



GREEN VALLEY RECREATION INC

**Fiscal Affairs Committee Meeting
Tuesday, November 17, 2019**

**Financial Report
As of October 31, 2019**

The enclosed Financial Statements and supplemental schedules provide relevant financial information for the Fiscal Year as of October 31, 2019.

1. The Statement of Financial Position (p.2) reports the Total Net Assets to be \$28,544,778 which is a \$42,668 increase from the prior month.
2. The 2020 annual invoices have been mailed and receipts began arriving in November. Consequently, operating cash is better than previously projected, with the low point occurring November 2019 (p. 12).
3. Cash-on-hand is \$1,213,694. Combined with Operations Investments, this equals \$3,329,012 total cash (includes 2020 dues receipts that began arriving in November).
4. Net Fixed Assets are \$16,798,931 which includes \$1,522,665 of Capital purchases through October 2019 (pages 6 and 10).
5. Total Current Liabilities are \$1,834,683 which is at a normal level for this time of the year.
6. Restricted Assets equal \$9,913,147 (detailed on page 5) and can be expected to decrease after pending 2nd and 3rd quarter transfers are approved by the Board.
7. The Statement of Activities (page 4) reports that Total Revenue is \$9,273,986 which is 3.1% under budget and 0.4% over the prior year.
 - a. The largest Revenue variance is Capital Revenue which is \$272,459 under budget, an increase in this negative variance from the prior month.
 - b. Home resales in September were 85 units and the Year-to-Date number of resales is 1,046 which is 86 less than prior year (page 9).
 - c. Program Revenue is \$163,973 under budget which reflects an increase in this negative variance year-to-date. It is expected to seasonally improve in the 4th quarter and remain under budget for 2019, but be within 10% of 2018 Program Revenue.
 - d. Total Expenses are 1.4% under budget and 5.1% over from the prior year.
 - e. The Major category of Facilities and Equipment is \$497,721 over budget which is an improvement from the prior month and includes the previously reported \$300,000 expected variance.
8. The Gross Surplus at this point in the fiscal year according to GAAP is \$631,395 (pages 3 and 4) and is 21% under budget.



GREEN VALLEY RECREATION INC.

9. The Unrealized Gain on Investments remains very high thus far this year with Gains of \$589,890 (Page 4).
10. The current projection for 2019 estimates that total Revenue for 2019 at 3.3% under budget for the year and that total Expenses will be close to budget at year end.
11. The Variance Report on page 7 provides additional detail explanations.
12. The 2019 Cash Basis Statement by Fund is included on page 10 and excludes Depreciation and Provision for Bad Debt (non-cash items).
13. The 2020 Budget approved by the Fiscal Affairs Committee on November 14 is included on page 11.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for October 31, 2019. The four statements

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Statement of Financial Position

As of Date: October 31, 2019 and Dec 31, 2018

	October 31, 2019	Dec 31, 2018
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	1,213,694	1,099,888
Accounts Receivable	151,001	97,020
Prepaid Expenses	187,371	207,872
Restrict Investments (Charles S./SBH)	9,913,147 ⁽¹⁾	
Unrest. Invest. (Edward Jones/JP Morgan)	2,115,318 ⁽²⁾	
Investments	12,028,465 ⁽³⁾	10,995,715
Total Current Assets	13,580,530	12,400,495
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	20,876,933	19,354,268
Sub-Total	38,470,718	36,948,053
Less - Accumulated Depreciation	(21,671,788)	(20,315,542)
Net Fixed Assets	16,798,931 ⁽⁴⁾	16,632,511
Total Assets	30,379,460	29,033,006
LIABILITIES		
Current Liabilities		
Accounts Payable	259,402	342,959
Deferred Dues & Fees	1,421,421	1,106,509
Deferred Programs	153,860	260,046
Total Current Liabilities	1,834,683	1,709,514
TOTAL NET ASSETS	28,544,778 ⁽⁵⁾	27,323,492
NET ASSETS		
Temporarily Restricted:		
Board Designated:		
Emergency	836,167 ⁽⁶⁾	804,646
Maint - Repair - Replacement	6,714,197 ⁽⁷⁾	5,881,453
Initiatives	2,362,783 ⁽⁸⁾	1,996,087
Sub-Total	9,913,147 ⁽¹⁾	8,682,185
Unrestricted Net Assets	17,410,346	18,641,307
Net change Year-to-Date	1,221,285 ⁽¹⁶⁾	-
Unrestricted Net Assets	18,631,631	18,641,307
TOTAL NET ASSETS	28,544,778	27,323,492



