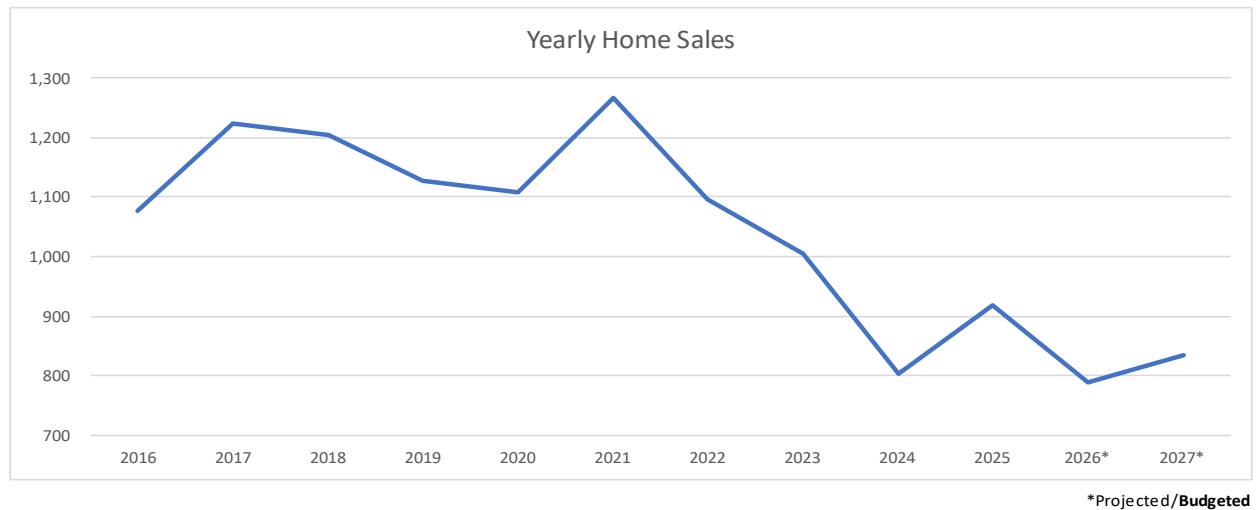
**Figure 5**

| Home Sales 2016 - 2027 |        |        |        |        |        |        |        |        |        |        |           |        |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|
| Home Sales             |        |        |        |        |        |        |        |        |        |        |           |        |
| 2016                   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026   | 2026      | 2027   |
| Actual                 | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Budget | Projected | Budget |
| 1,076                  | 1,222  | 1,204  | 1,126  | 1,109  | 1,267  | 1,095  | 1,005  | 803    | 918    | 876    | 789       | 834    |

From 2016 to 2025, GVR collected fees associated with 1,083 home sales per year. In 2025, there were 918 GVR home sales and in 2026 we are forecasting to be about 10% unfavorable to our budgeted amount of 876 home sales. For the 2027 budget, staff used an average of just under 69 home sales per month along with adding 12 new households in the new year for voluntary deed-restricted or newly built properties. Therefore, the 2027 budget for collecting MCF/Initial Fees is 834, a 4.8% decrease to the 2026 budget.

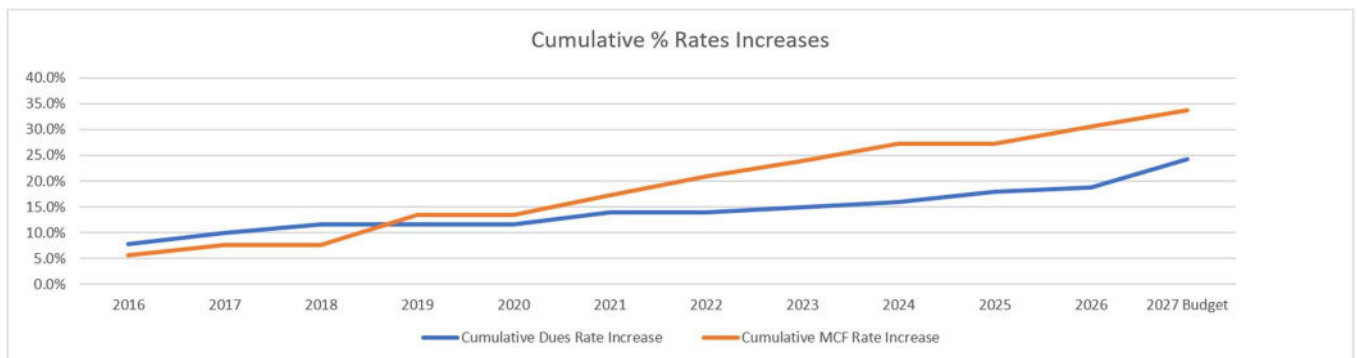
Figure 6 illustrates the long-term trend for Membership Change Fees and includes the 789 homes projected for 2026.

**Figure 6 Home Sales: Long-Term Trend, 2016-2027**



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

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



**Figure 8 Historical Increases in GVR Dues and Member Change Fees, 2016-2027**

| GVR                                              |             |             |             |             |             |             |             |             |             |             |             |             |
|--------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Dues and Member Change Fees Historical Increases |             |             |             |             |             |             |             |             |             |             |             |             |
|                                                  | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026 Budget | 2027 Budget |
| Dues Rate                                        | \$475       | \$485       | \$493       | \$493       | \$493       | \$505       | \$505       | \$510       | \$515       | \$530       | \$545       | \$575       |
| Membership Change Fee                            | \$2,425     | \$2,474     | \$2,474     | \$2,616     | \$2,616     | \$2,716     | \$2,816     | \$2,900     | \$3,000     | \$3,100     | \$3,200     | \$3,300     |
| Dues Rate Increase %                             | 5.6%        | 2.1%        | 1.6%        | 0.0%        | 0.0%        | 2.4%        | 0.0%        | 1.0%        | 1.0%        | 2.9%        | 2.8%        | 5.5%        |
| MCF Rate Increase %                              | 5.6%        | 2.0%        | 0.0%        | 5.7%        | 0.0%        | 3.8%        | 3.7%        | 3.0%        | 3.4%        | 3.3%        | 3.2%        | 3.1%        |
| Dues Revenue                                     | \$6,402,286 | \$6,627,415 | \$6,690,385 | \$6,712,673 | \$6,748,910 | \$6,942,771 | \$6,947,340 | \$7,051,930 | \$7,134,340 | \$7,257,326 | \$7,568,960 | \$8,001,700 |
| MCF Revenue                                      | \$2,007,135 | \$2,439,129 | \$2,345,508 | \$2,423,079 | \$2,533,963 | \$3,147,953 | \$3,099,400 | \$2,753,060 | \$3,039,780 | \$2,868,541 | \$2,860,800 | \$2,752,200 |
| Cumulative Dues Rate Increase                    | 5.6%        | 7.7%        | 9.3%        | 9.3%        | 9.3%        | 11.7%       | 11.7%       | 12.7%       | 13.7%       | 15.6%       | 16.5%       | 22.0%       |
| Cumulative MCF Rate Increase                     | 5.6%        | 7.6%        | 7.6%        | 13.4%       | 13.4%       | 17.2%       | 20.9%       | 23.9%       | 27.3%       | 27.2%       | 30.5%       | 33.7%       |

**Initial Fees** are charged when a property first enters GVR, either through a Voluntary Deed Restriction or a new build in a new or expanding development. As with the MCF, the 2027 proposed budget includes a \$100 rate change for Initial Fees. This rate will increase to \$3,300, and the budget is based on 12 anticipated net property transactions in 2027. There are currently 18 projected transactions for 2026.

**Guest Card fees and Annual Guest Pass fees** remain unchanged for 2027. We believe the number of projected guest and tenant card transactions is conservative.

**Transfer Fees** will increase from \$470 to \$480. The proposed 2027 budget includes a projected 915 properties at the rate of \$480 per transfer for a total of \$439,200.

**Recreation Revenue.** Program revenue in 2027 is offset by recreation expense contracts that generally equal 70% of the recreation revenue.

**The total anticipated revenue for 2027 is \$13,381,072, which is an increase of \$457,267 (3.5%) from the 2026 Budget.**

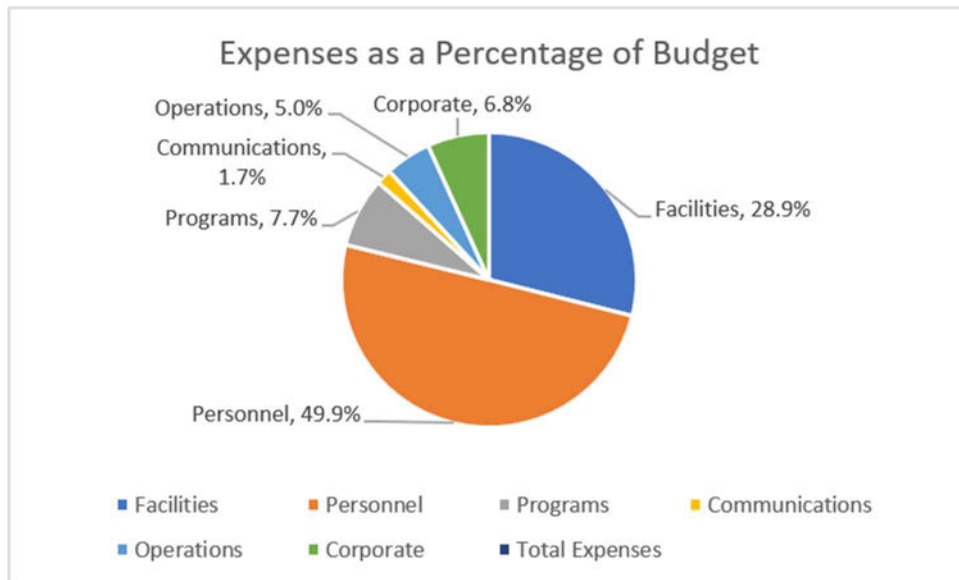
## Expenditures

The FY2027 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to capital reserve funds.

