

**Vail Racquet Club**  
Mountain Resort

# Racquet Club Owners Association

FY 2022 Budget

(Board Approved April 30<sup>th</sup>, 2021)

# Budget Plan for Fiscal Year 2021/2022



In preparing the budget for this fiscal year, the Finance Committee and Board took into consideration the potential for continued impacts related to COVID-19 and inflationary pressures for supplies and services. Additionally, the budget plan includes partial reallocation toward achieving the regular split between operating and capital funding.

Last fiscal year, 2020/21, in the midst of the pandemic hardships, the Board felt it was not appropriate to increase HOA fees to homeowners even though there were fixed expenses, mainly in utilities, which increased significantly. To offset inflationary expense increases and anticipated bad debt, the Board shifted the allocation between the operating budget and the capital budget for the fiscal year (previously this allocation was set at 71% operating/29% capital and was changed to 77% operating/23% capital). At that time, homeowners were reminded that future monthly assessments would increase to restore the capital funding and keep up with inflationary pressures.

For this fiscal year, 2021/22, the Finance Committee recommended, and the Board approved, a budget that partially restores the allocation between the operating and capital budget and comes with a 4.6% increase in monthly assessments. This incremental increase shifts the allocation to 74% operating/26% capital which is a good step toward re-funding the capital plan. Even though this percent increase is larger than more recent increases, it does cover two years of increases that have been lumped into one.

Of particular note, the water expense has increased 8.5% for the base rate and 13% for the tier rate. Over the past two years the increases are the equivalent of over \$50,000 in fixed expenses which alone amount to an approximate 3% increase in the monthly assessments. This fiscal year's budget dedicates the monthly assessment increase to the capital funding restoration and the operating increases are offset by a reduction in anticipated bad debt expense, holding a remote Annual Meeting and increasing revenues from the Garden Level Rentals.

# Racquet Club Owners Association



## Homeowners Association

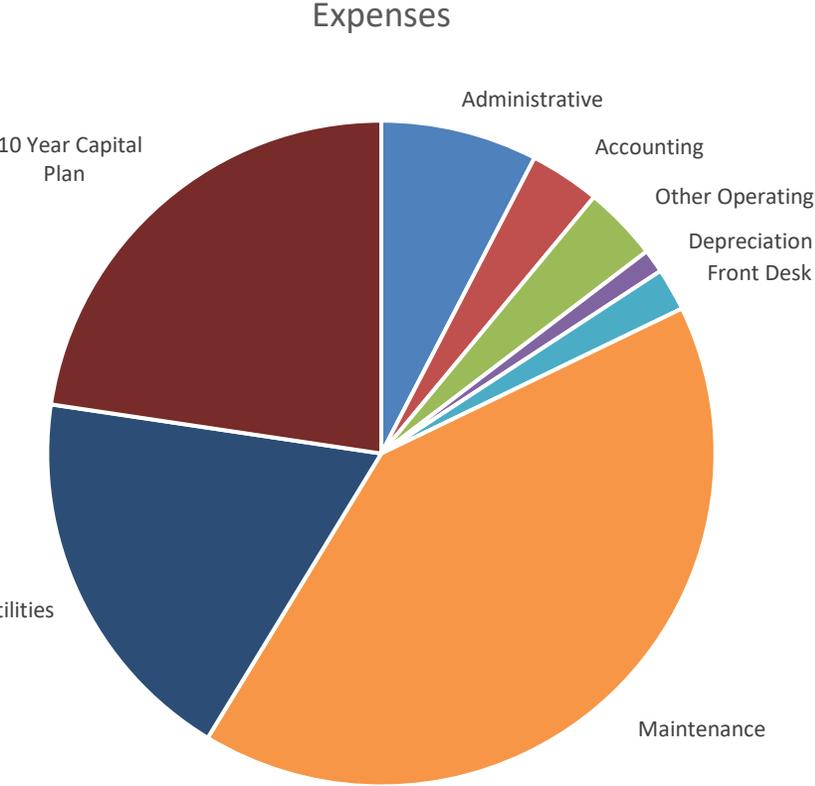
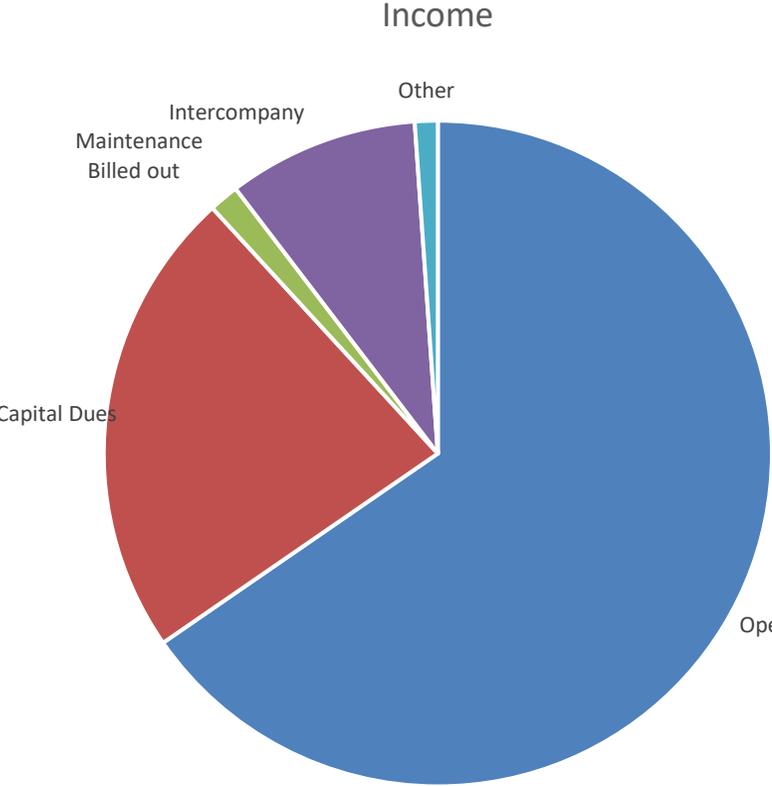
**Revenue**

