



MEMO

TO: Scott Somers, CEO
 FROM: David Webster, CFO
 CC: Carol Crothers, Treasurer
 DATE: October 14, 2022
 RE: **2023 Budget Draft version 3**

Enclosed is the revised Draft 3 of the 2023 Operating Budget and the Capital Budget Version 2 for the October 14th FAC Budget meeting at 10:00. The following is a summary of the adjustments to arrive at this 3rd version.

<u>Account</u>	<u>Amount Change from Ver. 1</u>	<u>Description</u>	<u>Budget Incr. (Decrease)</u>
Non-Reserve Capital (NRC)	\$100,000 Budget decrease of NRC Expenditures	Eliminate the proposed blanket Club Budget of \$100,000	\$(100,000)
Non-Reserve Capital (NRC)	\$7,000 Budget increase of NRC Expenditures	P&E approved Aug-22 Lapidary & Silversmith club sun shades for slab/rock saws	\$ 7,000
Non-Reserve Capital (NRC)	\$90,000 Budget increase of NRC Expenditures	P&E approved Aug-22 Woodworkers club improvement to in-house vacuum system	\$ 90,000
Initial Fee	\$8,767 Budget increase to Capital Income	Increase Initial Fee from \$2,643 to \$2,900 to match PACF Fee amount (9.7% increase) 5 houses	\$ (23,267)
PACF Fee	\$93,072 Budget increase to Capital Income	Increase PACF fee from \$2,816 to \$2,900 (3.0% increase) added 5 houses	\$(107,572)
Initiatives Funding	\$27,041 Increase to Initiatives Funding	Increase to funding due to increase in revenue	\$ 27,041
Facilities	\$21,960 increase	Final report adjustment	\$ 32,516
MRR Funding	\$5,000 increase to MRR Funding	MRR Study revision received. Funding amount increased.	\$ 5,000
-	Net Decrease to Budget	Total Amount Decrease	\$ (69,282)
-	-	Number of Members Budgeted '23	/ 13,835
Member Dues	\$69,282 Decrease from Ver. 1 Budgeted Dues	Dues Decrease per Member from proposed \$12 to revised \$7	= <u>(\$5.00)</u> Per Member
Member Dues Total	Dues increases from \$505 to \$512 (1.4% increase)	Budgeted Dues for 2023, \$7 increase	Total \$512 per Member

Summary of Version 3 changes:

The modifications listed above describe the changes from the version 2 budget to the version 3 budget for the fiscal year 2023. These adjustments are prompted by the discussion that occurred at the Thursday, September 29 GVR FAC meeting.

- The Non-Reserve Capital Club Projects have been changed from a single summary blanket amount line item to a listing of the already approved P&E Club projects (page 9). This action does not allow for any additional budgeted Club request expenditures in 2023.
- The Property Acquisition Capital Fee (PACF) has been proposed to be increased to a rate of \$2,900. The Initial Fee increase is restricted to CPI W (All Items, Western Urban Region) effective January 2004 by the Developer Member Side Agreement of September 24, 2003. When applied to this limitation, the Initial Fee proposed increase to \$2,900 does not exceed this restriction. This rate accomplishes the FAC request to have the PACF and Initial Fees match.
- Both the Tenant and Guest Passes are being reviewed by the board in terms of policy and possible future rate adjustments. No adjustments have been included for the 2023 Budget.
- A final review of facilities expenses called for a \$32,516 increase. The total budget reflects a 10% net decrease from 2022 projected expenses for Major Projects & Facility Maintenance when the MRR reimbursement is included.
- The Revised Maintenance Repair and Replace (MRR) Study was received on October 3, 2022. The funding amount has been revised from \$1,202,611 to \$1,207,611. This is the amount we transfer out of Operations and Invest into the MRR Fund in January 2023. We have enclosed key elements of the study for reference on pages 16 through 20. Here is a historical summary:
 - FY 2023 Contribution Amt. \$1,207,611 % Funded 73.0%
 - FY 2022 Contribution Amt. \$1,132,047 % Funded 73.8%
 - FY 2021 Contribution Amt. \$1,048,192 % Funded 76.4%

- There are no changes to the personnel or benefits expenses from version 2 of the 2023 budget. GVR had significant vacancies of positions in 2022 which account for some of the 8.7% increase of 2023 budget compared to 2022 projections. GVR does typically have a normal position vacancy rate that is around 2% or 3%. The primary cause of the increase is the 8% estimated aggregate wage increase in preparation of the Salary and Compensation survey due to be completed prior to 2022 year end. A more appropriate comparison is the 2022 budget that includes these positions to the 2023 budget which reports a 3.2% increase.
- The 5 Year Capital Plan has not changed from the Version 1 capital budget. We are expecting updated estimates of costs for the Del Sol Clubhouse, Glass Arts project and Ceramics Project but we believe the budgeted amounts are sufficient. The summary of the Total Capital Budget is restated on Pages 6 through 8.
- The 2023 Preliminary Cash Projections are included on pages 24 and 25. This report illustrates that there is sufficient Operating and Designated funds to support the 2023 proposed budget.

The Fees Schedule on page 5 reflects the changes as follows:

- Dues, 2022 rate of \$505 increased \$7 to \$512 for 2023 (1.4%).
- Initial Fee, 2022 rate of \$2,643 increased \$257 to \$2,900 for 2023 (9.7%).
- PACF Fee, 2022 rate of \$2,816 increased \$84 to \$2,900 for 2023 (3.0%).

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The enclosed budget related documents are as follows:

- Pages 1-3 Budget Version 3 Memo
- Page 4 Budget Draft 3
- Page 5 Fee Schedule
- Pages 6-9 Capital Budget 2023 Version 2
- Pages 10-5 Capital Projects Reports
- Pages 16-17 MRR Related Expenses and Capital Projects
- Pages 18-20 MRR Summary Report
- Pages 21-23 Three Year Forecast
- Pages 24-25 2023 Cash Basis Forecast