**Figure 9**

|                | Total Expenses Fiscal Years 2022 - 2027 |                   |                   |                   |                     |                      |                        |
|----------------|-----------------------------------------|-------------------|-------------------|-------------------|---------------------|----------------------|------------------------|
|                | FY 2022<br>Actual                       | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Budgeted | FY 2026<br>Projected | FY 2027<br>Recommended |
| Facilities     | \$ 3,343,227                            | \$ 3,689,031      | \$ 3,475,794      | \$ 3,340,032      | \$ 3,324,057        | \$ 3,352,005         | \$ 3,594,731           |
| Personnel      | \$ 5,143,126                            | \$ 5,015,239      | \$ 5,565,775      | \$ 5,696,073      | \$ 5,837,662        | \$ 5,802,314         | \$ 6,198,654           |
| Programs       | \$ 463,890                              | \$ 472,846        | \$ 642,435        | \$ 708,330        | \$ 798,380          | \$ 893,959           | \$ 952,175             |
| Communications | \$ 209,141                              | \$ 214,478        | \$ 231,646        | \$ 212,108        | \$ 248,069          | \$ 238,750           | \$ 210,985             |
| Operations     | \$ 592,522                              | \$ 705,331        | \$ 628,020        | \$ 665,202        | \$ 715,792          | \$ 589,494           | \$ 625,744             |
| Corporate      | \$ 759,851                              | \$ 913,377        | \$ 749,742        | \$ 828,928        | \$ 914,925          | \$ 816,956           | \$ 840,991             |
| Total Expenses | \$ 10,511,757                           | \$ 11,010,302     | \$ 11,293,412     | \$ 11,450,673     | \$ 11,838,885       | \$ 11,693,478        | \$ 12,423,281          |

**Figure 10 Budgeted Expenditures by Category**



### **Personnel**

The 2027 personnel costs include a 2.5% aggregate increase in wages. Over the course of 2026, we have added 4.0 full-time equivalents (FTE) with the addition of a pool operator and 3.0 FTEs for the Del Sol Café. This brings our total FTEs to 92.45, which we have budgeted to stay the same for 2027. The personnel costs for 2027 reflect a \$370,956 total increase and include wage increases per the compensation plan. These personnel costs also include taxes, health and dental insurance, workers' compensation insurance, and other personnel-related expenditures. GVR anticipates a 5% mid-year increase in benefits cost rates for 2027. The total proposed changes from 2026 budgeted costs are:

**Figure 11 Historical Summary of GVR Full-Time Equivalents (FTEs), 2016-2027**

**GVR  
FTEs**

|                         | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026         | 2027         |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE         | FTE          | FTE          |
| Information Technology  | 3.0         | 3.0         | 3.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 5.0         | 5.0         | 4.0          | 4.0          |
| Administration          | 11.0        | 11.0        | 11.0        | 12.0        | 13.0        | 12.0        | 14.0        | 11.0        | 9.0         | 8.0         | 7.0          | 7.0          |
| Membership Services     |             |             |             |             |             |             |             | 9.0         | 7.0         | 6.0         | 5.4          | 5.4          |
| Administrative Services | 14.0        | 14.0        | 14.0        | 16.0        | 17.0        | 16.0        | 18.0        | 24.0        | 21.0        | 19.0        | 16.4         | 16.4         |
| Field Services          |             |             |             |             |             |             |             |             |             | 36.2        | 38.35        | 38.35        |
| Recreation Services     | 23.0        | 23.0        | 23.0        | 23.0        | 23.0        | 23.0        | 23.0        | 34.4        | 28.2        | 8.6         | 8.7          | 8.7          |
| Maintenance             | 13.0        | 13.0        | 13.0        | 14.0        | 13.0        | 13.0        | 13.0        | 12.0        | 15.0        | 15.0        | 13.0         | 13.0         |
| Aquatics                | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 7.0         | 5.0         | 5.0         | 6.0         | 6.0         | 7.0          | 7.0          |
| Landscaping             | 5.0         | 5.0         | 5.0         | 6.0         | 6.0         | 6.0         | 7.0         | 8.0         | 6.0         | 6.0         | 6.0          | 6.0          |
| Custodial               | 31.0        | 31.0        | 31.0        | 31.0        | 30.0        | 30.0        | 31.0        | 10.0        | 20.0        |             |              |              |
| Facility Services       | 55.0        | 55.0        | 55.0        | 57.0        | 55.0        | 56.0        | 56.0        | 35.0        | 47.0        | 27.0        | 26.0         | 26.0         |
| Del Sol Clubhouse       | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 3.0          | 3.0          |
| <b>Total GVR</b>        | <b>92.0</b> | <b>92.0</b> | <b>92.0</b> | <b>96.0</b> | <b>95.0</b> | <b>95.0</b> | <b>97.0</b> | <b>93.4</b> | <b>96.2</b> | <b>90.8</b> | <b>92.45</b> | <b>92.45</b> |

## Corporate Expenses

The proposed corporate expenses budget reflects a decrease of \$73,934 (-8.1%) compared to the 2026 budget.

- Information Technology has continued to value engineer our internal structure while maintaining controls and mitigating risk, and will be reducing expenses by over \$6,000.
- Conferences and training reflect a \$679 (2.8%) decrease from budgeted 2026 expenses.
- Commercial insurance includes a \$10,993 (5.0%) mid-year increase due to rising insurance costs.
- GVR is not budgeting any additional allowance for doubtful accounts. The current allowance is \$104,000, a \$14,000 decrease during the 2026 fiscal year. This will be re-evaluated prior to the end of the year to determine if the allowance is sufficient based on our outstanding receivables.
- Investment expenses account for \$90,000 of the operations expenses. These expenses are paid directly from the reserve accounts.

## **RESERVE FUNDING**

The Capital Improvement Plan is summarized and included on page 29. Reserve funds include:

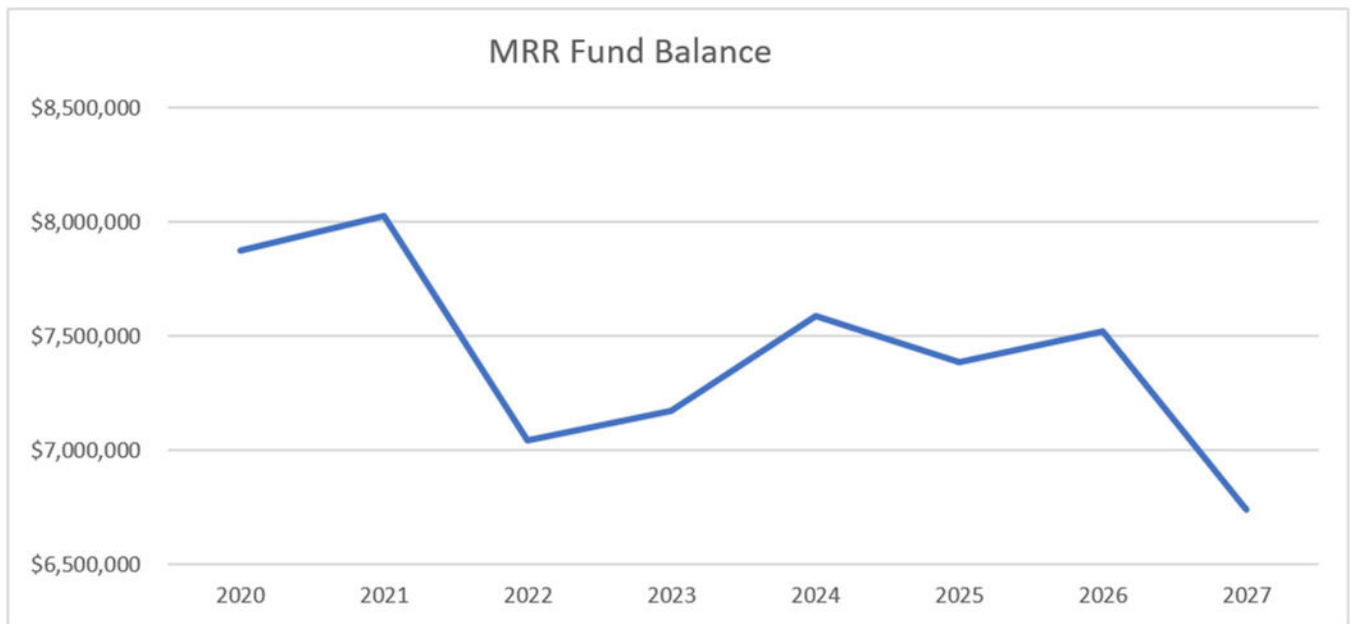
- Maintenance, Repair, and Replacement (MRR) capital budget is \$2,774,653 and is detailed below. The 2026 MRR capital budget was \$2,532,877.
- MRR-B is for replacement of pools and spas. The proposed budget is listed on page 15 and includes funding in the amount of \$366,778. The only expenditure out of this pool fund is for the replacement of Abrego South, in the amount of \$1,238,600.
- The Non-Reserve Capital projects amount for the proposed 2027 budget equals a total of \$20,000 in capital projects for accessibility solutions.
- The Initiatives Fund Capital Projects budgeted for 2027 are on pages 16-17.
- The Emergency Fund has no budgeted expenditures in 2027.

### **Maintenance Repair & Replacement**

A major component of the 2027 budget is funding and execution of the Maintenance, Repair, and Replacement reserve (MRR). This reserve account is funded annually in January as determined by the reserve study. The MRR reserve study is a budgetary tool that establishes the annual contribution to the fund and schedules work components such as replacing floors and HVAC equipment, painting, pool maintenance, etc. The study provides a 30-year financial plan for maintaining and replacing components. The Browning Reserve Group, the consulting company that manages the study, states, "Based on the 30-year cash flow projection, GVR's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years."

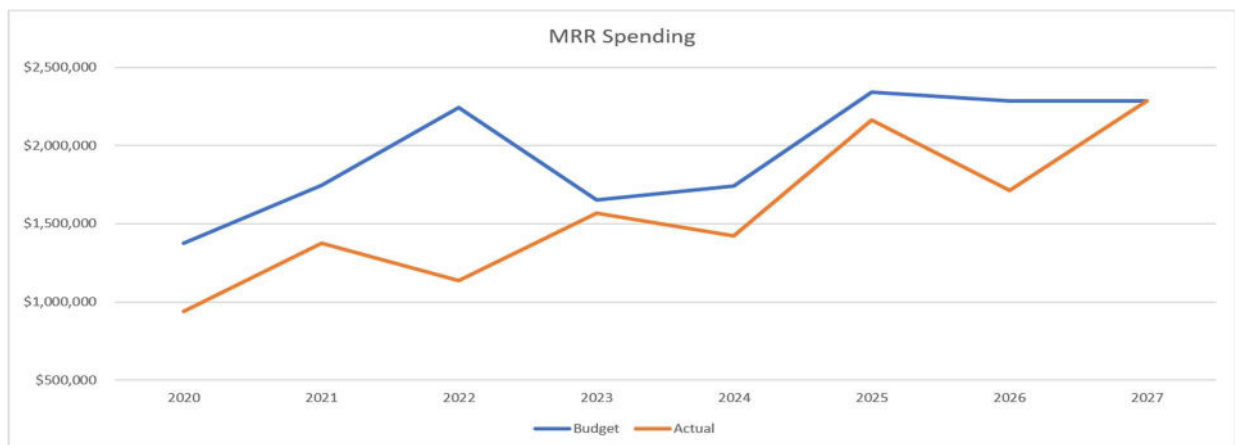
The MRR Fund is a reserve fund invested in a separate investment account. This account has a unique Board-approved Investment Policy Statement (IPS) that allows GVR to achieve the best return on investment while minimizing the investment risk over the long period of the reserve study.

**Figure 13 GVR MRR Fund Balance Trend 2020-2027**



The budgeted MRR contribution equates to \$108.37 per household and constitutes 18.8% of the proposed annual dues rate (\$108.37 / \$575.00). The fund contribution amount for January 2027 is \$1,508,102, which equals 9.9% of the 2027 Total Operating and Capital Budget. GVR anticipates spending \$2,774,653 on MRR components in 2027. GVR's commitment to maintaining its assets is reflected in the growth of actual expenditures out of the MRR Fund:

**Figure 14 GVR MRR Components Spending Trend, 2020-2027**



MRR funding is budgeted at \$1,508,102 as presented by the Browning Reserve Group, which is \$108,000 more than 2026. The third draft 2026 reserve study report has calculated the MRR reserve funding level to be 47.1% for 2027. The prior year funding level was 50.4%. The MRR funding increased \$7.55 to approximately \$108.37 per member household.