Operating Dues	1,459,572
Capital Dues	509,784
Other	263,341
<b>Total Revenue</b>	<b>2,232,697</b>

**Expenses**

Administrative	170,768
Accounting	76,718
Maintenance	920,237
Other Operating	81,496
Depreciation	25,747
Front Desk	46,629
Utilities	420,187
10 Year Capital Plan	509,784
<b>Total Expenses</b>	<b>2,251,566</b>

<b>Net Profit/(Loss)</b>	<b>(18,869)</b>
Add Back Depreciation	25,747
<b>Net W/O Deprec.</b>	<b>6,878</b>



<b>HOA 10 Year Capital Plan</b>	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>FY 28/29</b>	<b>FY 29/30</b>	<b>FY 30/31</b>	<b>Total</b>
<b>Major Capital Projects</b>											
Deck Replacement (includes patios & stairtowers)	\$420,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$2,670,000
Condo Roof Replacement		90,000			120,000			120,000			\$330,000
Condo Built-in Wood-burning Fireplace Conversion to Gas Units	850,000										\$850,000
Condo Bldgs 9-12 Fireplace Upgrade Contribution/Incentive	24,000	24,000	24,000	21,000							\$93,000
Townhome Exteriors											
Townhome Roof Replacement											
Major Asphalt Replacement	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	\$750,000
Main Sidewalk Replacement						60,000	60,000	60,000	60,000	60,000	\$300,000
Landscaping & Other Grounds Major Projects	45,000	20,000	20,000	20,000	30,000	30,000	30,000	30,000	30,000	30,000	\$285,000
Vehicles & Equipment Replacement		8,000			40,000			40,000			\$88,000
Hot Tub & Pool (re-plaster, tile, boilers...)				180,000					40,000	40,000	\$260,000
Locker Rooms & Restaurant Refub											
Playground Replacement							90,000				\$90,000
Tennis Court Resurfacing & Fence Replacement	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	\$100,000
Other Major Club Refurbishment Projects		20,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	\$260,000
Other Major Condo & Townhome Projects	47,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	\$497,000
<b>Major Capital Projects Subtotal</b>	<b>\$1,471,000</b>	<b>\$547,000</b>	<b>\$459,000</b>	<b>\$636,000</b>	<b>\$605,000</b>	<b>\$505,000</b>	<b>\$595,000</b>	<b>\$665,000</b>	<b>\$545,000</b>	<b>\$545,000</b>	<b>\$6,573,000</b>
<b>Condominium Maintenance Capital Items</b>											
Roof, Gutters, Downspouts & Heat Tape	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	\$230,000
Chimneys, Chase Tops, Power Vents & Fireplaces	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	\$50,000
Decks, Balusters & Railing	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$250,000
Plumbing, Electric, Structural, Stucco & Siding	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	\$40,000
<b>Subtotal</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$570,000</b>
<b>Townhomes Maintenance Capital Items:</b>											
Roofs (including snow guards & gutters)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	\$40,000
Decks, Balusters & Railing, Siding & Entries	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$20,000
<b>Subtotal</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$60,000</b>
<b>Club Maintenance Capital Items:</b>											
Roofs, Snow Guards, Gutter, Downspout & Heat Tape	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$20,000
Decks, Handrails, Balusters, Stairs, Siding & Stucco	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$20,000
Plumbing, Mechanical, HVAC, Electrical & Lighting	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$150,000
Window, Doors & Security System	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$20,000
Restaurant Refurbishment / Equipment Replacement	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	\$60,000
Fitness Equipment	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	\$145,000
<b>Subtotal</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$415,000</b>
<b>Grounds Maintenance Capital Items:</b>											
Trees, Landscaping, Irrigation & Retaining Walls	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	\$90,000
Water, Drainage & Sewer	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$20,000
Exterior Light Fixtures & Signage	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	\$30,000
Parking Lots & Asphalt Maintenance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	\$200,000
<b>Subtotal</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$340,000</b>
<b>Equipment Maintenance Capital Items:</b>											
Trucks, Plows, Bobcat, Lift	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	\$30,000
Snow Blowers, Lawn Mowers & Aerators	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	\$40,000
Office Furniture, Computers, Copiers, Phones & Radios	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	\$125,000
<b>Subtotal</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$19,500</b>	<b>\$195,000</b>
<b>Other Infrastructure Maintenance: (GLR Remodels)</b>	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$250,000
<b>Maintenance Capital Subtotal</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>183,000</b>	<b>1,830,000</b>
<b>Total Including Major Capital Projects</b>	<b>\$1,654,000</b>	<b>\$730,000</b>	<b>\$642,000</b>	<b>\$819,000</b>	<b>\$788,000</b>	<b>\$688,000</b>	<b>\$778,000</b>	<b>\$848,000</b>	<b>\$728,000</b>	<b>\$728,000</b>	<b>\$8,403,000</b>