GVR Budget Worksheet BOD GVR Summary VERSION 3

2023 Total Budget VERSION 3		2021	2022	2022	2023	2022 Bud.		2023 Bud.		2023 Bud.	
		1..12	1..12	1..12	Budget	vs	vs	vs	vs	vs	vs
		Actuals	Projection	Budget	Budget	2022 Proj.	2022 Proj.	2022 Proj.	2022 Proj.	2022 Bud.	2022 Bud.
	Full Time Equivalents	83	95	99	94						
	Head Count	103	113	117	94						
Revenue	Member Dues	6,943,727	6,975,365	6,946,780	7,083,520	28,585	0.4%	108,155	1.5%	136,740	1.9%
	LC, Trans., Crd Fees.	700,464	759,645	725,215	757,041	34,430	4.7%	(2,604)	(0.3%)	31,826	4.2%
	Capital Revenue	3,147,953	3,149,837	3,094,570	3,328,040	55,267	1.8%	178,203	5.4%	233,470	7.0%
	Membership Revenue	10,792,144	10,884,847	10,766,565	11,168,601	92,703	0.9%	283,754	2.6%	402,036	3.7%
	Programs	45,602	127,869	203,246	225,310	(75,376)	(37.1%)	97,441	43.2%	22,064	9.8%
	Instructional	167,084	336,183	340,329	333,997	(4,146)	(1.2%)	(2,186)	(0.7%)	(6,332)	(1.9%)
	Recreational Revenue	212,685	464,053	543,575	559,307	(79,522)	(14.6%)	95,254	20.5%	15,732	2.9%
	Investment Income	291,923	301,523	279,432	286,884	22,091	39.1%	7,451	2.7%	7,451	2.7%
	Advertising Income	22,565	-	-	-	0	0.0%	-	-	-	-
	Cell Tower Lease Inc.	41,594	38,674	41,368	34,195	(2,694)	(6.5%)	(4,479)	(13.1%)	(7,173)	(21.0%)
	Comm. Revenue	64,159	38,674	41,368	34,195	(2,694)	(4.2%)	(4,479)	(11.6%)	(7,173)	(17.3%)
	Other Income	75,589	84,215	55,573	83,979	28,642	51.5%	(236)	(0.3%)	28,406	33.8%
	Facility Rent/Leases	5,110	11,023	6,000	6,000	5,023	83.7%	(5,023)	(83.7%)	0	0.0%
	Marketing Events	-	-	-	-	0	0.0%	0	0.0%	0	0.0%
	Contributed Income	30,382	-	-	-	0	0.0%	0	0.0%	0	0.0%
Other Revenue	111,081	95,238	61,573	89,979	33,665	30.3%	(5,259)	(5.5%)	28,406	46.1%	
Total Operating Revenue		11,471,993	11,784,336	11,692,513	12,138,966	91,822	0.8%	354,631	3.0%	446,453	3.8%
Expenses	Major Proj.-Rep. & Maint.	543,722	335,872	542,035	478,280	206,163	38.0%	(142,409)	(29.8%)	63,754	13.3%
	Facility Maintenance	217,211	281,765	170,994	228,478	(110,771)	(64.8%)	53,287	23.3%	(57,484)	(25.2%)
	Fees & Assessments	15,446	31,900	38,134	30,725	6,234	16.3%	1,175	3.8%	7,409	24.1%
	Utilities	824,967	904,079	871,224	927,331	(32,855)	(3.8%)	(23,252)	(2.5%)	(56,106)	(6.1%)
	Depreciation	1,662,021	1,598,440	1,706,610	1,409,492	108,170	6.3%	188,948	13.4%	297,118	21.1%
	Furniture & Equipment	235,563	263,532	248,684	268,444	(14,848)	(6.0%)	(4,912)	(1.8%)	(19,759)	(7.4%)
	Vehicles	83,844	92,267	76,620	101,012	(15,647)	(20.4%)	(8,745)	(8.7%)	(24,392)	(24.1%)
	Facilities & Equipment	3,582,774	3,507,855	3,654,301	3,443,761	146,446	4.0%	64,093	1.9%	210,539	6.1%
	Wages	4,078,614	3,914,721	4,210,760	4,336,945	296,040	7.0%	(422,224)	(9.7%)	(126,185)	(2.9%)
	Payroll Taxes	320,485	307,460	337,618	347,276	30,159	8.9%	(39,816)	(11.5%)	(9,658)	(2.8%)
	Benefits	977,115	1,001,682	993,020	1,039,668	(8,662)	(0.9%)	(37,986)	(3.7%)	(46,648)	(4.5%)
	Personnel	5,376,214	5,223,863	5,541,399	5,723,890	317,536	5.7%	(500,027)	(8.7%)	(182,490)	(3.2%)
	Food & Catering	19,890	27,745	40,319	32,211	12,574	31.2%	(4,466)	(13.9%)	8,108	25.2%
	Recreation Contracts	260,693	384,602	422,853	413,188	38,251	9.0%	(28,586)	(6.9%)	9,665	2.3%
	Bank & Credit Card Fees	46,497	73,929	73,900	71,896	(29)	(0.0%)	2,033	2.8%	2,004	2.8%
	Program	327,080	486,276	537,072	517,295	50,796	9.5%	(31,019)	(6.0%)	19,777	3.8%
	Communications	100,292	109,828	114,045	107,974	4,217	3.7%	1,854	1.7%	6,071	5.6%
	Printing	75,640	82,785	82,200	104,407	(585)	(0.7%)	(21,621)	(20.7%)	(22,207)	(21.3%)
	Advertising	2,500	33,511	33,500	22,524	(11)	(0.0%)	10,987	48.8%	10,976	48.7%
	Communications	178,432	226,125	229,745	234,905	3,621	1.6%	(8,780)	(3.7%)	(5,160)	(2.2%)
	Supplies	302,042	400,778	289,808	424,090	(110,970)	(38.3%)	(23,312)	(5.5%)	(134,282)	(31.7%)
	Postage	20,496	15,046	15,087	20,909	41	0.3%	(5,863)	(28.0%)	(5,822)	(27.8%)
	Dues & Subscriptions	10,061	14,041	12,045	16,710	(1,996)	(16.6%)	(2,669)	(16.0%)	(4,665)	(27.9%)
	Travel	13,445	8,630	16,000	24,258	7,370	46.1%	(15,629)	(64.4%)	(8,258)	(34.0%)
	Other Operating Expense	129,792	91,857	148,264	115,064	56,407	38.0%	(23,207)	(20.2%)	33,200	28.9%
	Operations	475,835	530,352	481,204	601,031	(49,148)	(10.2%)	(70,679)	(11.8%)	(119,827)	(19.9%)
	Information Technology	90,342	90,574	123,798	115,638	33,224	26.8%	(25,064)	(21.7%)	8,160	7.1%
	Professional Fees	258,311	248,934	304,200	148,393	55,266	18.2%	100,541	67.8%	155,807	105.0%
	Commercial Insurance	318,648	329,500	329,075	321,601	(425)	(0.1%)	7,899	2.5%	7,474	2.3%
	Taxes	35,463	28,630	18,566	30,026	(10,064)	(54.2%)	(1,396)	(4.7%)	(11,460)	(38.2%)
Conferences & Training	11,575	20,266	43,100	39,515	22,834	53.0%	(19,249)	(48.7%)	3,585	9.1%	
Employee Recognition	2,321	20,000	20,000	20,731	0	0.0%	(731)	(3.5%)	(731)	(3.5%)	
Provision for Bad Debt	-	-	-	-	0	0.0%	0	0.0%	0	0.0%	
Corporate Expenses	716,659	737,904	838,739	675,904	100,835	12.0%	62,001	9.2%	162,835	24.1%	
Total Operating Expenses		10,656,995	10,712,375	11,282,460	11,196,785	570,085	5.1%	(484,411)	(4.3%)	85,675	0.8%
Net	Gross surplus(Rev-Exp)/ Net Cash F	814,998	1,071,961	410,053	942,181						
	Unrea. Gain/Loss on Invest.	464,843	(2,182,184)	-	-						
	Accrual Basis Net from Operations	1,279,841	(1,110,223)	410,053	942,181						
Adj. to Cash Basis	Subtract:										
	Non-Reserve Capital Projcs		(362,179)	(218,000)	(308,000)						
	Income From Reserve Funds		(271,371)	(243,051)	(247,772)						
	Reserved Funding/Initiatives		(623,923)	(611,753)	(670,625)						
	MRR B (Pools & Spas)		(270,472)	(270,472)	(289,405)						
	Reserved Funding/MRR		(1,132,047)	(1,132,047)	(1,207,611)						
	Cash Basis Changed in Net Assets Net of Reserved		(1,588,031)	(2,065,270)	(1,781,232)						
	Add Back:										
	MRR Operating Expenses.		215,497	269,920	285,239						
	Depreciation		1,598,440	1,706,610	1,409,492						
Expenses from Reserve Funds		88,740	88,740	86,501							
Cash Basis Net Surplus (Deficit)		314,646	-	-						<-- Balance	