**Figure 15**

| <b>Maintenance Repair and Replacement (MRR - A) Fund<br/>Budgeted Expenditures for 2027</b> | <b>Total Amount</b> | <b>Percent of<br/>Total MRR<br/>A Budget</b> |
|---------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|
| Roofing                                                                                     | \$650,000           | 23.43%                                       |
| Sports Courts                                                                               | \$429,276           | 15.47%                                       |
| Pool Equipment and Decks                                                                    | \$374,247           | 13.49%                                       |
| Kitchen, Restroom & Locker Room Rehab                                                       | \$366,534           | 13.21%                                       |
| Vehicles                                                                                    | \$135,962           | 4.90%                                        |
| Painting Exterior                                                                           | \$127,187           | 4.58%                                        |
| Structural Repairs                                                                          | \$105,302           | 3.80%                                        |
| Furnishings                                                                                 | \$94,548            | 3.41%                                        |
| Recreation                                                                                  | \$92,296            | 3.33%                                        |
| Flooring                                                                                    | \$91,814            | 3.31%                                        |
| Outdoor Equipment                                                                           | \$61,161            | 2.20%                                        |
| Mechanical Equipment                                                                        | \$47,362            | 1.71%                                        |
| Office Equipment                                                                            | \$46,161            | 1.66%                                        |
| Safety                                                                                      | \$36,772            | 1.33%                                        |
| Painting Interior                                                                           | \$36,236            | 1.31%                                        |
| Appliances                                                                                  | \$35,253            | 1.27%                                        |
| Water System                                                                                | \$19,542            | 0.70%                                        |
| Audio / Visual                                                                              | \$10,000            | 0.36%                                        |
| Maintenance Equipment                                                                       | \$10,000            | 0.36%                                        |
| Fencing                                                                                     | \$5,000             | 0.18%                                        |
| <b>Total 2027 MRR - A Budget</b>                                                            | <b>\$2,774,653</b>  | <b>100%</b>                                  |

#### **MRR-B (Pools and Spas Replacement)**

The funding of MRR-B is budgeted at \$366,778 and is \$23,995 (7.0%) more than in 2026. The construction of Abrego South Pool will start by the end of 2026, concluding in the late spring of 2027. The project estimate is \$1,238,600, split between 2026 and 2027.

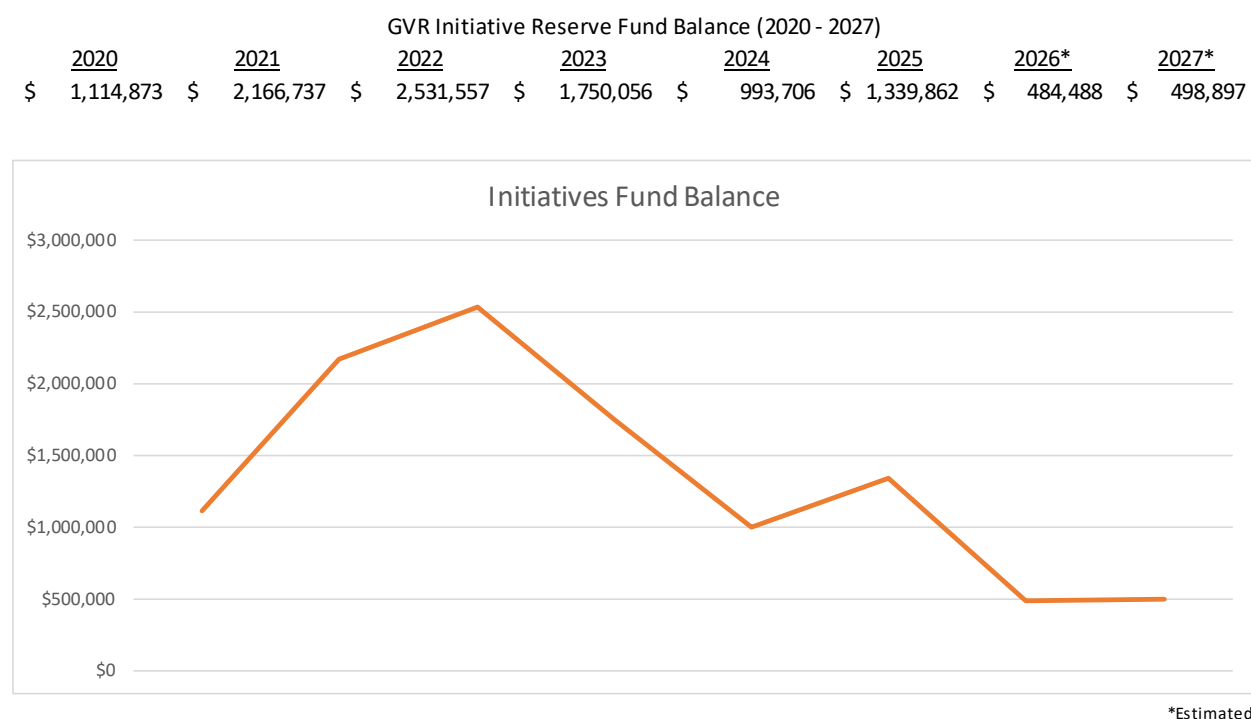
## Non-Reserve Capital

The 2026 Non-Reserve Capital Budget was \$20,000. Due to 2027 budget constraints, this budget does not include the \$100,000 allocation for non-budgeted, unplanned items, per the Capital Improvement Policy and Process. However, the 2027 Budget does include \$20,000 for accessibility projects.

## Initiatives Reserve Fund

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

**Figure 16 GVR Initiatives Reserve Fund Balances 2020-2027**



GVR has invested over \$5.5 million in Initiatives projects since 2020, including the Pickleball Center, Del Sol Clubhouse, Glass Arts, Desert Hills Fitness Center, Artisan Shop, Metal Arts, West Center Lobby, Las Campanas Fitness Center Expansion, Santa Rita Springs Fitness Center Expansion and West Center Lapidary Expansion.

**Figure 17**

| <b>GVR<br/>Budget<br/>FY 2027</b>            |           |                       |
|----------------------------------------------|-----------|-----------------------|
|                                              |           | <b>2027</b>           |
| <b>INITIATIVES CAPITAL IMPROVEMENT PLAN:</b> |           |                       |
| Del Sol Clubhouse Parking Lot Note           | \$        | 11,000                |
| Woodshop Expansion                           | \$        | 300,000               |
| Abrego South Locker Room Building            | \$        | 175,000               |
| EC Tennis Court (\$150,000)                  | \$        | 60,000                |
| Infrared Sauna                               | \$        | 11,000                |
| <b>TOTAL BUDGETED INITIATIVES CAPITAL</b>    | <b>\$</b> | <b><u>557,000</u></b> |

Based on current revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. See Five-Year Capital Improvement Plan on page 29.

## **BUDGET SUMMARY**

The proposed 2027 budget is based on a net zero surplus approach. Adjustments to the net consolidated accrual basis surplus can be seen below:

### **Adjustments to the Net Consolidated Accrual Basis Surplus**

|                                         |                       |
|-----------------------------------------|-----------------------|
| Total Budgeted Income                   | \$13,381,072          |
| Total Budgeted Expenses                 | <u>(\$12,423,281)</u> |
| Gross Surplus                           | \$ 957,791            |
| Less Non-Cash In-Kind Revenue           | (\$ 2,250)            |
| Less Non-Reserve Capital Projects       | (\$ 20,000)           |
| Less Income from Reserves               | (\$ 290,500)          |
| Initiatives Reserve Funding             | (\$ 552,420)          |
| MRR-B Pools & Spas Reserve Funding      | (\$ 366,778)          |
| MRR Reserve Funding                     | (\$ 1,508,102)        |
| MRR Operating Expenses paid by MRR Fund | \$ 115,054            |
| Depreciation                            | \$ 1,577,204          |
| Management expenses of Reserve Funds    | <u>\$ 90,000</u>      |
| Net Surplus (Deficit)                   | \$ 0                  |

The amounts to determine the zero-balance budget are also listed at the bottom of page 26.

**The total anticipated expenditures for 2027 are \$12,423,281 which is an increase of \$584,395 (4.9%) from the 2026 Budget.**

## **DEPARTMENT DETAILS**

### **Facilities Maintenance Department**

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

#### **Significant 2026 Accomplishments**

- Completed approximately two million dollars' worth of maintenance, repair, and replacement projects, including:
  - Renovations at Las Campanas including new flooring, new paint, and a lobby redesign to provide a new space for drop-in use.
  - Rehabilitation of the West Center locker rooms, pool, spa, and pool deck
  - Exterior paint at Las Campanas (pending), the Pickleball Center, Continental Vistas, Abrego North, and Casa Paloma II
  - Structural repairs in four locations
  - Pool equipment upgrades at Las Campanas (pending)
  - Roofing repairs and recoating in seven locations
  - Paving repair and maintenance in five locations
  - HVAC and water heater replacement in six locations
  - Updated fire suppression systems in two locations
  - Updated flooring at Canoa Ranch and East Center
- Completed five capital improvement projects:
  - Expansion of kiln room at Desert Hills Ceramics Studio
  - West Center lobby renovation to consolidate member services and customer services
  - Las Campanas fitness expansion
  - Santa Rita Springs fitness expansion
  - Pickleball Center fencing
- Completed landscaping overhaul projects at West Center and Las Campanas.
- Completed on-demand and preventive work orders at an average rate of 309 per month, up from 247 in 2026.

#### **Budget Highlights**

- Despite the unpredictable market and rising cost of gasoline, the Facilities Department is pleased to be on budget for 2026. Improved preventive maintenance systems implemented in 2026 contributed to this outcome.

**Figure 18 GVR Facilities Maintenance Personnel 2023-2027**

| Positions       | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Actual | FY 2027<br>Budget |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Maintenance     | 12                | 15                | 15                | 13                | 13                |
| Landscaping     | 8                 | 6                 | 6                 | 6                 | 6                 |
| Aquatics        | 5                 | 6                 | 6                 | 7                 | 7                 |
| Total Personnel | <b>25</b>         | <b>27</b>         | <b>27</b>         | <b>26</b>         | <b>26</b>         |

**Figure 19 Facilities Maintenance Summary of Expenditures, 2023-2027**

| Type                  | FY 2023            | FY 2024            | FY 2025            | FY 2026            | FY 2027            |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Salaries & Wages      | 1,016,388          | 1,212,042          | 1,198,895          | 1,213,895          | 1,319,895          |
| Taxes                 | 75,736             | 86,182             | 87,501             | 92,863             | 100,925            |
| Benefits              | 283,614            | 333,598            | 219,572            | 228,119            | 260,831            |
| Other Operating Costs | 2,518,778          | 2,201,879          | 2,189,732          | 2,252,333          | 2,065,344          |
|                       |                    |                    |                    |                    |                    |
| Total Expenditures    | <b>\$3,894,101</b> | <b>\$3,833,702</b> | <b>\$3,695,700</b> | <b>\$3,787,210</b> | <b>\$3,746,995</b> |

## Administrative Services

GVR's Administrative Services Department encompasses a range of critical functions, including member services, human resources, finance, administration, governance, communications, information technology, and risk management. These departments ensure efficient operations, support organizational governance, and provide essential services that enhance our member experience and internal operations.

### Significant 2026 Accomplishments

- Reduction in Property Taxes by \$28k.
- Enhanced our employee review process.
- Surveyed employees for feedback on areas of opportunity.
- Continue to manage our vendor relationships to maximize value for our members:
  - New copier lease with an annual savings of over \$14,000.

- Negotiated a lump sum buyout of our cell towers for over \$900k.
- Managed our outgoing cash to maximize vendor terms and increase our interest earned.
- New Cell Tower Agreement at East Center to generate future revenue starting in 2028.
- Increased usage of our corporate credit card program to increase rebates and reduce our bank fees.