# Home Owners Association



## Monthly Assessment Split Ratio: Capital/Operating

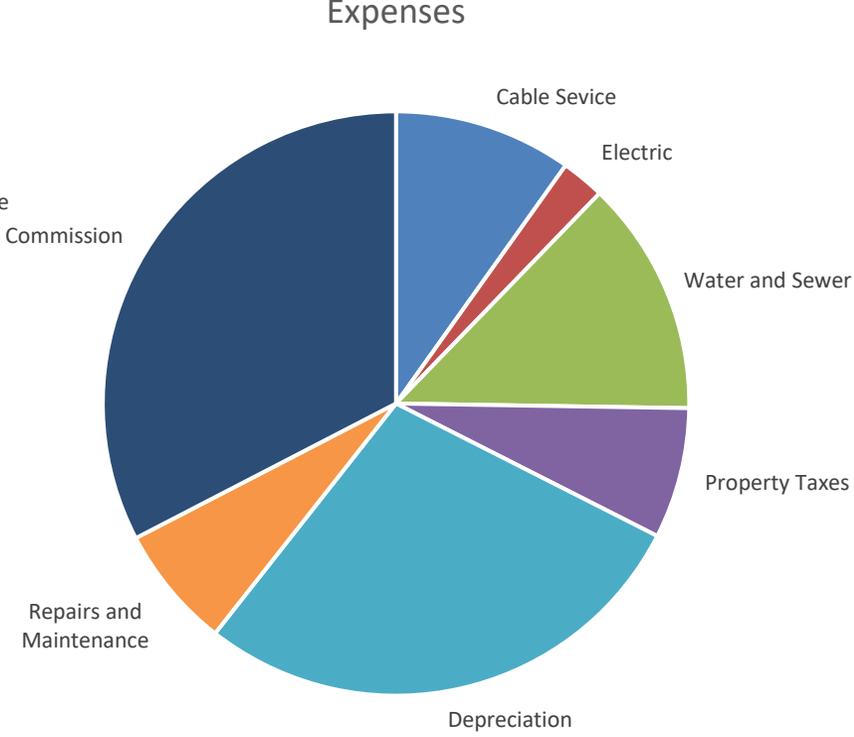
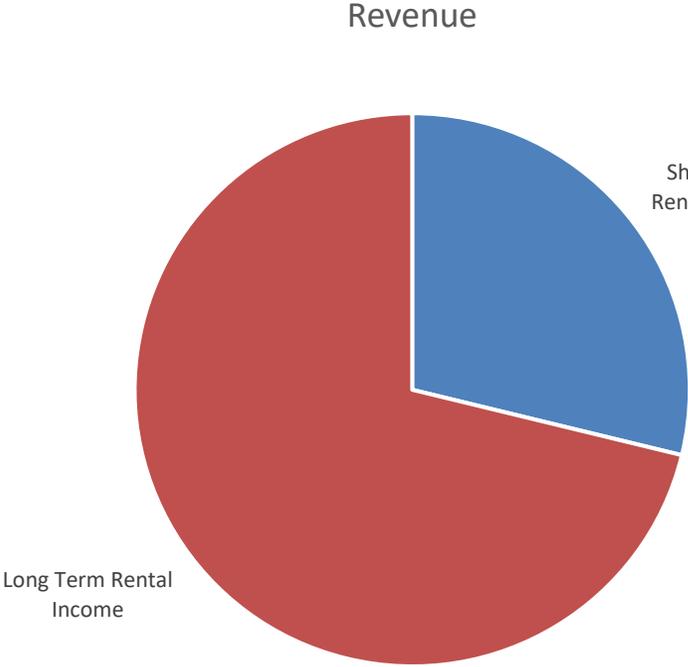
Year	Rsrv	Op
99/00	23%	77%
00/01	23%	77%
01/02	24%	76%
02/03	24%	76%
03/04	24%	76%
04/05	21%	79%
05/06	21%	79%
06/07	21%	79%
07/08	21%	79%
08/09	25%	75%
09/10	29%	71%
10/11	33%	67%
11/12	32%	68%
12/13	29%	71%
13/14	30%	70%
14/15	30%	70%
15/16	30%	70%
16/17	29%	71%
17/18	29%	71%
18/19	28%	72%
19/20	29%	71%
20/21	23%	77%
21/22	26%	74%
Average	26%	74%

# Racquet Club Owners Association



## Garden Level Rentals

<b>Revenue</b>	
Rental Income	268,036
<b>Total Revenue</b>	<b>268,036</b>
<b>Expenses</b>	
Cable Sevice	17,357
Electric	4,224
Water and Sewer	23,040
Property Taxes	12,794
Depreciation	49,636
Repairs and Maintenance	12,000
Commission	57,640
<b>Total Expenses</b>	<b>176,691</b>
<b>Net Profit/(Loss)</b>	<b>91,345</b>
Add Back Depreciation	49,636
<b>Net W/O Deprec.</b>	<b>140,981</b>