Fee Schedule	2021/2022				2023		
	2021/22				#		
	2022 Fee	# Transact.	Revenue		Fee	Transact.	Revenue
4000 - Annual Dues per Household	\$ 505	13,805	\$ 6,971,525	30	\$ 512	13,835	\$ 7,083,520
Life Care, Transfer, Tenant & Addl Card Fees						69,175	
4004 - Annual Life Care Member Dues	\$ 505	48	\$ 24,240		\$ 512	48	\$ 24,576
4005 - Transfer Fee	\$ 450	1,266	\$ 569,700		\$ 450	1,111	\$ 500,000
4007 - Guest Card Fees	\$ 70	1,763	\$ 123,410		\$ 70	1,770	\$ 123,900
1-7 Days	\$ 25	61	\$ 1,525		\$ 25	65	\$ 1,625
2 Weeks	\$ 35	53	\$ 1,855		\$ 35	53	\$ 1,855
1 Month	\$ 50	184	\$ 9,200		\$ 50	184	\$ 9,200
2 Months	\$ 85	147	\$ 12,495		\$ 85	147	\$ 12,495
3 Months	\$ 125	131	\$ 16,375		\$ 125	131	\$ 16,375
4-12 Months	\$ 155	413	\$ 64,015		\$ 155	413	\$ 64,015
4009 - Tenant Fees		989	\$ 105,465			993	\$ 105,565
4102 - Card Replacement	\$ 15	230	\$ 3,450		\$ 15	230	\$ 3,450
4103 - Additional Card Fees	\$ 100	206	\$ 20,600		\$ 100	30	\$ 3,000
4206 - PACF	\$ 2,816	1,267	\$ 3,567,872		\$ 2,900	1,113	\$ 3,227,700
4204 - Initial Fee	\$ 2,643	37	\$ 97,791		\$ 2,900	35	\$ 100,340
Capital Revenue			\$ 3,665,663				\$ 3,328,040
Late Fees	\$ 20	1,896	\$ 37,920		\$ 20	2,350	\$ 47,000

GVR
CAPITAL PROJECTS

BUDGET 2023

Non Reserve Capital Projects Budget 2023 \$ 311,000

West Center Arts Center	\$	50,000
Del Sol Club House	\$	881,915
Canoa Hill Parking Lot Note	\$	11,000
Santa Rita Springs Glass Arts	\$	700,000
Social Gathering Place	\$	50,000
Desert Hills Fitness Expansion	\$	281,999
Desert Hills Ceramics Expansion	\$	150,000

TOTAL BUDGETED INITIATIVES
CAPITAL PROJECTS \$ 2,124,914

MRR-B Pools & Spas:

East Center Pool Projected 2023
Budget \$ -

MRR Study - Capital Projects
Budgeted 2023 \$ 1,344,237

GRAND TOTAL CAPITAL BUDGETS 2023 \$ 3,780,151

GVR
Long Term Capital Project Plan
Funding Projections

All Amounts Are Projections

	2022	2023	2024	2025	2026	2027
Initiatives						
Beginning Balance	\$ 2,166,737	\$ 1,759,632	\$ 432,194	\$ 899,065	\$ 1,676,506	\$ 2,528,249
Funding From Operations Revenue	\$ 661,034	\$ 643,584	\$ 626,088	\$ 635,987	\$ 664,930	\$ 646,325
Additional GVR Funding (Surplus)	\$ 12,559	\$ 114,616	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Additional Funding / Emergency Fund	\$ 467,156					
Loan Payments						
Net Investment Earnings	\$ (139,201)	\$ 102,662	\$ 25,216	\$ 52,454	\$ 97,812	\$ 147,506
Projects:						
West Center Arts Center	\$ (50,000)	\$ (50,000)				
Del Sol Club House	\$ (318,085)	\$ (881,915)				
Canoa Hill Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
Santa Rita Springs Glass Arts	\$ (200,000)	\$ (700,000)				
SRS Kino Room / Computer Lab	\$ (117,000)					
Social Gathering Place	\$ (45,000)	\$ (50,000)				
Desert Hills Fitness Expansion	\$ (616,001)	\$ (345,385)				
Desert Hills Ceramics Expansion						
Expand Ceramics	\$ (50,000)	\$ (150,000)				
ABS Shuffleboard Courts	\$ (1,567)		\$ (123,433)			
LC Third Tennis Courts			\$ (150,000)			
Ending Balance	\$ 1,759,632	\$ 432,194	\$ 899,065	\$ 1,676,506	\$ 2,528,249	\$ 3,411,079
Maintenance Repair & Replacement						
Beginning Balance	\$ 8,025,718	\$ 6,769,357	\$ 6,911,736	\$ 6,522,523	\$ 6,998,425	\$ 7,276,410
Annual Funding (per Reserve Study)	\$ 1,132,047	\$ 1,207,611	\$ 1,320,420	\$ 1,426,054	\$ 1,540,138	\$ 1,540,138
Additional Funding						
Net Investment Earnings (actual IPS rate)	\$ (719,702)	\$ 587,406	\$ 645,846	\$ 578,086	\$ 636,681	\$ 345,663
Projects:						
Per Reserve Study	\$ (1,668,706)	\$ (1,652,638)	\$ (2,355,479)	\$ (1,528,237)	\$ (1,898,835)	\$ (1,035,850)
Ending Balance	\$ 6,769,357	\$ 6,911,736	\$ 6,522,523	\$ 6,998,425	\$ 7,276,410	\$ 8,126,361
MRR Part B - Pools and Spas						
Beginning Balance	\$ 1,083,705	\$ 387,457	\$ 916,352	\$ 1,291,419	\$ 1,704,449	\$ 296,956
Funding	\$ 270,472	\$ 289,405	\$ 303,875	\$ 319,069	\$ 335,022	\$ 351,774
Additional Funding (2022 Surplus allocation)		\$ 200,000				
Net Investment Earnings	\$ (5,485)	\$ 39,490	\$ 71,192	\$ 93,961	\$ 118,989	\$ 37,849
East Center Pool	\$ (961,235)					
Casa Paloma 1					\$ (1,861,503)	
Ending Balance	\$ 387,457	\$ 916,352	\$ 1,291,419	\$ 1,704,449	\$ 296,956	\$ 686,579
Subtotal Capital Projects Reserves	\$ 8,916,446	\$ 8,260,282	\$ 8,713,006	\$ 10,379,380	\$ 10,101,615	\$ 12,224,020