**Figure 20 Administrative Services Personnel, 2023-2027**

| Positions                                              | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Budget | FY 2027<br>Budget |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Information Technology                                 | 4                 | 5                 | 5                 | 4                 | 4                 |
| Administration (Finance, HR,<br>Communications, Admin) | 11                | 9                 | 8                 | 7                 | 7                 |
| Membership Services                                    | 9                 | 7                 | 6                 | 5.4               | 5.4               |
| <b>Total Personnel</b>                                 | <b>24</b>         | <b>21</b>         | <b>19</b>         | <b>16.4</b>       | <b>16.4</b>       |

**Figure 21 Administrative Services Summary of Expenditures, 2023-2027**

| Type                          | FY 2023<br>Actual  | FY 2024<br>Actual  | FY 2025<br>Actual  | FY 2026<br>Budget  | FY 2027<br>Budget  |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Salaries & Wages              | \$1,234,350        | \$1,285,524        | \$1,327,521        | \$1,353,373        | \$1,241,786        |
| Taxes                         | \$91,242           | \$100,419          | \$98,536           | \$108,533          | \$100,693          |
| Benefits                      | \$289,536          | \$303,933          | \$333,741          | \$333,243          | \$285,837          |
| Other Operating<br>Costs      | \$1,412,762        | \$1,295,703        | \$1,201,110        | \$1,250,709        | \$1,392,221        |
|                               |                    |                    |                    |                    |                    |
| <b>Total<br/>Expenditures</b> | <b>\$3,027,890</b> | <b>\$2,985,579</b> | <b>\$2,960,908</b> | <b>\$3,045,858</b> | <b>\$3,020,537</b> |

## Field Services

In 2025, Field Services became GVR's largest department, including Custodial, Recreation Services Attendant (RSA), and Center Operations Assistant (COA), and Procurement/Inventory Control staff members. Field Services staff provide on-site customer service and perform various roles, maximizing efficiency and quality.

## Budget Highlights

In 2026, the diligent work of the Procurement/Inventory Control team resulted in a budget surplus for this department.

**Figure 22 Field Services Personnel 2023-2027**

| Positions              | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Budget | FY 2027<br>Budget |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Field Services         | 0                 | 0                 | 36.2              | 38.35             | 38.35             |
| Custodial              | 10                | 20                | 0                 | 0                 | 0                 |
| <b>Total Personnel</b> | <b>10</b>         | <b>20</b>         | <b>36.2</b>       | <b>38.35</b>      | <b>38.35</b>      |

**Figure 23 Field Services, Summary of Expenditures 2023-2027**

| Type                          | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual  | FY 2026<br>Budget  | FY 2027<br>Budget  |
|-------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Salaries & Wages              | \$200,001         | \$131,198         | \$1,484,041        | \$1,557,975        | \$1,670,667        |
| Taxes                         | \$16,107          | \$10,727          | \$121,189          | \$119,185          | \$127,806          |
| Benefits                      | \$19,421          | \$36,066          | \$241,403          | \$241,471          | \$317,292          |
| Other Operating<br>Costs      | \$175,296         | \$341,402         | \$148,764          | \$176,740          | \$157,682          |
|                               |                   |                   |                    |                    |                    |
| <b>Total<br/>Expenditures</b> | <b>\$410,825</b>  | <b>\$519,393</b>  | <b>\$1,995,397</b> | <b>\$2,095,371</b> | <b>\$2,273,447</b> |

## Recreation Services Department

Recreation Services is responsible for supporting clubs and delivering all programs and events, including concerts, dances, leisure education, personal training, tours, movies, and various free activities. Additionally, the Clubhouse Café falls under Recreation Services.

### Significant 2026 Accomplishments

Thanks to a staff commitment to steadily grow and diversify programs and events, the Recreation Department will complete 2026 swimmingly and continue into 2027 with very favorable numbers.

- Leisure Education class attendance, through August of each year, is up 2% in 2026 over 2025. This follows increases of 12% and 34% in the prior two years.

- Event/Tour attendance is up 44% through August of each year. We have increased the number of tours and smaller, free events associated with the Clubhouse Café.
- The Clubhouse Café began serving coffee/espresso drinks and baked goods in April, 2026. Recently, a sandwich menu was added during lunch hours, to be followed by additions of soup, salads and desserts.

**Figure 24 Recreation Services Personnel 2023-2027**

| Positions              | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Actual | FY 2026<br>Budget | FY 2027<br>Budget |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Recreation Services    | 34.4              | 28.2              | 8.6               | 8.7               | 8.7               |
| Del Sol Café           | 0                 | 0                 | 0                 | 0.0               | 3.0               |
|                        |                   |                   |                   |                   |                   |
| <b>Total Personnel</b> | <b>34.4</b>       | <b>28.2</b>       | <b>8.6</b>        | <b>8.7</b>        | <b>11.7</b>       |

**Figure 25 Recreation Services, Summary of Expenditures, 2023-2027**

| Type                          | FY 2023<br>Actual  | FY 2024<br>Actual  | FY 2025<br>Actual  | FY 2026<br>Budget  | FY 2027<br>Budget  |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Salaries & Wages              | \$1,386,893        | \$1,419,049        | \$435,931          | \$459,052          | \$473,985          |
| Taxes                         | \$105,600          | \$126,304          | \$35,730           | \$35,117           | \$36,260           |
| Benefits                      | \$296,350          | \$290,858          | \$112,013          | \$94,835           | \$91,404           |
| Other Operating<br>Costs      | \$581,988          | \$567,613          | \$751,882          | \$874,121          | \$1,129,800        |
|                               |                    |                    |                    |                    |                    |
| <b>Total<br/>Expenditures</b> | <b>\$2,370,831</b> | <b>\$2,403,824</b> | <b>\$1,335,556</b> | <b>\$1,463,125</b> | <b>\$1,731,449</b> |

## CLOSING

Special thanks to the members of the Fiscal Affairs Committee, chaired by Director Lanny Smith, the clubs who participated in the early Initiative projects planning session, and our board members who contributed throughout the FY2027 budget process.

GVR provides important services to a unique population of approximately **22,300** members in Green Valley, Arizona. With a lean staffing ratio of **one** staff position for every **241** members, our team continues to demonstrate a strong commitment to stewardship and to making every dollar count. Through careful planning, thoughtful decision-making, and a shared commitment to fiscal responsibility, GVR staff work diligently to provide a high level of service and quality facilities our members expect and deserve.

Developing the FY2027 Budget required us to carefully balance organizational priorities with available resources while completing the 2022-2026 Five-Year Strategic Plan. As we enter the next fiscal year, we will continue to closely monitor revenues and expenditures, ensuring that revenues are tracking as budgeted and making thoughtful adjustments when necessary. We are confident that our dedicated staff will continue to meet these challenges with the resourcefulness, dedication, and commitment they have demonstrated throughout the budget process.

The FY2027 Budget is the result of many hours of collaboration among staff, the Fiscal Affairs Committee, and the Board of Directors. We extend our sincere appreciation to everyone involved, with special thanks to our staff and management team for their hard work.

In summary, the FY2027 Budget fulfills the Bylaws requirement that GVR “shall be guided by the actual expense of operating the recreational facilities of the corporation, including a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis.” It continues to provide a solid foundation for keeping GVR fiscally strong, responsive to our members, and focused on you!

Scott Somers, CEO

## **Worksheets and Tables**

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|                                                                                   |                                                |             |
|-----------------------------------------------------------------------------------|------------------------------------------------|-------------|
|  |                                                | 2027        |
| 2027 Budget                                                                       |                                                | 1..12       |
|                                                                                   |                                                | Budget      |
|                                                                                   | Full Time Equivalents                          | 92.45       |
|                                                                                   | Head Count                                     | 116         |
| Revenue                                                                           | Member Dues                                    | 8,001,700   |
|                                                                                   | Life Care, Transfer Fees, Card Fees            | 750,730     |
|                                                                                   | Capital Revenue                                | 2,752,200   |
|                                                                                   | Membership Revenue                             | 11,504,630  |
|                                                                                   | Programs                                       | 563,574     |
|                                                                                   | Instructional                                  | 552,048     |
|                                                                                   | Recreational Revenue                           | 1,115,622   |
|                                                                                   | Investment Income                              | 415,000     |
|                                                                                   | Advertising Income                             | -           |
|                                                                                   | Cell Tower Lease Income                        | -           |
|                                                                                   | Communication Revenue                          | -           |
|                                                                                   | Other Income                                   | 109,750     |
|                                                                                   | Facility Rent/Leases                           | 14,520      |
|                                                                                   | Café Sales Income                              | 216,550     |
|                                                                                   | Contributed Income                             | 5,000       |
|                                                                                   | Other Revenue                                  | 345,820     |
|                                                                                   | Total Operating Revenue                        | 13,381,072  |
| Expenses                                                                          | Major Proj.-Rep. & Maint.                      | 244,724     |
|                                                                                   | Facility Maintenance                           | 387,763     |
|                                                                                   | Fees & Assessments                             | -           |
|                                                                                   | Utilities                                      | 1,042,493   |
|                                                                                   | Depreciation                                   | 1,577,204   |
|                                                                                   | Furniture & Equipment                          | 252,546     |
|                                                                                   | Vehicle Expenses                               | 90,000      |
|                                                                                   | Facilities & Equipment                         | 3,594,731   |
|                                                                                   | Wages                                          | 4,825,093   |
|                                                                                   | Payroll Taxes                                  | 374,120     |
|                                                                                   | Benefits                                       | 999,442     |
|                                                                                   | Personnel                                      | 6,198,654   |
|                                                                                   | Food & Catering                                | 105,003     |
|                                                                                   | Recreation Contracts                           | 760,049     |
|                                                                                   | Bank & Credit Card Fees                        | 87,123      |
|                                                                                   | Program                                        | 952,175     |
|                                                                                   | Communications                                 | 92,020      |
|                                                                                   | Printing                                       | 103,965     |
|                                                                                   | Advertising                                    | 15,000      |
|                                                                                   | Communications                                 | 210,985     |
|                                                                                   | Supplies                                       | 465,049     |
|                                                                                   | Postage                                        | 22,800      |
|                                                                                   | Dues & Subscriptions                           | 19,770      |
|                                                                                   | Travel                                         | 8,575       |
|                                                                                   | Other Operating Expense                        | 109,550     |
|                                                                                   | Operations                                     | 625,744     |
|                                                                                   | Information Technology                         | 136,508     |
|                                                                                   | Professional Fees                              | 191,250     |
|                                                                                   | Commercial Insurance                           | 458,057     |
|                                                                                   | Taxes                                          | 18,654      |
|                                                                                   | Conferences & Training                         | 23,522      |
|                                                                                   | Employee Recognition                           | 13,000      |
|                                                                                   | Corporate Expenses                             | 840,991     |
|                                                                                   | Total Operating Expenses                       | 12,423,281  |
| Net                                                                               | Gross Surplus (Rev-Exp)/Net Cash Flow          | 957,791     |
|                                                                                   | Accrual Basis Net from Operations              | 957,791     |
| Adj. to Cash Basis                                                                | Subtract:                                      |             |
|                                                                                   | Non-Reserve Capital Projects                   | (20,000)    |
|                                                                                   | Income From Reserve Funds                      | (290,500)   |
|                                                                                   | Reserved Funding/Initiatives                   | (552,420)   |
|                                                                                   | MRR B (Pools & Spas)                           | (366,778)   |
|                                                                                   | Deduct Non-Cash In Kind Revenue                | (2,250)     |
|                                                                                   | Reserve Funding/MRR A                          | (1,508,102) |
|                                                                                   | Cash Basis Change in Net Assets Net of Reserve | (1,782,259) |
|                                                                                   | Add Back:                                      |             |
|                                                                                   | MRR Operating Expenses                         | 115,054     |
|                                                                                   | Depreciation                                   | 1,577,204   |
|                                                                                   | Expenses from Reserve Funds                    | 90,000      |
|                                                                                   | Cash Basis Net Surplus (Deficit)               | -           |

