



March 10, 2021

Canyons Grand Summit Homeowners:

The Executive Board is pleased to report that the FY2022 budget was adopted on March 9, 2021. This budget results in a decrease in residential dues of approximately **5.2%** from last year (FY2021) or a reduction of about \$20/month for a quarter share of the average-sized unit (~1,000 sq. ft.) in the hotel.

Obviously, the current year has been a challenge due to the COVID-19 pandemic. Hotel operations and occupancy were disrupted for months in the spring and early summer. However, in a 'silver lining' sort of way, our expenses have been much lower than budgeted and we expect to end the year with a surplus of approximately \$650,000.

In generating the FY2022 budget we considered FY2021 to be a 'worst' case – we certainly hope things cannot get any worse! – and expect this year to be somewhere in-between what we experienced and a 'normal' year. With that in mind, the budget is based on three major assumptions:

1. There will be no additional operational changes mandated by federal, state or local governments due to COVID.
2. The shoulder seasons will be slow at the hotel due to the COVID constraints on business travel and conventions.
3. Occupancy will be strong in the summer and winter months, perhaps even higher than a typical year. Americans will want to vacation, but they will be reluctant to travel internationally and will focus on domestic locations.

The details of the budget and assumptions are included on the following pages. In summary, the comparison of Residential Dues for the FY2022 budget versus FY2021 budget are:

	RESIDENTIAL DUES		Change	
	FY 2022	FY 2021	\$	%
Operating Expenses	\$ 2,325,248	\$ 2,518,501	\$(193,253)	-7.7%
Reserves	1,338,797	1,251,204	87,593	7.0%
Capital Improvements	-	94,845	(94,845)	NM
TOTAL	3,664,045	3,864,550	(200,505)	-5.2%

Major components of the budget include:

- **Housekeeping** – Common Area Cleaning expense is 13.6% lower than the FY2021 budget due to the slow shoulder seasons. Also, the budget includes only one room deep clean (carpets will be cleaned twice) resulting in a 36.3% decrease in Deep Cleaning expense.
- **Repairs & Maintenance** – Labor expense is based on maintaining the current staffing level throughout the year.
- **Supplies** – Total Supplies expenses are approximately equal to prior year. The account has been divided into three items to improve visibility – Supplies-Building under Supplies, along with Contracted Services and Building Parts under Repairs & Maintenance.

- **Utility Expenses** – Electricity and Sewer are reduced due to expected lower usage in the shoulder seasons.
- **Capital Building Improvement** – The Capital Building Improvement line item was added last year to pay for new facilities within the Grand Summit, particularly the pool restrooms outlined in the 2016 Settlement Agreement. It is anticipated that the operating surplus from FY2021 mentioned above will be sufficient to pay for the bathrooms so this expense has been eliminated from the FY2022 budget.
- **Reserve Funds** – The budget includes a 7% increase in the Common and Residential Reserve Funds. The capital expenditure plan has not been finalized, but it is apparent that the additions to the reserve accounts will need to be increased in the future to address essential repairs and maintenance on the building.

The budget will be presented for owner ratification at the annual meeting on April 3, 2021. You can also vote by returning the enclosed ratification ballot. If you have any questions before the meeting, please e-mail them to info@GSOwner.com.

Thank you,
Tony Broad
Treasurer

Canyons Grand Summit Hotel Resort Owners' Association
Proposed 2021-2022 Budget - FYE 4.30.22