GVR
Long Term Capital Project Plan
Funding Projections

All Amounts Are **Projections**

	2022	2023	2024	2025	2026	2027
Emergency						
Beginning Balance	\$ 1,170,653	\$ 473,630	\$ 505,652	\$ 539,839	\$ 566,839	\$ 594,839
Annual Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative	\$ (467,156)					
Net Investment Earnings	\$ (229,867)	\$ 32,022	\$ 34,187	\$ 27,000	\$ 28,000	\$ 30,000
Projects:						
East Center (2019)						
Ending Balance	\$ 473,630	\$ 505,652	\$ 539,839	\$ 566,839	\$ 594,839	\$ 624,839
Total Board Designated Funds	\$ 9,390,076	\$ 8,765,934	\$ 9,252,846	\$ 10,946,219	\$ 10,696,454	\$ 12,848,859



2023 Non-Reserve Capital Projects

	Amount
Lapidary & Silvermith Club Sun Shades for Slab/Rock Saws (P&E Appr. 08/22)	\$ 7,000
Woodworkers Club Improvement to in-house vacuum system(P&E Appr. 08/22)	\$ 90,000
Accessibility Initiatives	\$ 70,000
Ride on Floor Scrubber - WC	\$ 10,000
Social Spaces - Furniture and Amenities	\$ 20,000
Articulating Boom Lift - Tow behind	\$ 30,000
Dolphin Pool Cleaners	\$ 10,000
Clear Comforts	\$ 27,000
Mini Skid Steer Attachments	\$ 9,000
Proximity Readers	\$ 35,000
<hr/>	
Total	\$ 308,000



GVR Capital Project

West Center Arts Complex

Project #2022-02-WC-03

Project Description:

This project funds up to an additional \$50,000 toward design services for an Arts Center at the GVR West Center at 1111 South GVR Drive, Green Valley AZ which was approved by the Board on December 15, 2021. The scope of the project is to consolidate the current 3 Lapidary shops to a single location and provide better accommodations for the GVR Metalworking Club in a new facility on the West Center Campus. Staff is to present the results of the designs by Seaver Franks Architects to the Board for direction on how to proceed.

	Cumulative Project		Cumulative Project Inception to December 31, 2022 Estimated	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022	Sept-Dec 2022		2023	2024	2025	2026	2027	
	Actual	Projected		Budget	Projected	Projected	Projected	Projected	
Funding Source									
Non Reserve Oper. Clubs			\$ -						\$ -
Initiatives		\$ 50,000	\$ 50,000	\$ 50,000					\$ 100,000
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Expenditures									
		\$ 50,000	\$ 50,000	\$ 50,000					\$ 100,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Exp.	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 50,000					
Estimated Total Project Cost		\$ 100,000		\$ -					
Estimated Completion Date		Dec-23		\$ 50,000					
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:	FY 2022								



GVR Capital Project
Del Sol Clubhouse Improvement
Project #2022-02-CHCH-01

Project Description:

This project is the P&E recommended and Board approved minimal improvements to the upper level of the GVR owned Del Sol Clubhouse building at 3295 Camino del Sol, Green Valley AZ. Project includes architectural services provided by Scott Rumel Architect for ADA compliant designs for the restrooms and construction contract with Madera Construction. Designs for the lower level are underway and are to include billiards and poker rooms, restrooms, communicating stair an elevator/lift and parking lot redesign.

	Cumulative Project		Cumulative Project Inception to December 31, 2022 Estimated	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022	Sept-Dec 2022		2023	2024	2025	2026	2027	
	Actual	Projected		Budget	Projected	Projected	Projected	Projected	
Funding Source									
Non Reserve Oper. Clubs			\$ -						\$ -
Initiatives	\$ 87,312	\$ 230,773	\$ 318,085	\$ 881,915					\$1,200,000
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ 87,312	\$ 230,773	\$ 318,085	\$ 881,915	\$ -	\$ -	\$ -	\$ -	\$1,200,000
Expenditures									
Del Sol Clubhouse	\$ 87,312	\$ 230,773	\$ 318,085	\$ 881,915					\$1,200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Exp.	\$ 87,312	\$ 230,773	\$ 318,085	\$ 881,915	\$ -	\$ -	\$ -	\$ -	\$1,200,000
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 881,915					
Estimated Total Project Cost		\$1,200,000		\$ -					
Estimated Completion Date		Feb-23		\$ 881,915					
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:		FY 2022							



GVR Capital Project

Santa Rita Springs Glass Artists' Dedicated Studio

Project #2022-02-SRS-08

Project Description:

This project funds a tenant improvement to convert the current GVR Computer Club spaces to a dedicated club space for the GVR Glass Artists located at Santa Rita Springs center at 921 W. Rio Fuerte, Green Valley AZ. The space will include upgraded electrical and mechanical systems for kilns, and rooms for stained and frit glass, an open studio, classroom and a covered exterior work area. Project includes design services by WSM Architects and a construction contract with Barker Contracting.

	Cumulative Project		Cumulative Project Inception to December 31, 2022 Estimated	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022 Actual	Sept-Dec 2022 Projected		2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected	
Funding Source									
Non Reserve Oper.			\$ -						\$ -
Clubs			\$ -						\$ -
Initiatives	\$ -	\$ 200,000	\$ 200,000	\$ 700,000					\$ 900,000
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 200,000	\$ 200,000	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000
Expenditures									
SRS Glass Arts	\$ -	\$ 200,000	\$ 200,000	\$ 700,000					\$ 900,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Exp.	\$ -	\$ 200,000	\$ 200,000	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 700,000					
Estimated Total Project Cost	\$ 900,000		\$ -						
Estimated Completion Date	Dec-23		\$ 700,000						
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:	FY 2022								



GVR Capital Project

Social Gathering

Project #2022-02-WC-07

Project Description:

This project funds the P&E recommended and Board approved areas for development of social gathering areas at West Center. The design includes a large metal structure trellis to be constructed over the courtyard, exterior furniture and upgraded landscaping. Project includes design services by Seaver Franks Architects and a construction contract with Barker Contracting.