|  |                                                | 2027 Budget           |             | 2026            | 2026               | 2027            |           |         | 2027 Budget v. 2026<br>Projected |         | 2027 Budget v 2026<br>Budgeted |  |
|-----------------------------------------------------------------------------------|------------------------------------------------|-----------------------|-------------|-----------------|--------------------|-----------------|-----------|---------|----------------------------------|---------|--------------------------------|--|
|                                                                                   |                                                |                       |             | 1..12<br>Budget | 1..12<br>Projected | 1..12<br>Budget |           |         |                                  |         |                                |  |
|                                                                                   |                                                | Full Time Equivalents | 88.45       | 92.45           | 92.45              |                 |           |         |                                  |         |                                |  |
|                                                                                   |                                                | Head Count            | 111         | 116             | 116                |                 |           |         |                                  |         |                                |  |
| Revenue                                                                           | Member Dues                                    |                       | 7,568,960   | 7,578,564       | 8,001,700          |                 | 423,136   | 5.6%    | 432,740                          | 5.7%    |                                |  |
|                                                                                   | Life Care, Transfer Fees, Card Fees            |                       | 800,700     | 828,194         | 750,730            |                 | (77,464)  | -9.4%   | (49,970)                         | -6.2%   |                                |  |
|                                                                                   | Capital Revenue                                |                       | 2,860,800   | 2,524,416       | 2,752,200          |                 | 227,784   | 9.0%    | (108,600)                        | -3.8%   |                                |  |
|                                                                                   | Membership Revenue                             |                       | 11,230,460  | 10,931,174      | 11,504,630         |                 | 573,456   | 5.2%    | 274,170                          | 2.4%    |                                |  |
|                                                                                   | Programs                                       |                       | 571,456     | 559,227         | 563,574            |                 | 4,347     | 0.8%    | (7,882)                          | -1.4%   |                                |  |
|                                                                                   | Instructional                                  |                       | 498,000     | 552,073         | 552,048            |                 | (25)      | 0.0%    | 54,048                           | 10.9%   |                                |  |
|                                                                                   | Recreational Revenue                           |                       | 1,069,456   | 1,111,300       | 1,115,622          |                 | 4,322     | 0.4%    | 46,166                           | 4.3%    |                                |  |
|                                                                                   | Investment Income                              |                       | 435,000     | 534,478         | 415,000            |                 | (119,478) | -22.4%  | (20,000)                         | -4.6%   |                                |  |
|                                                                                   | Advertising Income                             |                       | -           |                 | -                  |                 |           |         | -                                |         |                                |  |
|                                                                                   | Cell Tower Lease Income                        |                       | 48,919      | 51,804          | -                  |                 | (51,804)  | -100.0% | (48,919)                         | -100.0% |                                |  |
|                                                                                   | Communication Revenue                          |                       | 48,919      | 51,804          | -                  |                 | (51,804)  | -100.0% | (48,919)                         | -100.0% |                                |  |
|                                                                                   | Other Income                                   |                       | 121,350     | 120,910         | 109,750            |                 | (11,160)  | -9.2%   | (11,600)                         | -9.6%   |                                |  |
|                                                                                   | Facility Rent/Leases                           |                       | 18,620      | 23,296          | 14,520             |                 | (8,776)   | -37.7%  | (4,100)                          | -22.0%  |                                |  |
|                                                                                   | Café Sales Income                              |                       | -           | 90,935          | 216,550            |                 | 125,615   | 138.1%  | 216,550                          | N/A     |                                |  |
|                                                                                   | Contributed Income                             |                       | -           | 51,687          | 5,000              |                 | (46,687)  | -90.3%  | 5,000                            | N/A     |                                |  |
| Other Revenue                                                                     |                                                | 139,970               | 286,829     | 345,820         |                    | 58,991          | 20.6%     | 205,850 | 147.1%                           |         |                                |  |
|                                                                                   |                                                |                       |             |                 |                    |                 |           | -       |                                  |         |                                |  |
|                                                                                   | Total Operating Revenue                        |                       | 12,923,805  | 12,915,585      | 13,381,072         |                 | 465,487   | 3.6%    | 457,267                          | 3.5%    |                                |  |
| Expenses                                                                          | Major Proj.-Rep. & Maint.                      |                       | 238,970     | 246,801         | 244,724            |                 | (2,077)   | -0.8%   | 5,754                            | 2.4%    |                                |  |
|                                                                                   | Facility Maintenance                           |                       | 421,600     | 366,849         | 387,763            |                 | 20,914    | 5.7%    | (33,837)                         | -8.0%   |                                |  |
|                                                                                   | Fees & Assessments                             |                       | 1,000       | 317             | -                  |                 | (317)     | -100.0% | (1,000)                          | -100.0% |                                |  |
|                                                                                   | Utilities                                      |                       | 1,084,093   | 987,796         | 1,042,493          |                 | 54,697    | 5.5%    | (41,600)                         | -3.8%   |                                |  |
|                                                                                   | Depreciation                                   |                       | 1,268,520   | 1,433,822       | 1,577,204          |                 | 143,382   | 10.0%   | 308,684                          | 24.3%   |                                |  |
|                                                                                   | Furniture & Equipment                          |                       | 229,874     | 209,270         | 252,546            |                 | 43,276    | 20.7%   | 22,672                           | 9.9%    |                                |  |
|                                                                                   | Vehicle Expenses                               |                       | 80,000      | 107,150         | 90,000             |                 | (17,150)  | -16.0%  | 10,000                           | 12.5%   |                                |  |
|                                                                                   | Facilities & Equipment                         |                       | 3,324,057   | 3,352,005       | 3,594,731          |                 | 242,726   | 7.2%    | 270,674                          | 8.1%    |                                |  |
|                                                                                   | Wages                                          |                       | 4,584,295   | 4,513,999       | 4,825,093          |                 | 311,094   | 6.9%    | 240,798                          | 5.3%    |                                |  |
|                                                                                   | Payroll Taxes                                  |                       | 355,698     | 361,463         | 374,120            |                 | 12,657    | 3.5%    | 18,422                           | 5.2%    |                                |  |
|                                                                                   | Benefits                                       |                       | 897,670     | 926,852         | 999,442            |                 | 72,589    | 7.8%    | 101,772                          | 11.3%   |                                |  |
|                                                                                   | Personnel                                      |                       | 5,837,662   | 5,802,314       | 6,198,654          |                 | 396,340   | 6.8%    | 360,992                          | 6.2%    |                                |  |
|                                                                                   | Food & Catering                                |                       | 78,698      | 72,122          | 105,003            |                 | 32,881    | 45.6%   | 26,305                           | 33.4%   |                                |  |
|                                                                                   | Recreation Contracts                           |                       | 651,787     | 740,133         | 760,049            |                 | 19,916    | 2.7%    | 108,262                          | 16.6%   |                                |  |
|                                                                                   | Bank & Credit Card Fees                        |                       | 67,895      | 81,704          | 87,123             |                 | 5,420     | 6.6%    | 19,228                           | 28.3%   |                                |  |
|                                                                                   | Program                                        |                       | 798,380     | 893,959         | 952,175            |                 | 58,217    | 6.5%    | 153,795                          | 19.3%   |                                |  |
|                                                                                   | Communications                                 |                       | 107,569     | 110,219         | 92,020             |                 | (18,199)  | -16.5%  | (15,549)                         | -14.5%  |                                |  |
|                                                                                   | Printing                                       |                       | 129,500     | 98,531          | 103,965            |                 | 5,434     | 5.5%    | (25,535)                         | -19.7%  |                                |  |
|                                                                                   | Advertising                                    |                       | 11,000      | 30,000          | 15,000             |                 | (15,000)  | -50.0%  | 4,000                            | 36.4%   |                                |  |
|                                                                                   | Communications                                 |                       | 248,069     | 238,750         | 210,985            |                 | (27,765)  | -11.6%  | (37,084)                         | -14.9%  |                                |  |
|                                                                                   | Supplies                                       |                       | 570,906     | 432,585         | 465,049            |                 | 32,464    | 7.5%    | (105,857)                        | -18.5%  |                                |  |
|                                                                                   | Postage                                        |                       | 21,125      | 25,025          | 22,800             |                 | (2,225)   | -8.9%   | 1,675                            | 7.9%    |                                |  |
|                                                                                   | Dues & Subscriptions                           |                       | 13,687      | 12,408          | 19,770             |                 | 7,362     | 59.3%   | 6,083                            | 44.4%   |                                |  |
|                                                                                   | Travel                                         |                       | 8,623       | 9,139           | 8,575              |                 | (564)     | -6.2%   | (48)                             | -0.6%   |                                |  |
|                                                                                   | Other Operating Expense                        |                       | 101,451     | 110,337         | 109,550            |                 | (787)     | -0.7%   | 8,099                            | 8.0%    |                                |  |
|                                                                                   | Operations                                     |                       | 715,792     | 589,494         | 625,744            |                 | 36,250    | 6.1%    | (90,048)                         | -12.6%  |                                |  |
|                                                                                   | Information Technology                         |                       | 142,777     | 118,422         | 136,508            |                 | 18,086    | 15.3%   | (6,269)                          | -4.4%   |                                |  |
|                                                                                   | Professional Fees                              |                       | 234,350     | 213,595         | 191,250            |                 | (22,345)  | -10.5%  | (43,100)                         | -18.4%  |                                |  |
|                                                                                   | Commercial Insurance                           |                       | 447,064     | 450,464         | 458,057            |                 | 7,593     | 1.7%    | 10,993                           | 2.5%    |                                |  |
|                                                                                   | Taxes                                          |                       | 53,533      | 17,771          | 18,654             |                 | 883       | 5.0%    | (34,878)                         | -65.2%  |                                |  |
|                                                                                   | Conferences & Training                         |                       | 24,201      | 4,649           | 23,522             |                 | 18,873    | 406.0%  | (679)                            | -2.8%   |                                |  |
|                                                                                   | Employee Recognition                           |                       | 13,000      | 12,055          | 13,000             |                 | 945       | 7.8%    | -                                | 0.0%    |                                |  |
|                                                                                   | Corporate Expenses                             |                       | 914,925     | 816,956         | 840,991            |                 | 24,036    | 2.9%    | (73,934)                         | -8.1%   |                                |  |
|                                                                                   |                                                |                       |             |                 |                    |                 |           |         |                                  |         |                                |  |
|                                                                                   | Total Operating Expenses                       |                       | 11,838,885  | 11,693,478      | 12,423,281         |                 | 729,803   | 6.2%    | 584,395                          | 4.9%    |                                |  |
| Net                                                                               | Gross Surplus (Rev-Exp)/Net Cash Flow          |                       | 1,084,920   | 1,222,107       | 957,791            |                 |           |         |                                  |         |                                |  |
|                                                                                   | Accrual Basis Net from Operations              |                       | 1,084,920   | 1,222,107       | 957,791            |                 |           |         |                                  |         |                                |  |
| Adj. to Cash Basis                                                                | Subtract:                                      |                       |             |                 |                    |                 |           |         |                                  |         |                                |  |
|                                                                                   | Non-Reserve Capital Projects                   |                       | (20,000)    | (22,486)        | (20,000)           |                 |           |         |                                  |         |                                |  |
|                                                                                   | Income From Reserve Funds                      |                       | (260,400)   | (340,533)       | (290,500)          |                 |           |         |                                  |         |                                |  |
|                                                                                   | Reserved Funding/Initiatives                   |                       | (575,040)   | (507,763)       | (552,420)          |                 |           |         |                                  |         |                                |  |
|                                                                                   | MRR B (Pools & Spas)                           |                       | (342,783)   | (342,783)       | (366,778)          |                 |           |         |                                  |         |                                |  |
|                                                                                   | Deduct Non-Cash In Kind Revenue                |                       | (4,000)     | (2,250)         | (2,250)            |                 |           |         |                                  |         |                                |  |
|                                                                                   | Reserve Funding/MRR A                          |                       | (1,400,102) | (1,400,102)     | (1,508,102)        |                 |           |         |                                  |         |                                |  |
|                                                                                   | Cash Basis Change in Net Assets Net of Reserve |                       | (1,517,405) | (1,393,810)     | (1,782,259)        |                 |           |         |                                  |         |                                |  |
|                                                                                   | Add Back:                                      |                       |             |                 |                    |                 |           |         |                                  |         |                                |  |
|                                                                                   | MRR Operating Expenses                         |                       | 172,885     | -               | 115,054            |                 |           |         |                                  |         |                                |  |
|                                                                                   | Depreciation                                   |                       | 1,268,520   | 1,433,822       | 1,577,204          |                 |           |         |                                  |         |                                |  |
|                                                                                   | Expenses from Reserve Funds                    |                       | 76,000      | 92,860          | 90,000             |                 |           |         |                                  |         |                                |  |
|                                                                                   | Cash Basis Net Surplus (Deficit)               |                       | -           | 132,872         | -                  |                 |           |         |                                  |         |                                |  |