	<u>2020-2021</u>	<u>2020-2021</u>	<u>2021-2022</u>	Cost Center Allocation Budget						<u>Change FY21 Budget</u>	<u>Change FY21 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Common</u>		<u>Residential</u>		<u>Commercial</u>		<u>to FY22 Budget</u>	<u>to FY22 Budget</u>
Income											
Association Fee Income											
40010-Operating Assessments - Residential	\$ 2,613,346	\$ 2,613,452	\$ 2,325,248	\$ 1,472,879	63%	\$ 852,369	37%	\$ -	-	\$(288,098)	-11.0%
40020-Operating Assessments - Commercial	655,636	655,636	611,591	468,287	77%	-	-	143,304	23%	(44,045)	-6.7%
40030-Reserve Assessments - Residential	1,251,204	1,251,204	1,338,797	430,662	32%	908,135	68%	-	-	87,593	7.0%
40040-Reserve Assessments - Commercial	127,966	127,966	136,924	136,924	100%	-	-	-	-	8,958	7.0%
Total for Association Fee Income	4,648,152	4,648,258	4,412,560	2,508,752		1,760,504		143,304		(235,592)	-5.1%
Other Income											
42000-Ski Locker Fees	96,150	93,675	93,675	93,675		-		-		(2,475)	-2.6%
45150-Interest Income Reserve	24,000	3,491	1,800	1,800		-		-		(22,200)	-92.5%
45200-Finance Charges / Late Fees	48,000	42,375	28,000	-		28,000		-		(20,000)	-41.7%
Total for Other Income	168,150	139,542	123,475	95,475		28,000		-		(44,675)	-26.6%
Total Income	4,816,302	4,787,800	4,536,035	2,604,227		1,788,504		143,304		(280,267)	-5.8%
Expense											
General & Administration											
50100-HOA Portal	8,004	8,004	8,004	8,004	100%	-		-		-	0%
50105-HOA Administration	206,491	119,700	191,691	178,344	93%	-		13,347	7%	(14,800)	-7.2%
50110-Reserve Study	3,340	3,340	3,400	3,400	100%	-		-		60	2%
50200-Bank Fees	5,100	9,189	7,200	7,200	100%	-		-		2,100	41.2%
50300-Legal and Professional Fees	48,000	54,306	48,000	48,000	100%	-		-		-	0.0%
50450-Accounting	86,921	67,017	67,925	67,925	100%	-		-		(18,996)	-21.9%
50480-Board of Director Expense	20,459	3,034	12,000	12,000	100%	-		-		(8,459)	-41.3%
50495-Miscellaneous	15,924	24,175	24,600	24,600	100%	-		-		8,676	54.5%
50505-Holiday Decor	12,500	12,144	12,350	12,350	100%	-		-		(150)	-1.2%
50521-CVMA Dues	150,000	150,000	150,000	150,000	100%	-		-		-	0%
50525-Management Fees	195,873	195,875	199,792	199,792	100%	-		-		3,919	2.0%
50550-Insurance	157,200	156,688	164,040	164,040	100%	-		-		6,840	4.4%
Total for General & Administration	909,812	803,471	889,002	875,655	98%	-		13,347	2%	(20,809)	-2.3%
Housekeeping											
51125-Common Area Cleaning	197,740	106,349	170,855	170,855	100%	-	0%	-		(26,885)	-13.6%
51155-In-Room Goods	128,000	113,443	128,000	-	0%	128,000	100%	-		(0)	0%
51175-Pool Towel Purchases	54,000	37,271	54,000	54,000	100%	-	0%	-		-	0.0%
51300-Deep Cleaning	137,652	23,921	87,652	11,910	14%	75,742	86%	-		(50,000)	-36.3%
60375-Window Washing	22,000	21,650	22,000	22,000	100%	-	0%	-		-	0.0%
Total for Housekeeping/Maintenance	539,392	302,634	462,507	258,765	56%	203,742	44%	-		(76,885)	-14.3%

Canyons Grand Summit Hotel Resort Owners' Association
Proposed 2021-2022 Budget - FYE 4.30.22