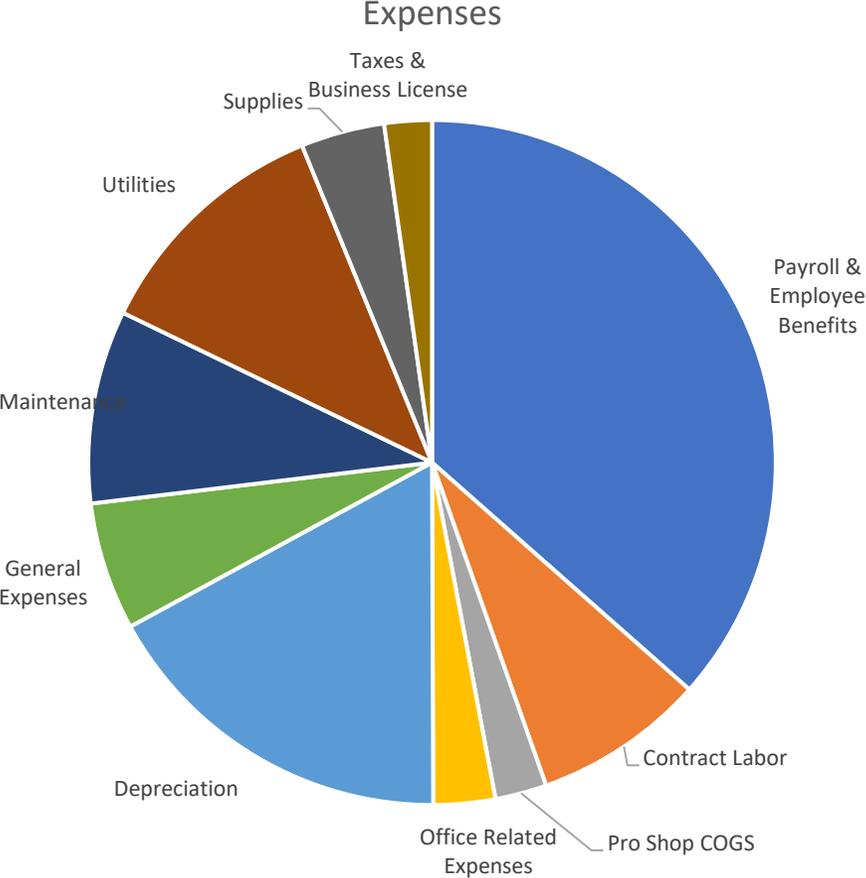
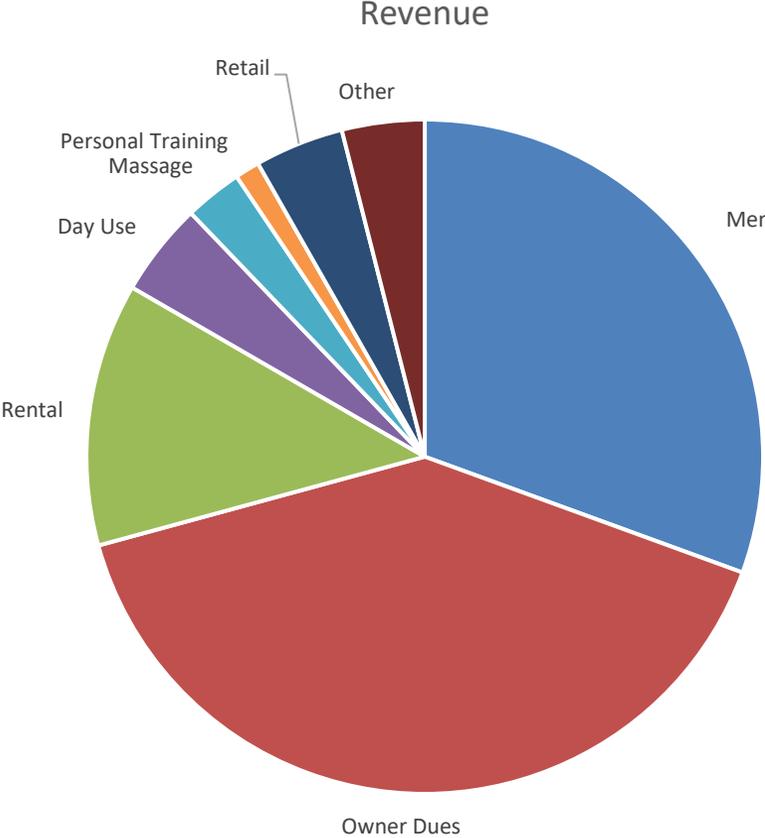