| <b>Fee Schedule</b>                          | <b>2026</b> |                 |                | <b>2027</b> |                 |                |
|----------------------------------------------|-------------|-----------------|----------------|-------------|-----------------|----------------|
|                                              | <b>Fee</b>  | <b>Quantity</b> | <b>Revenue</b> | <b>Fee</b>  | <b>Quantity</b> | <b>Revenue</b> |
| Annual Dues per Household                    | \$545       | 13,888          | \$7,568,960    | \$575       | 13,916          | \$8,001,700    |
| Life Care, Transfer, Tenant & Addl Card Fees |             |                 |                |             |                 |                |
| Annual Life Care Member Dues                 | \$545       | 42              | \$22,890       | \$575       | 42              | \$24,150       |
| Transfer Fee (Resale)                        | \$470       | 1,040           | \$488,800      | \$480       | 915             | \$439,200      |
| Guest Card Fees Annual Pass                  |             |                 |                |             |                 |                |
| Guest Card Daily Pass                        | \$5         | 550             | \$2,750        | \$5         | 550             | \$2,750        |
| Guest Card Weekly Pass                       | \$15        | 450             | \$6,755        | \$15        | 450             | \$6,750        |
| Guest Card Annual Pass (30 Day Punch Pass)   | \$85        | 1,400           | \$119,000      | \$85        | 1,400           | \$119,000      |
| 1-7 Days                                     | \$40        | 60              | \$2,400        | \$45        | 54              | \$2,430        |
| 2 Weeks                                      | \$50        | 72              | \$3,600        | \$55        | 65              | \$3,575        |
| 1 Month                                      | \$65        | 282             | \$18,330       | \$70        | 254             | \$17,780       |
| 2 Months                                     | \$100       | 220             | \$22,000       | \$105       | 198             | \$20,790       |
| 3 Months                                     | \$140       | 258             | \$36,120       | \$145       | 233             | \$33,785       |
| 4 Months                                     | \$180       | 95              | \$17,100       | \$185       | 86              | \$15,910       |
| 5 Months                                     | \$215       | 95              | \$20,425       | \$220       | 86              | \$18,920       |
| 6-12 Month Pass                              | \$250       | 195             | \$48,540       | \$255       | 176             | \$44,670       |
| Tenant Fees                                  |             | 1,277           | \$168,515      |             | 1,152           | \$157,860      |
| Additional Card Fees                         | \$140       | 4               | \$560          | \$170       | 6               | \$1,020        |
| Membership Change Fee                        | \$3,200     | 876             | \$2,803,200    | \$3,300     | 822             | \$2,712,600    |
| Initial Fee                                  | \$3,200     | 18              | \$57,600       | \$3,300     | 12              | \$39,600       |
| Capital Revenue                              |             |                 | \$2,860,800    |             |                 | \$2,752,200    |
| Late Fees                                    | \$25        | 3,200           | \$80,000       | \$25        | 3,200           | \$80,000       |
| Estate Planning Fee                          | \$105       |                 |                | \$105       |                 |                |
| GVR Card Issuance Fee                        | \$5         | 1,400           | \$7,000        | \$5         | 1,400           | \$7,000        |
| Card Replacement Fee                         | \$5         | 250             | \$1,250        | \$5         | 250             | \$1,250        |

**GVR  
Budget  
FY 2027**

|                                              | <b>2027</b>                     |
|----------------------------------------------|---------------------------------|
| <b>INITIATIVES CAPITAL IMPROVEMENT PLAN:</b> |                                 |
| Del Sol Clubhouse Parking Lot Note           | \$ 11,000                       |
| Woodshop Expansion                           | \$ 300,000                      |
| Abrego South Locker Room Building            | \$ 175,000                      |
| EC Tennis Court (\$150,000)                  | \$ 60,000                       |
| Infrared Sauna                               | \$ 11,000                       |
| <b>TOTAL BUDGETED INITIATIVES CAPITAL</b>    | <b><u>\$ 557,000</u></b>        |
| <b>NON RESERVE CAPITAL PROJECTS</b>          | <b>\$ 20,000</b>                |
| <b>MRR-A CAPITAL PROJECTS</b>                | <b>\$ 2,774,653</b>             |
| <b>MRR-B - POOLS AND SPAS - ABREGO SOUTH</b> | <b>\$ 883,800</b>               |
| <b>GRAND TOTAL CAPITAL BUDGET</b>            | <b><u>\$ 4,235,453</u></b>      |
| <br><b>2027 OPERATING BUDGET</b>             | <br><b><u>\$ 12,423,281</u></b> |
| <br><b>GRAND TOTAL 2027 BUDGETS</b>          | <br><b><u>\$ 16,658,734</u></b> |

## Five-year Capital Improvement Plan

### Capital Improvement Plan (CIP) Cash Funding Projections

|                                                | 2027                | 2028                | 2029                 | 2030                 | 2031                 |
|------------------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Initiatives</b>                             |                     |                     |                      |                      |                      |
| Beginning Balance                              | \$ 484,488          | \$ 498,897          | \$ 473,503           | \$ 866,675           | \$ 850,500           |
| Funding From Operations Revenue                | \$ 552,420          | \$ 571,200          | \$ 588,000           | \$ 604,800           | \$ 604,800           |
| Additional Funding (Surplus)                   |                     |                     |                      |                      |                      |
| Transfer from Emergency                        |                     |                     |                      |                      |                      |
| Net Investment Earnings                        | \$ 13,989           | \$ 14,405           | \$ 13,672            | \$ 25,025            | \$ 24,558            |
| Club Contributions                             | \$ 5,000            |                     |                      |                      |                      |
| <b>Total Revenue</b>                           | <b>\$ 571,409</b>   | <b>\$ 585,605</b>   | <b>\$ 601,672</b>    | <b>\$ 629,825</b>    | <b>\$ 629,358</b>    |
| <b>Expenditures</b>                            |                     |                     |                      |                      |                      |
| <b>Current Projects:</b>                       |                     |                     |                      |                      |                      |
| Del Sol Clubhouse Parking Lot Note             | \$ (11,000)         | \$ (11,000)         | \$ (11,000)          | \$ (11,000)          |                      |
| Woodshop Expansion                             | \$ (300,000)        | \$ (600,000)        |                      |                      |                      |
| LC Third Tennis Court                          |                     |                     |                      | \$ (200,000)         |                      |
| SRAL Lower Level Expansion                     |                     |                     |                      | \$ (400,000)         |                      |
| Abrego South Locker Room Building              | \$ (175,000)        |                     |                      |                      |                      |
| Metal Arts Shop & Yard                         |                     |                     |                      | \$ (35,000)          |                      |
| <b>Proposed Projects:</b>                      |                     |                     |                      |                      |                      |
| EC Tennis Court (\$150,000)                    | \$ (60,000)         |                     |                      |                      |                      |
| DH Steam Room                                  |                     |                     | \$ (60,000)          |                      |                      |
| Infrared Sauna                                 | \$ (11,000)         |                     |                      |                      |                      |
| Room Divider for SRAL                          |                     |                     |                      |                      |                      |
| Sidewalk at SRS                                |                     |                     | \$ (14,500)          |                      |                      |
| DSC lift for Billiards                         |                     |                     |                      |                      |                      |
| Shade structures                               |                     |                     | \$ (123,000)         |                      |                      |
| Café walk-up window                            |                     |                     |                      |                      |                      |
| <b>Total Expenditures</b>                      | <b>\$ (557,000)</b> | <b>\$ (611,000)</b> | <b>\$ (208,500)</b>  | <b>\$ (646,000)</b>  | <b>\$ -</b>          |
| <b>Ending Balance</b>                          | <b>\$ 498,897</b>   | <b>\$ 473,503</b>   | <b>\$ 866,675</b>    | <b>\$ 850,500</b>    | <b>\$ 1,479,857</b>  |
| <b>Maintenance Repair &amp; Replacement</b>    |                     |                     |                      |                      |                      |
| Beginning Balance                              | \$ 7,522,214        | \$ 6,739,667        | \$ 6,691,540         | \$ 6,498,781         | \$ 6,747,175         |
| Annual Funding (per Reserve Study)             | \$ 1,508,102        | \$ 1,616,102        | \$ 1,724,102         | \$ 1,832,102         | \$ 1,940,102         |
| Additional Funding                             |                     |                     |                      |                      |                      |
| Net Investment Earnings                        | \$ 484,004          | \$ 428,384          | \$ 441,744           | \$ 423,877           | \$ 447,148           |
| Projects:                                      |                     |                     |                      |                      |                      |
| Per Reserve Study (Third Draft 2026 for 2028+) | \$ (2,774,653)      | \$ (2,092,613)      | \$ (2,358,605)       | \$ (2,007,585)       | \$ (2,218,780)       |
| <b>Ending Balance</b>                          | <b>\$ 6,739,667</b> | <b>\$ 6,691,540</b> | <b>\$ 6,498,781</b>  | <b>\$ 6,747,175</b>  | <b>\$ 6,915,645</b>  |
| <b>MRR Part B - Pools and Spas</b>             |                     |                     |                      |                      |                      |
| Beginning Balance                              | \$ 1,846,712        | \$ 1,420,443        | \$ 1,887,224         | \$ 2,401,741         | \$ 2,967,953         |
| Funding                                        | \$ 366,778          | \$ 392,452          | \$ 419,924           | \$ 449,319           | \$ 480,771           |
| Additional Funding                             |                     |                     |                      |                      |                      |
| Net Investment Earnings                        | \$ 90,753           | \$ 74,329           | \$ 94,593            | \$ 116,893           | \$ 141,398           |
| Abrego South Pool                              | \$ (883,800)        |                     |                      |                      |                      |
| <b>Ending Balance</b>                          | <b>\$ 1,420,443</b> | <b>\$ 1,887,224</b> | <b>\$ 2,401,741</b>  | <b>\$ 2,967,953</b>  | <b>\$ 3,590,122</b>  |
| <b>Subtotal Capital Projects Reserves</b>      | <b>\$ 8,659,007</b> | <b>\$ 9,052,266</b> | <b>\$ 9,767,196</b>  | <b>\$ 10,565,628</b> | <b>\$ 11,985,625</b> |
| <b>Emergency</b>                               |                     |                     |                      |                      |                      |
| Beginning Balance                              | \$ 641,272          | \$ 667,564          | \$ 694,934           | \$ 723,426           | \$ 753,087           |
| Annual Funding                                 | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| Transfer to Initiative                         |                     |                     |                      |                      |                      |
| Net Investment Earnings                        | \$ 26,292           | \$ 27,370           | \$ 28,492            | \$ 29,660            | \$ 30,877            |
| Projects:                                      |                     |                     |                      |                      |                      |
| <b>Ending Balance</b>                          | <b>\$ 667,564</b>   | <b>\$ 694,934</b>   | <b>\$ 723,426</b>    | <b>\$ 753,087</b>    | <b>\$ 783,964</b>    |
| <b>Total Board Designated Funds</b>            | <b>\$ 9,326,571</b> | <b>\$ 9,747,200</b> | <b>\$ 10,490,623</b> | <b>\$ 11,318,715</b> | <b>\$ 12,769,588</b> |