	Cumulative Project		Cumulative Project Inception to December 31, 2022 Estimated	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022	Sept-Dec 2022		2023	2024	2025	2026	2027	
	Actual	Projected		Budget	Projected	Projected	Projected	Projected	
Funding Source									
Non Reserve Oper.			\$ -						\$ -
Clubs			\$ -						\$ -
Initiatives	\$ -	\$ 45,000	\$ 45,000	\$ 50,000					\$ 95,000
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 45,000	\$ 45,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 95,000
Expenditures									
	\$ -	\$ 45,000	\$ 45,000	\$ 50,000					\$ 95,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Exp.	\$ -	\$ 45,000	\$ 45,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 95,000
Balance - End of Year:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 50,000					
Estimated Total Project Cost	\$ 95,000		\$ -						
Estimated Completion Date	Jul-23		\$ 50,000						
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:	FY 2022								



GVR Capital Project

Desert Hills Fitness Center Improvement

Project #2022-02-DH-01

Project Description:

This project funds the P&E recommended and Board approved improvements to the GVR owned Desert Hills Fitness Center at 2980 S. Camino del Sol, Green Valley AZ. Project includes a contract with Barker Contracting. The project consists of a tenant improvement located on the lower level of the existing west wing of the 14,585 gsf two story building. The existing shuffleboard courts will be infilled and a new wall will enclose the space as interior for a new weight/cardio/fitness room. The existing billiards room will be converted to a fitness studio for yoga/fitness/ aerobics classes.

	Cumulative Project		Cumulative Project Inception to December 31, 2022	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022	Sept-Dec 2022		2023	2024	2025	2026	2027	
	Actual	Projected	Estimated	Budget	Projected	Projected	Projected	Projected	
Funding Source									
Non Reserve Oper.			\$ -						\$ -
Clubs			\$ -						\$ -
Initiatives	\$ 31,386	\$ 574,615	\$ 606,001	\$ 345,385					\$ 951,386
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ 31,386	\$ 574,615	\$ 606,001	\$ 345,385	\$ -	\$ -	\$ -	\$ -	\$ 951,386
Expenditures									
Del Sol Clubhouse	\$ 31,386	\$ 574,615	\$ 606,001	\$ 345,385					\$ 951,386
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Exp.	\$ 31,386	\$ 574,615	\$ 606,001	\$ 345,385	\$ -	\$ -	\$ -	\$ -	\$ 951,386
Balance - End of Year:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 345,385					
Estimated Total Project Cost	\$1,000,000		\$ -						
Estimated Completion Date	Feb-23		\$ 345,385						
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:	FY 2022								



GVR Capital Project

Desert Hills Expansion of the GVR Ceramics Club Dedicated Space

Project #2022-02-DH-04

Project Description:

This project funds an expansion of the GVR Ceramics Club at Desert Hills at 2980 South Camino Del Sol, Green Valley AZ. The expansion encloses 600 Sq. Ft. of the upper level walkway to provide additional studio area to the current Club’s dedicated space and brings the existing kiln room’s electrical and mechanical systems up to code. Project includes design services by Seaver Franks Architects and a construction contract with Barker Contracting.

	Cumulative Project		Cumulative Project Inception to December 31, 2022 Estimated	BUDGET					Cumulative Project Inception to End/FY27 Projected
	Inception to August 31, 2022 Actual	Sept-Dec 2022 Projected		2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected	
Funding Source									
Non Reserve Oper. Clubs			\$ -						\$ -
Initiatives		\$ 50,000	\$ 50,000	\$ 150,000					\$ 200,000
Maint. Repair & Repl.			\$ -						\$ -
Emergency			\$ -						\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 50,000	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Expenditures									
DH expansion of ceramics into classroom		\$ 50,000	\$ 50,000	\$ 150,000					\$ 200,000
Total Capital Exp.	\$ -	\$ 50,000	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact on Budget:				FY 2023 Capital					
				\$ 150,000					
Estimated Total Project Cost	\$ 200,000		\$ -						
Estimated Completion Date	Dec-23		\$ 150,000						
Department	Facilities								
Manager	David Jund, Director of Facilities								
Initial Year appropriated:	FY 2022								

Level	Major	Sub w/Description	2023
010-Administrative Offices	22000-Office Equipment	200 - Computers, Misc. 5 IT Servers (20%)	13,633
010-Administrative Offices	22000-Office Equipment	270 - Network Equipment Routers & Switches	6,560
030-East Social Center (EC)	14000-Recreation	300 - Exercise: Strength Equipment 19 Fitness Room Strength Machines, Etc (40,898
030-East Social Center (EC)	14000-Recreation	200 - Exercise: Cardio Equipment 17 Fitness Room Cardio Machines (25%)	28,969
060-Canoa Hills (CH)	14000-Recreation	330 - Exercise: Strength Equipment 20 Fitness Center Strength Machines (50%	48,243
060-Canoa Hills (CH)	14000-Recreation	234 - Exercise: Cardio Equipment 16 Fitness Center Cardio Machines (25%)	28,720
040-Las Campanas (LC)	14000-Recreation	310 - Exercise: Strength Equipment 23 Fitness Center Strength Machines (50%	55,447
040-Las Campanas (LC)	14000-Recreation	210 - Exercise: Cardio Equipment 22 Fitness Center Cardio Machines (25%)	39,801
070-Santa Rita Springs (SRS)	14000-Recreation	340 - Exercise: Strength Equipment 23 Fitness Center Strength Machines (50%	44,005
080-Canoa Ranch (CR)	14000-Recreation	350 - Exercise: Strength Equipment 26 Fitness Center Strength Machines, Etc	65,183
010-Administrative Offices	05000-Roofing	304 - Low Slope: Vinyl 79 Squares- Building Roof- Replace	80,084
030-East Social Center (EC)	20000-Lighting	510 - Parking Lot 7 Parking Lot Lights	21,166
030-East Social Center (EC)	23000-Mechanical Equipment	384 - HVAC Rooftop Carrier Unit #8- 2008	20,705
140-Abrego North (AN)	02000-Concrete	472 - Pool Deck 4,523 sf Pool/Spa Area Concrete Repair (6%)	6,537
140-Abrego North (AN)	12000-Pool	778 - Equipment: Replacement Pool & Spa Equipment (50%)	21,363
020-West Social Center (WC)	23000-Mechanical Equipment	404 - HVAC 4 Rooftop Carrier/American Units- 2008	61,500
130-Casa Paloma II (CPII)	20000-Lighting	260 - Pole Lights 8 Shuffleboard Lights	11,578
050-Desert Hills (DH)	04500-Decking/Balconies	200 - Resurface 1,778 sf Second Floor Deck	29,870
050-Desert Hills (DH)	08000-Rehab	218 - Locker Rooms 2 Men's & Women's	137,420
050-Desert Hills (DH)	24600-Safety / Access	220 - Fire Control Misc Fire Alarm System	20,366
050-Desert Hills (DH)	25000-Flooring	440 - Tile 975 sf Clubhouse Walls & Floors	31,001
110-Madera Vista (MV)	12000-Pool	766 - Equipment: Replacement Pool & Spa Equipment (50%)	17,926
120-Casa Paloma I (CPI)	12000-Pool	770 - Equipment: Replacement Pool & Spa Equipment (50%)	22,031
100-Continental Vistas (CV)	02000-Concrete	448 - Pool Deck 4,748 sf Pool/Spa Area Concrete Repair (6%)	8,468
060-Canoa Hills (CH)	23000-Mechanical Equipment	220 - HVAC 6 Rooftop Carrier Units- 2007	54,686
040-Las Campanas (LC)	02000-Concrete	412 - Pool Deck 4,731 sf Pool/Spa Area Concrete Repair (7.5%)	8,547
040-Las Campanas (LC)	12000-Pool	112 - Resurface 264 lf Pool	50,873
070-Santa Rita Springs (SRS)	02000-Concrete	430 - Pool Deck 5,975 sf Pool/Spa Area Concrete Repair (6%)	8,635
070-Santa Rita Springs (SRS)	04500-Decking/Balconies	300 - Repairs 12,664 sf Elastomeric Deck- Seal/Repair	27,519
070-Santa Rita Springs (SRS)	12000-Pool	130 - Resurface 240 lf Pool	46,248
070-Santa Rita Springs (SRS)	12000-Pool	750 - Equipment: Replacement Pool & Spa Equipment (50%)	29,502
070-Santa Rita Springs (SRS)	25000-Flooring	460 - Tile 1,825 sf Clubhouse Walls & Floors	26,563
080-Canoa Ranch (CR)	12000-Pool	636 - Deck: Re-Surface 2,650 sf Pool Area Decking	43,433
080-Canoa Ranch (CR)	23000-Mechanical Equipment	236 - HVAC 6 Rooftop HVAC Units- 2008	86,684
800-General	30000-Miscellaneous	832 - Vehicle 3 2013 Ford Transit Connects- #20, 21, 23	90,456
800-General	30000-Miscellaneous	866 - Vehicle 2017 Ford Escape- #36	32,780
TOTAL MRR CAPITAL PROJECTS 202			1,367,399