	<u>2020-2021</u> <u>Budget</u>	<u>2020-2021</u> <u>Actual</u>	<u>2021-2022</u> <u>Budget</u>	Cost Center Allocation Budget					<u>Change FY21 Budget</u> <u>to FY22 Budget</u>	<u>Change FY21 Budget</u> <u>to FY22 Budget</u>		
				<u>Common</u>		<u>Residential</u>		<u>Commercial</u>				
Security/Owner Services												
60625-Security Contracts	13,200	34,000	13,200	13,200	100%	-		-	-	0.0%	(20,800)	-61.2%
Total for 54000-Security	13,200	34,000	13,200	13,200	100%	-		-	-	0.0%	(20,800)	-61.2%
Repairs & Maintenance												
60025-Maintenance Labor	576,000	411,400	478,800	191,520	40%	287,280	60%	-	(97,200)	-16.9%	67,400	16.4%
60030-Contracted Services	-	-	60,000	45,000	75%	15,000	25%	-	60,000			
60040-Pool Attendant Labor	41,600	20,587	42,000	42,000	100%	-	0%	-	400	1.0%	21,413	104.0%
60070-Fire Prevention System Monitoring	10,000	7,908	8,066	8,066	100%	-	0%	-	(1,934)	-19.3%	158	2.0%
60105-Landscape Contract	7,900	6,359	6,540	6,540	100%	-	0%	-	(1,360)	-17.2%	181	2.8%
60128-Furniture Repair Contractor	15,000	-	4,800	-	0%	4,800	100%	-	(10,200)	-68.0%	4,800	0.0%
60800-Building Parts	-	-	60,000	45,000	75%	15,000	25%	-	60,000			
60260-Snow Removal Labor	12,400	9,775	10,068	10,068	100%	-	0%	-	(2,332)	-18.8%	293	3.0%
60400-Elevators	25,200	20,954	21,600	21,600	100%	-	0%	-	(3,600)	-14.3%	646	3.1%
60450-Pest Control	9,600	8,620	8,650	8,650	100%	-	0%	-	(950)	-9.9%	30	0.3%
Total for Repairs & Maintenance	697,700	485,603	700,524	378,444	54%	322,080	46%	-	2,824	0.4%	214,922	44.3%
Supplies												
61100-Supplies- Building	174,504	175,481	60,000	45,000	75%	15,000	25%	-	(114,504)	-65.6%	(115,481)	-65.8%
61150-Supplies-Pool	44,400	26,189	44,400	44,400	100%	-	0%	-	-	0.0%	18,211	69.5%
Total for Supplies	218,904	201,670	104,400	89,400	86%	15,000	14%	-	(114,504)	-52.3%	(97,270)	-48.2%
Utilities												
66100-Cable TV	38,522	40,778	41,676	417	1%	41,259	99%	-	3,154	8.2%	898	2.2%
66200-Electric	357,282	271,539	334,385	200,631	60%	86,940	26%	46,814	(22,897)	-6.4%	62,847	23.1%
66300-Gas	167,258	167,335	174,773	117,447	67%	42,802	24%	14,523.63	7,515	4.5%	7,438	4.4%
66400-Internet	20,700	20,224	20,700	20,700	100%	-	0%	-	-	0.0%	476	2.4%
66500-Sewer	158,724	122,003	132,864	28,645	22%	73,793	56%	30,425.86	(25,860)	-16.3%	10,861	8.9%
66600-Telephone	13,164	19,554	20,364	20,364	100%	-	0%	-	7,200	54.7%	810	4.1%
66700-Trash Removal	24,000	8,631	18,000	1,080	6%	12,600	70%	4,320	(6,000)	-25.0%	9,369	0.0%
66800-Water	148,474	141,009	147,918	31,891	22%	82,154	56%	33,873.22	(556)	-0.4%	6,909	4.9%
Total for Utilities	928,124	791,073	890,680	421,176	47%	339,547	38%	129,957	(37,444)	-4.0%	99,607	12.6%
Total for Operating Expenses	3,307,132	2,618,450	3,060,314	2,036,641		880,369		143,304	(246,818)	-7.5%	441,863	16.9%
Non-Operating Expenses												
89000-Income Tax	5,000	12,388	-	-	0%	-	-	-	(5,000)	-100.0%	(12,388)	-100.0%
90040-Capital Building Improvement	125,000	125,000	-	-	100%	-	-	-	(125,000)	-100.0%	(125,000)	0.0%
90050-Residential Reserve Fund	848,720	848,724	908,135	-	-	908,135	100%	-	59,415	7.0%	59,411	7.0%
90060-Common Reserve Fund	530,450	530,454	567,586	567,586	100%	-	-	-	37,136	7.0%	37,132	7.0%
Total Non-Operating Expenses	1,509,170	1,516,566	1,475,721	567,586	38%	908,135	62%	-	(33,449)	-2.2%	(40,845)	-2.7%
Total Expense	4,816,302	4,135,017	4,536,035	2,604,227		1,788,504		143,304	(280,267)	-5.8%	401,018	9.7%
Excess of Revenue over Expenses	\$ 0	\$ 652,783	\$ 0	\$ 0		\$ -		\$ -	\$ 0		\$(652,782)	