|                                                                                   |                                                |                                          |                                  |                          |                          |                          |
|-----------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|----------------------------------|--------------------------|--------------------------|--------------------------|
|  |                                                | <b>2027 Budget &amp; 3-Year Forecast</b> | <b>2027<br/>1..12<br/>Budget</b> | <b>2028<br/>Forecast</b> | <b>2029<br/>Forecast</b> | <b>2030<br/>Forecast</b> |
|                                                                                   | Full Time Equivalents                          | 92.45                                    | 92.45                            | 92.45                    | 92.45                    | 92.45                    |
|                                                                                   | Head Count                                     | 116                                      | 116                              | 116                      | 116                      | 116                      |
| <b>Revenue</b>                                                                    | Member Dues                                    | 8,001,700                                | 8,287,160                        | 8,642,800                | 8,999,040                |                          |
|                                                                                   | Life Care, Transfer Fees, Card Fees            | 750,730                                  | 782,540                          | 783,590                  | 789,240                  |                          |
|                                                                                   | Capital Revenue                                | 2,752,200                                | 2,845,800                        | 2,929,500                | 3,013,200                |                          |
|                                                                                   | Membership Revenue                             | 11,504,630                               | 11,915,500                       | 12,355,890               | 12,801,480               |                          |
|                                                                                   | Programs                                       | 563,574                                  | 591,753                          | 633,175                  | 677,498                  |                          |
|                                                                                   | Instructional                                  | 552,048                                  | 568,609                          | 597,040                  | 629,877                  |                          |
|                                                                                   | Recreational Revenue                           | 1,115,622                                | 1,160,362                        | 1,230,215                | 1,307,375                |                          |
|                                                                                   | Investment Income                              | 415,000                                  | 423,300                          | 431,766                  | 440,401                  |                          |
|                                                                                   | Cell Tower Lease Income                        | -                                        | -                                | -                        | -                        |                          |
|                                                                                   | Communication Revenue                          | -                                        | -                                | -                        | -                        |                          |
|                                                                                   | Other Income                                   | 109,750                                  | 111,945                          | 114,744                  | 118,186                  |                          |
|                                                                                   | Facility Rent/Leases                           | 14,520                                   | 14,956                           | 15,404                   | 15,866                   |                          |
|                                                                                   | Café Sales Income                              | 216,550                                  | 225,212                          | 234,220                  | 243,589                  |                          |
|                                                                                   | Contributed Income                             | 5,000                                    | -                                | -                        | -                        |                          |
|                                                                                   | Other Revenue                                  | 345,820                                  | 352,113                          | 364,368                  | 377,642                  |                          |
| <b>Total Operating Revenue</b>                                                    |                                                | <b>13,381,072</b>                        | <b>13,851,275</b>                | <b>14,382,240</b>        | <b>14,926,898</b>        |                          |
| <b>Expenses</b>                                                                   | Major Proj.-Rep. & Maint.                      | 244,724                                  | 249,618                          | 254,611                  | 259,703                  |                          |
|                                                                                   | Facility Maintenance                           | 387,763                                  | 395,518                          | 403,429                  | 411,497                  |                          |
|                                                                                   | Fees & Assessments                             | -                                        | -                                | -                        | -                        |                          |
|                                                                                   | Utilities                                      | 1,042,493                                | 1,101,205                        | 1,136,727                | 1,174,751                |                          |
|                                                                                   | Depreciation                                   | 1,577,204                                | 1,608,748                        | 1,640,923                | 1,673,742                |                          |
|                                                                                   | Furniture & Equipment                          | 252,546                                  | 257,597                          | 262,749                  | 268,004                  |                          |
|                                                                                   | Vehicle Expenses                               | 90,000                                   | 91,800                           | 93,636                   | 95,509                   |                          |
|                                                                                   | Facilities & Equipment                         | 3,594,731                                | 3,704,487                        | 3,792,075                | 3,883,206                |                          |
|                                                                                   | Wages                                          | 4,825,093                                | 5,018,097                        | 5,218,821                | 5,427,573                |                          |
|                                                                                   | Payroll Taxes                                  | 374,120                                  | 389,084                          | 404,648                  | 420,834                  |                          |
|                                                                                   | Benefits                                       | 999,442                                  | 1,049,414                        | 1,091,390                | 1,135,046                |                          |
|                                                                                   | Personnel                                      | 6,198,654                                | 6,456,595                        | 6,714,859                | 6,983,453                |                          |
|                                                                                   | Food & Catering                                | 105,003                                  | 107,103                          | 109,245                  | 111,430                  |                          |
|                                                                                   | Recreation Contracts                           | 760,049                                  | 790,451                          | 829,973                  | 871,472                  |                          |
|                                                                                   | Bank & Credit Card Fees                        | 87,123                                   | 88,866                           | 90,643                   | 92,456                   |                          |
|                                                                                   | Program                                        | 952,175                                  | 986,420                          | 1,029,862                | 1,075,358                |                          |
|                                                                                   | Communications                                 | 92,020                                   | 93,860                           | 95,738                   | 97,652                   |                          |
|                                                                                   | Printing                                       | 103,965                                  | 106,044                          | 108,165                  | 110,328                  |                          |
|                                                                                   | Advertising                                    | 15,000                                   | 15,300                           | 15,606                   | 15,918                   |                          |
|                                                                                   | Communications                                 | 210,985                                  | 215,204                          | 219,509                  | 223,899                  |                          |
|                                                                                   | Supplies                                       | 465,049                                  | 471,638                          | 474,590                  | 474,064                  |                          |
|                                                                                   | Postage                                        | 22,800                                   | 23,256                           | 23,721                   | 24,196                   |                          |
|                                                                                   | Dues & Subscriptions                           | 19,770                                   | 20,165                           | 20,569                   | 20,980                   |                          |
|                                                                                   | Travel                                         | 8,575                                    | 8,661                            | 8,747                    | 8,835                    |                          |
|                                                                                   | Other Operating Expense                        | 109,550                                  | 110,646                          | 111,752                  | 112,869                  |                          |
|                                                                                   | Operations                                     | 625,744                                  | 634,366                          | 639,380                  | 640,944                  |                          |
|                                                                                   | Information Technology                         | 136,508                                  | 139,238                          | 142,022                  | 144,863                  |                          |
|                                                                                   | Professional Fees                              | 191,250                                  | 193,589                          | 197,461                  | 201,410                  |                          |
|                                                                                   | Commercial Insurance                           | 458,057                                  | 480,960                          | 495,389                  | 510,251                  |                          |
|                                                                                   | Taxes                                          | 18,654                                   | 19,028                           | 19,408                   | 19,796                   |                          |
|                                                                                   | Conferences & Training                         | 23,522                                   | 23,522                           | 23,757                   | 23,995                   |                          |
|                                                                                   | Employee Recognition                           | 13,000                                   | 13,000                           | 13,130                   | 13,261                   |                          |
|                                                                                   | Corporate Expenses                             | 840,991                                  | 869,337                          | 891,168                  | 913,576                  |                          |
|                                                                                   | <b>Total Operating Expenses</b>                | <b>12,423,281</b>                        | <b>12,866,409</b>                | <b>13,286,851</b>        | <b>13,720,436</b>        |                          |
| <b>Net</b>                                                                        | Gross Surplus (Rev-Exp)/Net Cash Flow          | 957,791                                  | 984,866                          | 1,095,388                | 1,206,462                |                          |
|                                                                                   | Unrealized Gain/(Loss) on Investments          | -                                        | -                                | -                        | -                        |                          |
| <b>Adj. to Cash Basis</b>                                                         | Accrual Basis Net from Operations              | 957,791                                  | 984,866                          | 1,095,388                | 1,206,462                |                          |
|                                                                                   | Subtract: In Kind                              | (2,250)                                  | (2,250)                          | (2,250)                  | (2,250)                  |                          |
|                                                                                   | Non-Reserve Capital Projects                   | (20,000)                                 | (20,000)                         | (20,000)                 | (20,000)                 |                          |
|                                                                                   | Income From Reserve Funds                      | (290,500)                                | (296,310)                        | (302,236)                | (308,281)                |                          |
|                                                                                   | Reserved Funding/Initiatives                   | (552,420)                                | (571,200)                        | (588,000)                | (604,800)                |                          |
|                                                                                   | MRR B (Pools & Spas)                           | (366,778)                                | (392,452)                        | (419,924)                | (449,319)                |                          |
|                                                                                   | Reserve Funding/MRR A                          | (1,508,102)                              | (1,616,102)                      | (1,724,102)              | (1,832,102)              |                          |
|                                                                                   | Cash Basis Change in Net Assets Net of Reserve | (1,782,259)                              | (1,913,448)                      | (1,961,124)              | (2,010,290)              |                          |
|                                                                                   | Add Back:                                      |                                          |                                  |                          |                          |                          |
|                                                                                   | MRR Operating Expenses                         | 115,054                                  | 212,000                          | 224,720                  | 238,203                  |                          |
|                                                                                   | Depreciation                                   | 1,577,204                                | 1,608,748                        | 1,640,923                | 1,673,742                |                          |
|                                                                                   | Expenses from Reserve Funds                    | 90,000                                   | 92,700                           | 95,481                   | 98,345                   |                          |
|                                                                                   | Cash Basis Net Surplus (Deficit)               | -                                        | -                                | -                        | -                        |                          |