Level	Major	Sub w/Description	Exp
010-Administrative Offices	22000-Office Equipment	240 - Computers, Misc. Office Computer Work Stations	19,578
060-Canoa Hills (CH)	24500-Audio / Visual	812 - Stage Risers 288 sf [6] Saguaro Room Risers	4,257
070-Santa Rita Springs (SRS)	24500-Audio / Visual	160 - Projector 3 Projectors (33%)	1,400
010-Administrative Offices	05000-Roofing	930 - Coating 7,900 sf Low Slope Roof Recoating	7,774
030-East Social Center (EC)	17000-Tennis Court	110 - Reseal 14,400 sf [2] Tennis Courts	10,480
030-East Social Center (EC)	17500-Basketball / Sport Court	210 - Seal & Striping 18,200 sf [8] Pickleball Courts	20,707
140-Abrego North (AN)	01000-Paving	420 - Asphalt: Major Repairs 14,105 sf Parking Area	84,577
020-West Social Center (WC)	03500-Painting: Interior	107 - Building All Interior Spaces (2023 Only)[nr:1]	5,365
050-Desert Hills (DH)	02000-Concrete	415 - Pool Deck Pool/Spa Area Concrete Repair (2023 Only)[nr:1]	4,100
050-Desert Hills (DH)	17000-Tennis Court	130 - Reseal 28,800 sf [4] Tennis Courts	20,959
060-Canoa Hills (CH)	03500-Painting: Interior	131 - Building All Interior Spaces (2023 Only)[nr:1]	12,300
060-Canoa Hills (CH)	24000-Furnishings	620 - Miscellaneous Lobby Furniture	9,649
060-Canoa Hills (CH)	25000-Flooring	254 - Carpeting 418 Sq. Yds. Clubhouse Carpeting	18,723
060-Canoa Hills (CH)	26000-Outdoor Equipment	849 - Shade Structure Tennis Court Shade Canopy (2023 Only)[nr:1]	1,230
070-Santa Rita Springs (SRS)	03000-Painting: Exterior	400 - Wrought Iron 1,758 lf Pool Fence, Metal Railings	13,425
070-Santa Rita Springs (SRS)	03500-Painting: Interior	137 - Building 2023 Only[nr:1]	5,945
200-Pickleball Center	17500-Basketball / Sport Court	200 - Seal & Striping 54,600 sf [24] Pickleball Courts	44,772
TOTAL MRR FUNDED FACILITIES EXPENSES			285,239



Reserve Study Transmittal Letter

Date: October 04, 2022
To: David Webster, Green Valley Recreation Inc
From: Browning Reserve Group, LLC (BRG)

Re: Green Valley Recreation Inc; Update w/ Site Visit Review

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

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

This is found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* **\$1,207,611** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$88.73 Household/yr @ 13,610.** For any other funding related issues, if any, see *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."*

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

This is found for the 30-year term of the study in *Section IV, "30 Year Reserve Funding Plan, Including Fully Funded Balance and % Funded."* For the year for which the study was prepared, 2023, the Project is **73.0%** funded.

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

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

The funding goal set by the CPM is a minimum threshold. 85% of full funding.

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

While this information is in various places in the study, it can always be found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* For this study the assumption is **1.50%** for the interest rate and **2.50%** for the inflation factor. Please be advised these rates estimate the values that will stand the test of time over the 30-year term of the study, not simply only next year.

Green Valley Recreation Inc

First Draft

Published - September 30, 2022

Prepared for the 2023 Fiscal Year

Reserve Study Summary

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

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

Green Valley Recreation Inc is a project with a total of 13,610 households.

Physical Inspection

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

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

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

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

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

Summary of Reserves

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

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

1. The Expenditure Forecast of the following Reserve Study identifies the major components which the Project is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:
 - a. Its current estimated replacement cost;
 - b. Its estimated useful life; and
 - c. Its estimated remaining useful life.
2. It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$9,841,795.
 - [For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]
3. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2023 is estimated to be \$7,182,367, constituting 73.0% of the total expenditures anticipated for all such major components through their first end of useful life replacement.
4. Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$1,207,611 [*\$88.73 Household per yr (average)*] for the fiscal year ending December 31, 2023 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

Funding Assessment

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

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

The funding goal set by the CPM is a minimum threshold, 85% of full funding.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Project is 73.0% funded. The following scale can be used as a measure to determine the Project's financial picture whereas the lower the percentage, the higher the likelihood of the Project requiring a special assessment, or other large increases to the reserve contribution in the future.



MEMO

TO: Scott Somers, CEO
FROM: David Webster, CFO
CC: Carol Crothers, Treasurer, and Fiscal Affairs Committee
DATE: October 14, 2022
RE: **2024 through 2027 Three Year Projections**

The following discussion explains and analyzes the enclosed three-year financial forecast of GVR for the years 2024 through 2027. The purpose of this forecast is for long term planning and sustainability purposes only and is not part of the 2023 budget.