Canyons at Grand Summit Resort Hotel Owners' Association

2021 - 2022 Budget Assumptions

General Administration	<u>Monthly</u>	<u>Annual</u>
HOA Portal - Buildium	\$ 667	\$ 8,004
HOA Administration		
HOA Manager	10,474	125,685
HOA Liaisons	4,368	39,312
HOA Inventory	4,449	26,694
Reserve Study		3,400
Bank Fees		
Zions Bank	600	7,200
Legal & Professional	5,000	48,000
Accounting		
ASHOA Mgmt Acct Fee -(May - Nov)	4,250	29,750
ASHOA Mgmt Acct Fee -(Dec - Apr)	4,335	21,675
Audits - F.S. & RMA		15,000
Tax Return		1,500
Board of Directors		12,000
Miscellaneous		
Checks		120
Postage	75	900
Office Supplies	1,890	22,680
Plant maintenance	75	900
Holiday Décor		
Holiday Lights		4,000
Holiday decorations for lobbies		8,350
CVMA	12,500	150,000
Management Fees (May - Nov)	16,512	115,582
Management Fees (Dec - Apr)	16,842	84,210
Insurance		
Property, General Liab, D&O, Crime		
Earthquake, & Umbrella	13,670	164,040
Total General & Admin		<u>889,002</u>

Canyons at Grand Summit Resort Hotel Owners' Association

2021 - 2022 Budget Assumptions

Housekeeping

Common Area Cleaning

Cleaning & Paper Supplies	1,750	21,000
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Cleaning - 1.8% CPI increase	Hrs	
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	May	600	10,200
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	June	685	11,645
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	July	835	14,195
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	Aug	835	14,195
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	Sept	785	13,345
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	Oct	735	12,495
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	Nov	500	8,500
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	Dec	805	13,685
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	Jan	850	14,450
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	Feb	850	14,450
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	Mar	835	14,195
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	Apr	500	8,500
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In-Room Goods

Housewares		34,500
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Linen & Terry		93,500
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Pool Towels	4,500	54,000
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Deep Cleaning

Room Deep Clean - Once a year		53,846
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Deep Clean - In room carpet clean - twice a year		21,896
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Deep Clean - Common carpet clean - twice a year		11,910
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Window Washing

Twice a year at \$11k per clean		22,000
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Total Housekeeping		462,507
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Security

Hallways, lobbies, exterior - Vail Resorts	1,100	13,200
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Total Security		13,200
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Canyons at Grand Summit Resort Hotel Owners' Association

2021 - 2022 Budget Assumptions

Repairs & Maintenance

Maintenance Labor	39,900	478,800
Pool Attendant Labor	3,500.00	42,000
Snow Removal Labor		10,068
Fire Prevention System Monitoring		
Monitoring	17	204
Annual Fire Extinguishers Test/Replacement		2,101
Annual Fire Alarm Inspection		3,545
Annual Suppression System Test/Inspection		2,216
Landscape		6,540
Elevators		
ThyssenKrupp	1,600	19,200
Routine Maintenance	200	2,400
Pest Control	721	8,650
Furniture	400	4,800
Total Repairs & Maintenance		580,524

Supplies

Building Supplies		
Salt for Water System	2,000	24,000
Annual Chiller System	542	6,504
Misc.	2,458	29,496
Pool Supplies		
Chemical Supplies	2,000	24,000
Misc. Supplies - motors, seals, etc....	1,200	14,400
Water/cups/sanitizer, etc...	500	6,000
Total Supplies		104,400

Utilities

Satellite TV	3,306	39,676
Repairs	2,000	2,000
Electric		334,385
Gas		174,773
Internet	1,725	20,700
Sewer		132,864
Telephone		
Windstream	552	6,624
Hotel systems	420	5,040
Rimrock Telecom	425	5,100
Cell Phones	300	3,600
Trash Removal	1,500	18,000
Water		147,918
Total Utilities		890,680

Canyons at Grand Summit Resort Hotel Owners' Association
2021 - 2022 Budget Assumptions

Non-Operating Expenses

Residential Reserve Accrual	908,135
Common Reserve Accrual	567,586
Total Non-Operating Expenses	1,475,721