| Fee Schedule                                 | 2027    |          |             | 2028    |          |             | 2029    |          |             | 2030    |          |             |
|----------------------------------------------|---------|----------|-------------|---------|----------|-------------|---------|----------|-------------|---------|----------|-------------|
|                                              | Fee     | Quantity | Revenue     | Fee     | Quantity | Revenue     | Fee     | Quantity | Revenue     | Fee     | Quantity | Revenue     |
| Annual Dues per Household                    | \$575   | 13,916   | \$8,001,700 | \$595   | 13,928   | \$8,287,160 | \$620   | 13,940   | \$8,642,800 | \$645   | 13,952   | \$8,999,040 |
| Life Care, Transfer, Tenant & Addl Card Fees |         |          |             |         |          |             |         |          |             |         |          |             |
| Annual Life Care Member Dues                 | \$575   | 42       | \$24,150    | \$595   | 42       | \$24,990    | \$620   | 42       | \$26,040    | \$645   | 42       | \$27,090    |
| Transfer Fee (Resale)                        | \$480   | 915      | \$439,200   | \$485   | 920      | \$446,200   | \$485   | 920      | \$446,200   | \$490   | 920      | \$450,800   |
| Guest Card Fees Annual Pass                  |         |          |             |         |          |             |         |          |             |         |          |             |
| Guest Card Daily Pass                        | \$5     | 550      | \$2,750     | \$10    | 550      | \$5,500     | \$10    | 550      | \$5,500     | \$10    | 550      | \$5,500     |
| Guest Card Weekly Pass                       | \$15    | 450      | \$6,750     | \$30    | 450      | \$13,500    | \$30    | 450      | \$13,500    | \$30    | 450      | \$13,500    |
| Guest Card Annual Pass (30 Day Punch Pass)   | \$85    | 1,400    | \$119,000   | \$90    | 1,400    | \$126,000   | \$90    | 1,400    | \$126,000   | \$90    | 1,400    | \$126,000   |
| 1-7 Days                                     | \$45    | 54       | \$2,430     | \$45    | 54       | \$2,430     | \$45    | 54       | \$2,430     | \$45    | 54       | \$2,430     |
| 2 Weeks                                      | \$55    | 65       | \$3,575     | \$55    | 65       | \$3,575     | \$55    | 65       | \$3,575     | \$55    | 65       | \$3,575     |
| 1 Month                                      | \$70    | 254      | \$17,780    | \$70    | 254      | \$17,780    | \$70    | 254      | \$17,780    | \$70    | 254      | \$17,780    |
| 2 Months                                     | \$105   | 198      | \$20,790    | \$105   | 198      | \$20,790    | \$105   | 198      | \$20,790    | \$105   | 198      | \$20,790    |
| 3 Months                                     | \$145   | 233      | \$33,785    | \$145   | 233      | \$33,785    | \$145   | 233      | \$33,785    | \$145   | 233      | \$33,785    |
| 4 Months                                     | \$185   | 86       | \$15,910    | \$185   | 95       | \$17,575    | \$185   | 95       | \$17,575    | \$185   | 95       | \$17,575    |
| 5 Months                                     | \$220   | 86       | \$18,920    | \$220   | 95       | \$20,900    | \$220   | 95       | \$20,900    | \$220   | 95       | \$20,900    |
| 6-12 Month Pass                              | \$255   | 176      | \$44,670    | \$255   | 195      | \$49,515    | \$255   | 195      | \$49,515    | \$255   | 195      | \$49,515    |
| Tenant Fees                                  |         | 1,152    | \$157,860   |         | 1,152    | \$166,350   |         | 1,152    | \$166,350   |         | 1,152    | \$78,360    |
| Additional Card Fees                         | \$170   | 6        | \$1,020     | \$200   | 6        | \$1,200     | \$230   | 6        | \$1,380     | \$260   | 6        | \$1,560     |
| Membership Change Fee                        | \$3,300 | 822      | \$2,712,600 | \$3,400 | 825      | \$2,805,000 | \$3,500 | 825      | \$2,887,500 | \$3,600 | 825      | \$2,970,000 |
| Initial Fee                                  | \$3,300 | 12       | \$39,600    | \$3,400 | 12       | \$40,800    | \$3,500 | 12       | \$42,000    | \$3,600 | 12       | \$43,200    |
| Capital Revenue                              |         |          | \$2,752,200 |         |          | \$2,845,800 |         |          | \$2,929,500 |         |          | \$3,013,200 |
| Late Fees                                    | \$25    | 3,200    | \$80,000    | \$25    | 3,200    | \$80,000    | \$25    | 3,200    | \$80,000    | \$25    | 3,200    | \$80,000    |
| Estate Planning Fee                          | \$105   |          |             | \$105   |          |             | \$105   |          |             | \$105   |          |             |
| GVR Card Issuance Fee                        | \$5     | 1,400    | \$7,000     | \$5     | 1,400    | \$7,000     | \$5     | 1,400    | \$7,000     | \$5     | 1,400    | \$7,000     |
| Card Replacement Fee                         | \$5     | 250      | \$1,250     | \$5     | 250      | \$1,250     | \$5     | 250      | \$1,250     | \$5     | 250      | \$1,250     |



Green Valley Recreation, Inc.  
**Board of Directors Work Session**  
**PHASE 3 AND PRIVATE CLUB**  
**LIQUOR LICENSE FOR CAFE**

Prepared By: Steve Kindred, Rec Dir

Meeting Date: October 14, 2026

Presented By: Scott Somers, CEO

Consent Agenda: N/A

**Originating Committee / Department**

Recreation

**Action Requested:**

Direct staff to expand into Phase 3 for the café and pursue a Private Club Liquor License for Clubhouse Café, and begin to serve alcoholic beverages once license is obtained.

**Strategic Plan**

Goal 2: Provide quality services and programs that effectively meet the recreational, social, and leisure education needs of our membership, allocating resources to support those programs.

**Background Justification:**

The Clubhouse Café has grown its menu, member traffic, hours of service, and revenue. Serving alcoholic beverages and accompanying light plates in the later afternoon and early evening is a natural next step. We do not anticipate that alcohol service will be the reason members will come to the café. Instead, this will be a place where a member can enjoy an alcoholic beverage or two while enjoying a meal, watching a sporting event, some live music, or participating in a trivia game. No doubles, pitchers of beer, or whole bottles of wine will be sold. The licensing process includes fingerprinting and a background check on three Board officers, a process that will repeat each time the officers change.

Additional insurance costs are \$3,541/year which extends GVR's current Liquor Liability coverage to include the Café. The Liquor Liability coverage is scheduled under the existing umbrella policy, which has coverage up to \$10,000,000. There is no deductible in the Liquor Liability, but there is a \$10,000 retention on the Umbrella if that gets triggered.

While actual revenue/expense/net income is unknown until Phase 3 begins, a conservative estimate of this activity, detailed on the attached proforma, shows that Phase 3 should result in, at a minimum, revenue that will cover all additional staff/materials/insurance costs.

**Fiscal Impact:**

Liquor Licensing costs of \$1,150 initially, \$220 annually thereafter;  
 Insurance costs of \$3,541 annually for package/umbrella/workers comp.  
 Fingerprinting/application/training costs \$300 initially, \$100 annually thereafter;  
 Start-up costs of \$2,500 for additional refrigerator/shelving.  
 Operational costs including additional insurance will be covered by food/drink revenue.

**Board Options:**

- 1) Direct staff to pursue license and begin service as soon once license is obtained.
- 2) Provide alternative direction to staff.

**Staff Recommendation:**

Option #1

**Attachments:**

First year proforma modeled at 'break even' levels.

|                          |          |            | 2027   | 2027  | 2027  | 2027  | 2027  | 2027   | 2027  | 2027  | 2027  | 2027  | 2027   | 2027   | 2027    |
|--------------------------|----------|------------|--------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|--------|---------|
|                          | Weekly   | Annual     | March  | April | May   | June  | July  | August | Sept  | Oct   | Nov   | Dec   | Jan    | Feb    | Annual  |
| Mixed Drink Sales        | 75       | \$ 3,900   | 403    | 351   | 270   | 247   | 237   | 279    | 286   | 315   | 344   | 344   | 419    | 406    | 3,900   |
| Drink Revenue @ \$7      | \$ 525   | \$ 27,300  | 2,819  | 2,455 | 1,887 | 1,728 | 1,659 | 1,955  | 2,000 | 2,205 | 2,410 | 2,410 | 2,932  | 2,842  | 27,302  |
| Glasses of Wine Sold     | 75       | \$ 3,900   | 403    | 351   | 270   | 247   | 237   | 279    | 286   | 315   | 344   | 344   | 419    | 406    | 3,900   |
| Wine Revenue @ \$6       | \$ 450   | \$ 23,400  | 2,416  | 2,104 | 1,617 | 1,481 | 1,422 | 1,676  | 1,715 | 1,890 | 2,065 | 2,065 | 2,514  | 2,436  | 23,401  |
| Beers Sold               | 75       | \$ 3,900   | 403    | 351   | 270   | 247   | 237   | 279    | 286   | 315   | 344   | 344   | 419    | 406    | 3,900   |
| Beer Revenue @ \$5       | \$ 375   | \$ 19,500  | 2,013  | 1,754 | 1,348 | 1,234 | 1,185 | 1,396  | 1,429 | 1,575 | 1,721 | 1,721 | 2,095  | 2,030  | 19,501  |
| Food Revenue (see below) | \$ 620   | \$ 32,240  | 3,329  | 2,899 | 2,228 | 2,040 | 1,960 | 2,309  | 2,362 | 2,604 | 2,846 | 2,846 | 3,463  | 3,356  | 32,242  |
| Food/Drink Revenue       | \$ 1,970 | \$ 102,440 | 10,577 | 9,213 | 7,080 | 6,483 | 6,227 | 7,336  | 7,506 | 8,274 | 9,042 | 9,042 | 11,004 | 10,663 | 102,447 |
|                          |          |            |        |       |       |       |       |        |       |       |       |       |        |        |         |
| Cost of Goods            | \$ 586   | \$ 30,446  | 3,144  | 2,738 | 2,104 | 1,927 | 1,851 | 2,180  | 2,231 | 2,459 | 2,687 | 2,687 | 3,270  | 3,169  | 30,448  |
|                          |          |            |        |       |       |       |       |        |       |       |       |       |        |        |         |
| Additional Insurance     | \$ 68    | \$ 3,541   | 295    | 295   | 295   | 295   | 295   | 295    | 295   | 295   | 295   | 295   | 295    | 295    | 3,541   |
|                          |          |            |        |       |       |       |       |        |       |       |       |       |        |        |         |
| Staff /Wk (see below)    | \$ 1,306 | \$ 67,891  | 5,658  | 5,658 | 5,658 | 5,658 | 5,658 | 5,658  | 5,658 | 5,658 | 5,658 | 5,658 | 5,658  | 5,658  | 67,891  |
|                          |          |            |        |       |       |       |       |        |       |       |       |       |        |        |         |
| Net Revenue/Wk           | \$ 11    | \$ 562     | 58     | 51    | 39    | 36    | 34    | 40     | 41    | 45    | 50    | 50    | 60     | 58     | 562     |

Staff Costs Detailed

|                     |          |           |       |       |       |       |       |       |       |       |       |       |       |       |        |
|---------------------|----------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 30 hrs @ \$18 (PIC) | \$ 540   | \$ 28,080 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 2,340 | 28,080 |
| 30 hrs @ \$16       | \$ 480   | \$ 24,960 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 24,960 |
| Total               | \$ 1,020 | \$ 53,040 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 4,420 | 53,040 |
| w/Benefits          | \$ 1,306 | \$ 67,891 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 5,658 | 67,891 |

Food Revenue Detailed

|                          |        |           |       |       |       |       |       |       |       |       |       |       |       |       |        |
|--------------------------|--------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 20 Burgers @ \$8         | \$ 160 | \$ 8,320  | 859   | 748   | 575   | 527   | 506   | 596   | 610   | 672   | 734   | 734   | 894   | 866   | 8,321  |
| 20 Nachos @ \$6          | \$ 120 | \$ 6,240  | 644   | 561   | 431   | 395   | 379   | 447   | 457   | 504   | 551   | 551   | 670   | 650   | 6,240  |
| 20 Chicken Fingers @ \$6 | \$ 120 | \$ 6,240  | 644   | 561   | 431   | 395   | 379   | 447   | 457   | 504   | 551   | 551   | 670   | 650   | 6,240  |
| 20 Hot Dogs @ \$6        | \$ 120 | \$ 6,240  | 644   | 561   | 431   | 395   | 379   | 447   | 457   | 504   | 551   | 551   | 670   | 650   | 6,240  |
| 50 misc snacks @ \$2     | \$ 100 | \$ 5,200  | 537   | 468   | 359   | 329   | 316   | 372   | 381   | 420   | 459   | 459   | 559   | 541   | 5,200  |
|                          | \$ 620 | \$ 32,240 | 3,329 | 2,899 | 2,228 | 2,040 | 1,960 | 2,309 | 2,362 | 2,604 | 2,846 | 2,846 | 3,463 | 3,356 | 32,242 |

Seasonality Factor 1.24 1.08 0.83 0.76 0.73 0.86 0.88 0.97 1.06 1.06 1.29 1.25

Break Even Assumptions: 15 mixed drinks, 15 glasses of wine, and 15 beers daily  
16 assorted plates (burgers, etc.) daily.  
10 small snacks (chips, nuts, etc.) daily.

Additional: Staff wages will be supplemented by pooled tips  
Only simple mixed drinks, bottled beer, and single glasses of wine.  
No pitchers, no doubles, no whole bottles of wine sold.  
Cost of goods - 25% for alcohol (wholesale purchases), 40% for food.