Operating Revenue

- **Member Dues:** The forecast assumes a flat 1.5% increase annually and includes both added members and future dues increases.
- **Member Fees:** This line item includes Transfer Fees (77% of total) and Tenant and Guest Cards (20%). There is some policy discussion occurring regarding Guest Cards. A flat 2.0% annual increase is forecasted.
- **Capital Revenue:** The number of additional GVR homes are increased due to new developments and voluntary opt in memberships. The resulting increases are as follows:
 - FY 2024 5.9%
 - FY 2025 6.6%
 - FY 2026 5.8%
- **All Other Revenue:**
 - Cell Tower \$0 Increase
 - All Other Revenue (7.7% of total) 3.0% Increases each year

Operating Expenses

- All Operating Expenses are forecasted with 3.0% annual increases except the following:
 - Vehicles forecasted with a 4.0% increase each year due to gas and oil.
 - Employee Benefits forecasted with a 5.0% increase each year.

- Commercial Insurance forecasted with a 6.0% increase each year.
- Postage forecasted with a 2.0% increase each year.
- Depreciation forecasted on actual depreciation of existing assets and additional assets included in five-year capital plan.

Reserves

- The MRR Reserve Study projects the following annual contributions to the MRR Fund (8% increases):
 - \$1,320,420 (FY 2024)
 - \$1,426,054 (FY 2025)
 - \$1,540,138 (FY 2026)
- The MRR-B Fund is forecasted to have the following annual contributions to the MRR-B Pool and Spa Fund (5% increases):
 - \$303,875 (FY 2024)
 - \$319,069 (FY 2025)
 - \$335,022 (FY 2026)

Summary

- To evaluate the GVR three-year organizational forecast; the five-year capital plan, reserves funding projections, and operating activities must be considered together. Based on these forecasts, GVR is a financially healthy well managed company that should be able to financially continue to proceed with the five-year plan, reserves funding and operations over the foreseeable future as a very strong going concern.

GVR Budget Worksheet BOD GVR Summary VERSION 2



2023 Total Budget VERSION		2021	2022	2022	2023	2024	2025	2026
		1..12	1..12	1..12	Budget	Projected	Projected	Projected
		Actuals	Projection	Budget	Budget	Budget	Budget	Budget
	Full Time Equivalents	83	95	99	94	95	95	95
	Head Count	103	113	117	94	95	95	95
Revenue	Member Dues	6,943,727	6,975,365	6,946,780	7,152,695	7,295,749	7,441,664	7,590,497
	LC,Trans., Crd Fees.	700,464	759,645	725,215	757,281	772,427	787,875	803,633
	Capital Revenue	3,147,953	3,149,837	3,094,570	3,294,511	3,393,347	3,495,147	3,600,001
	Membership Revenue	10,792,144	10,884,847	10,766,565	11,204,487	11,461,522	11,724,686	11,994,131
	Programs	45,602	127,869	203,246	225,310	232,069	239,031	246,202
	Instructional	167,084	336,183	340,329	333,997	344,017	354,337	364,967
	Recreational Revenue	212,685	464,053	543,575	559,307	576,086	593,369	611,170
	Investment Income	291,923	301,523	279,432	286,884	286,884	286,884	286,884
	Advertising Income	22,565	-	-	-	-	-	-
	Cell Tower Lease Inc.	41,594	38,674	41,368	34,195	34,195	34,195	34,195
	Comm. Revenue	64,159	38,674	41,368	34,195	34,195	34,195	34,195
	Other Income	75,589	84,215	55,573	84,451	86,985	89,594	92,282
	Facility Rent/Leases	5,110	11,023	6,000	6,000	6,180	6,365	6,556
	Marketing Events	-	-	-	-	-	-	-
	Contributed Income	30,382	-	-	-	-	-	-
	Other Revenue	111,081	95,238	61,573	90,451	93,165	95,960	98,839
		Total Operating Revenue	11,471,993	11,784,336	11,692,513	12,175,324	12,451,852	12,735,094
Expenses				706,758	769,349			
	Major Proj.-Rep. & Maint.	543,722	335,872	542,035	550,628	567,147	584,162	601,687
	Facility Maintenance	217,211	281,765	170,994	218,721	225,282	232,041	239,002
	Fees & Assessments	15,446	31,900	38,134	30,725	31,647	32,597	33,574
	Utilities	824,967	904,079	871,224	927,331	955,150	983,805	1,013,319
	Depreciation	1,662,021	1,598,440	1,706,610	1,697,860	1,748,796	1,801,259	1,855,297
	Furniture & Equipment	235,563	263,532	248,684	268,444	276,497	284,792	293,336
	Vehicles	83,844	92,267	76,620	101,012	105,052	109,254	113,624
	Facilities & Equipment	3,582,774	3,507,855	3,654,301	3,794,720	3,909,572	4,027,909	4,149,839
	Wages	4,078,614	3,914,721	4,210,760	4,336,945	4,467,054	4,601,065	4,739,097
	Payroll Taxes	320,485	307,460	337,618	347,276	357,694	368,425	379,478
	Benefits	977,115	1,001,682	993,020	1,039,893	1,091,888	1,146,482	1,203,806
	Personnel	5,376,214	5,223,863	5,541,399	5,724,115	5,916,636	6,115,973	6,322,382
	Food & Catering	19,890	27,745	40,319	32,211	33,177	34,173	35,198
	Recreation Contracts	260,693	384,602	422,853	413,143	425,537	438,304	451,453
	Bank & Credit Card Fees	46,497	73,929	73,900	71,896	74,053	76,275	78,563
	Program	327,080	486,276	537,072	517,250	532,768	548,751	565,213
	Communications	100,292	109,828	114,045	107,974	111,213	114,550	117,986
	Printing	75,640	82,785	82,200	104,407	107,539	110,765	114,088
	Advertising	2,500	33,511	33,500	22,524	23,200	23,896	24,613
	Communications	178,432	226,125	229,745	234,905	241,952	249,210	256,687
	Supplies	302,042	400,778	289,808	424,090	436,813	449,917	463,415
	Postage	20,496	15,046	15,087	20,909	21,536	22,182	22,848
	Dues & Subscriptions	10,061	14,041	12,045	16,710	17,211	17,728	18,260
	Travel	13,445	8,630	16,000	24,934	25,682	26,453	27,246
	Other Operating Expense	129,792	91,857	148,264	115,064	118,516	122,072	125,734
	Operations	475,835	530,352	481,204	601,708	619,759	638,352	657,502
	Information Technology	90,342	90,574	123,798	115,638	119,108	122,681	126,361
	Professional Fees	258,311	248,934	304,200	148,393	152,844	157,430	162,153
	Commercial Insurance	318,648	329,500	329,075	321,601	340,898	361,351	383,032
Taxes	35,463	28,630	18,566	30,026	30,927	31,855	32,810	
Conferences & Training	11,575	20,266	43,100	39,515	40,700	41,921	43,179	
Employee Recognition	2,321	20,000	20,000	20,731	21,353	21,993	22,653	
Provision for Bad Debt	-	-	-	-	-	-	-	
Corporate Expenses	716,659	737,904	838,739	675,904	705,829	737,231	770,189	
	Total Operating Expenses	10,656,995	10,712,375	11,282,460	11,548,602	11,926,516	12,317,426	12,721,812
Net	Gross surplus(Rev-Exp)/ Net Cash F	814,998	1,071,961	410,053	626,723	525,336	417,667	303,407
	Unrea. Gain/Loss on Invest.	464,843	(2,182,184)	-	-	-	-	-
	Accrual Basis Net from Operations	1,279,841	(1,110,223)	410,053	626,723	525,336	417,667	303,407