# Racquet Club Owners Association



## Athletic Facility

<b>Revenue</b>	
Membership Dues	272,756
Owner Dues	358,272
Other	260,820
<b>Total Revenue</b>	<u>891,848</u>
<b>Expenses</b>	
Payroll & Employee Benefits	388,737
Contract Labor	86,000
Pro Shop COGS	25,840
Expenses Related to Income	6,780
Office Related Expenses	30,907
Depreciation	182,000
General Expenses	64,236
Maintenance	97,044
Utilities	123,664
Supplies	35,150
Taxes & Business License	23,760
<b>Total Expense</b>	<u>1,064,118</u>
<b>Net Profit/(Loss)</b>	(172,270)
Add Back: Depreciation	182,000
<b>Net W/O Deprec.</b>	<u><u>9,730</u></u>



# Racquet Club Owners Association



## Rental Operation

Description	
Room Revenue	2,305,500
Owner Distribution	(1,239,400)
Club Distribution	(112,500)

Revenue Net Distributions	
Short Term	898,300
Long Term	53,900
Housekeeping	122,500
Other	169,280
<b>Total Revenue</b>	<b>1,243,980</b>

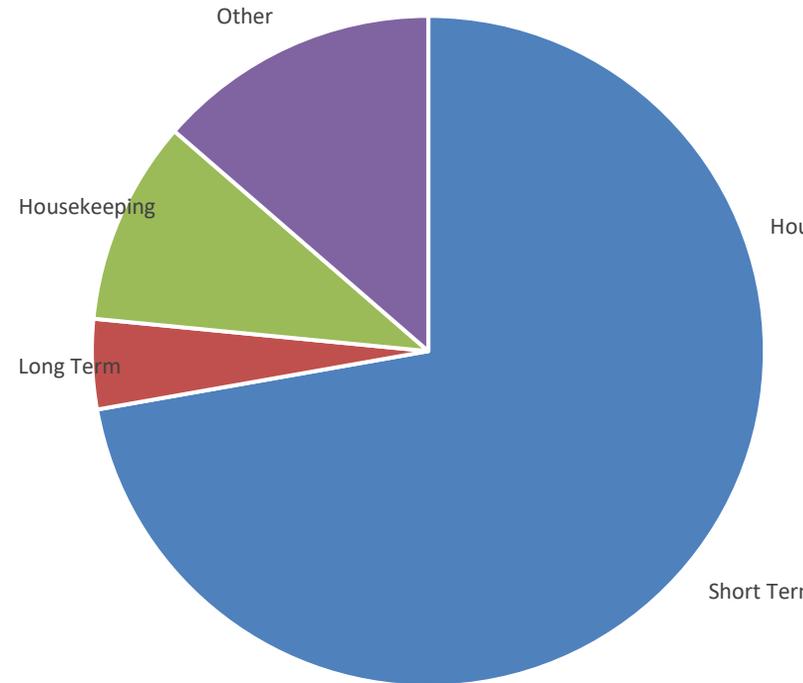
Expenses	
Administration	70,565
Accounting	76,992
Maintenance	44,369
Other Operating	62,454
Depreciation	26,642
Front Desk	184,703
Sales & Marketing, Res & Rev Mgmt	296,742
Credit Card Commissions	60,082
Housekeeping	469,731
Utilities	20,913
<b>Total Expenses</b>	<b>1,313,192</b>

**Net Profit/(Loss)** (69,212)

Add Back Depreciation 26,642

**Net W/O Depreciation** **(42,570)**

Revenue



Expenses