GVR Cash Requirements Report
FY 2023

ACTUAL / PROJECTED	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>
Operating Cash at CHASE													
Beginning of Month Balance	3,368,102	1,191,241	996,922	658,436	970,116	1,199,713	969,738	1,017,250	1,064,761	912,106	1,263,092	1,735,468	857,600
Transfer In	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	-	-
Transfer Out	(4,500,000)	-	-	-	-	-	-	-	-	-	-	(4,000,000)	(500,000)
Cash Receipts	3,368,507	561,643	617,643	567,643	485,559	364,169	303,474	303,474	303,474	606,948	728,338	3,878,093	3,162,507
Cash Disbursements	(1,045,368)	(755,963)	(956,129)	(755,963)	(755,963)	(1,094,144)	(755,963)	(755,963)	(956,129)	(755,963)	(755,963)	(755,962)	(2,474,178)
Net Operating Cash Flow	2,323,139	(194,319)	(338,486)	(188,319)	(270,404)	(729,975)	(452,488)	(452,488)	(652,655)	(149,014)	(27,625)	3,122,132	688,329
Ending of Month Balance	1,191,241	996,922	658,436	970,116	1,199,713	969,738	1,017,250	1,064,761	912,106	1,263,092	1,735,468	857,600	1,045,929
Operating Investment Accounts (A&B)													
Beginning of Month Balance	2,161,641	5,396,376	5,366,237	5,336,061	4,805,846	4,285,029	3,770,266	3,258,213	2,745,521	2,232,187	1,701,446	1,163,335	4,836,183
Transfer In	4,500,000	-	-	-	-	-	-	-	-	-	-	4,000,000	500,000
Transfer Out	(1,267,967)	(36,884)	(36,884)	(536,884)	(526,825)	(520,119)	(516,766)	(516,766)	(516,766)	(533,531)	(540,238)	(328,606)	(1,376,305)
Earned Income on Investmer	2,702	6,745	6,708	6,670	6,007	5,356	4,713	4,073	3,432	2,790	2,127	1,454	6,045
Ending of Month Balance	5,396,376	5,366,237	5,336,061	4,805,846	4,285,029	3,770,266	3,258,213	2,745,521	2,232,187	1,701,446	1,163,335	4,836,183	3,965,923
MRR Reserve													
Beginning of Month Balance	6,769,357	7,879,098	7,780,730	7,681,862	7,582,492	7,482,616	7,382,233	7,281,340	7,179,933	7,078,011	6,975,571	6,872,610	6,769,126
Transfer In MRR Funding	1,207,611	-	-	-	-	-	-	-	-	-	-	-	1,222,611
Transfer Out	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)	(137,720)
Net Earned Income on Invest	39,850	39,352	38,852	38,349	37,844	37,337	36,826	36,313	35,798	35,280	34,759	34,236	39,925
Ending of Month Balance	7,879,098	7,780,730	7,681,862	7,582,492	7,482,616	7,382,233	7,281,340	7,179,933	7,078,011	6,975,571	6,872,610	6,769,126	7,893,942
MRR - B Pool and Spa Replacement Reserve													
Beginning of Month Balance	387,457	678,498	680,138	681,782	883,913	886,049	888,190	890,336	892,488	894,645	896,807	901,142	905,497
Transfer In MRR B Pool & Spa Funding	289,405	-	-	200,000	-	-	-	-	-	-	-	-	303,875
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	1,636	1,640	1,644	2,131	2,136	2,141	2,146	2,152	2,157	2,162	4,335	4,356	5,845
Ending of Month Balance	678,498	680,138	681,782	883,913	886,049	888,190	890,336	892,488	894,645	896,807	901,142	905,497	1,215,217
Initiatives Reserve													
Beginning of Month Balance	1,759,632	1,650,853	1,517,963	1,384,430	1,365,808	1,221,432	1,069,620	913,704	757,035	599,609	458,268	322,983	476,807
Transfer In	60,356	36,884	36,884	36,884	26,825	20,119	16,766	16,766	16,766	33,531	40,238	328,606	55,885
Other Funding	-	-	-	115,000	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	7,941	7,302	6,659	6,570	5,875	5,145	4,395	3,641	2,884	2,204	1,554	2,293	1,719
Transfer Out	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)	(177,076)
Ending of Month Balance	1,650,853	1,517,963	1,384,430	1,365,808	1,221,432	1,069,620	913,704	757,035	599,609	458,268	322,983	476,807	357,335
Emergency Reserve													
Beginning of Month Balance	473,631	476,315	479,014	481,728	484,458	487,203	489,964	492,741	495,533	498,341	501,165	504,005	506,861
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Invest	2,684	2,699	2,714	2,730	2,745	2,761	2,776	2,792	2,808	2,824	2,840	2,856	2,872
Ending of Month Balance	476,315	479,014	481,728	484,458	487,203	489,964	492,741	495,533	498,341	501,165	504,005	506,861	509,733
Total Reserve Accounts													
Total Operating Cash	6,587,617	6,363,159	5,994,496	5,775,963	5,484,741	4,740,004	4,275,463	3,810,282	3,144,293	2,964,538	2,898,803	5,693,783	5,011,852
Grand Total Cash & Investments	17,272,382	16,821,004	16,224,299	16,092,634	15,562,042	14,570,011	13,853,584	13,135,271	12,214,899	11,796,349	11,499,543	14,352,073	13,772,861

**GVR Cash Requirements Report
FY 2023**

ACTUAL / PROJECTED

	Projected Jan-23	Projected Feb-23	Projected Mar-23	Projected Apr-23	Projected May-23	Projected Jun-23	Projected Jul-23	Projected Aug-23	Projected Sep-23	Projected Oct-23	Projected Nov-23	Projected Dec-23	Projected Jan-24
Actual Days Oper. Cash on Hand (net of MCF Allowance)	223	215	202	194	185	158	143	127	103	97	95	194	170

January 1, 2023 Beg. Balance:	
Total Reserve Accounts	9,002,621
Total Operating Cash	<u>5,529,743</u>
Grand Total Cash & Investments	<u>14,532,364</u>

Projected Ending Balance 2023	
Total Reserve Accounts	7,752,794
Total Operating Cash	<u>5,693,783</u>
Grand Total Cash & Investments	<u>13,446,576</u>

Operating Cash (CHASE)	6,587,617	6,363,159	5,994,496	5,775,963	5,484,741	4,740,004	4,275,463	3,810,282	3,144,293	2,964,538	2,898,803	5,693,783	5,011,852
Invested Total (SBH & JP MORGAN)	16,081,140	15,824,082	15,565,863	15,122,517	14,362,329	13,600,273	12,836,334	12,070,510	11,302,793	10,533,257	9,764,075	13,494,474	13,942,150

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