Green Valley Recreation, Inc. Summary Statement of Activities

10 month period ending October 31, 2019

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 5,594,768	\$ 5,584,458	0.2%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	640,490	627,200	2.1%
New Member Capital/Initial Fees	1,971,834	2,244,293	(12.1%)
Recreation Income	531,029	715,375	(25.8%)
Cell Tower Lease / Advertising Income	138,951	110,000	26.3%
Investment Income/Realized Gains	256,714	179,167	43.3%
Other Income	140,199	105,417	33.0%
Total Revenues	9,273,986	9,565,909	(3.1%)
EXPENSES:			
Facilities & Equipment	3,104,179	2,606,458	(19.1%)
Personnel	3,928,835	4,218,360	6.9%
Program	545,477	710,276	23.2%
Communications	144,125	177,711	18.9%
Operations	337,582	479,389	29.6%
Corporate Expenses	582,393	571,875	(1.8%)
Total Expenses	8,642,591	8,764,069	1.4%
Net Change in Net Assets from Operations	631,395	801,840	(21.3%)
From Investment Activity:			
Net Unrealized Market Value Change	589,890 ⁽¹⁵⁾	(15,000)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 1,221,285 ⁽¹⁶⁾	786,840	



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 10 month period ending October 31, 2019

FY Budget Period: Jan 1, 2019 - Dec 31, 2019

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2018 YTD Actual	2019 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	5,519,749	5,594,768	75,019	1%	5,594,768	5,584,458	10,311	0%	6,701,349	1,106,581
LC, Trans., Crd Fees.	617,258	640,490	23,232	4%	640,490	627,200	13,290	2%	752,640	112,150
Capital Revenue	2,058,728	1,971,834	(86,894)	(4%)	1,971,834	2,244,293	(272,459)	(12%)	2,693,151	721,317
Programs	313,502	191,860	(121,643)	(39%)	191,860	355,833	(163,973)	(46%)	427,000	235,140
Instructional	309,046	339,169	30,123	10%	339,169	359,542	(20,372)	(6%)	431,450	92,281
Recreational Revenue	622,549	531,029	(91,519)	(15%)	531,029	715,375	(184,346)	(26%)	858,450	327,421
Investment Income	166,910	256,714	89,805	54%	256,714	179,167	77,548	43%	215,000	(41,714)
Advertising Income	94,489	109,556	15,067	16%	109,556	62,500	47,056	75%	75,000	(34,556)
Cell Tower Lease Inc.	36,639	29,395	(7,244)	(20%)	29,395	47,500	(18,105)	(38%)	57,000	27,605
Comm. Revenue	131,127	138,951	7,823	6%	138,951	110,000	28,951	26%	132,000	(6,951)
Other Income	103,702	86,382	(17,320)	(17%)	86,382	83,750	2,632	3%	100,500	14,118
Facility Rent	17,459	53,817	36,358	208%	53,817	19,167	34,651	181%	23,000	(30,817)
Marketing Events	-	-	-	-	-	2,500	(2,500)	(100%)	3,000	3,000
Other Revenue	121,161	140,199	19,038	16%	140,199	105,417	34,782	33%	126,500	(13,699)
Total Revenue	9,237,482	9,273,986	36,504	0%	9,273,986	9,565,909	(291,922)	(3%)	11,479,090	2,205,104
Expenses										
Major Proj.-Rep. & Maint.	416,033	556,719	(140,686)	(34%)	556,719	197,691	(359,028)	(182%)	237,229	(319,490)
Facility Maintenance	183,843	142,585	41,258	22%	142,585	402,890	260,305	65%	483,468	340,883
Fees & Assessments	14,081	36,420	(22,338)	(159%)	36,420	28,833	(7,587)	(26%)	34,600	(1,820)
Utilities	780,575	730,345	50,230	6%	730,345	626,471	(103,874)	(17%)	751,765	21,420
Depreciation	1,268,032	1,356,246	(88,213)	(7%)	1,356,246	1,090,924	(265,322)	(24%)	1,309,109	(47,137)
Furniture & Equipment	195,645	224,641	(28,995)	(15%)	224,641	192,479	(32,161)	(17%)	230,975	6,334
Vehicles	49,280	57,224	(7,944)	(16%)	57,224	67,170	9,946	15%	80,604	23,380
Facilities & Equipment	2,907,490	3,104,179	(196,689)	(7%)	3,104,179	2,606,458	(497,721)	(19%)	3,127,750	23,571
Wages, Benfts., PR Exp.	3,700,213	3,895,534	(195,321)	(5%)	3,895,534	4,170,026	274,492	7%	5,004,031	1,108,497
Conferences & Training	43,522	33,301	10,221	23%	33,301	48,333	15,032	31%	58,000	24,699
Personnel	3,743,735	3,928,835	(185,100)	(5%)	3,928,835	4,218,360	289,525	7%	5,062,031	1,133,196
Food & Catering	34,572	28,106	6,467	19%	28,106	43,000	14,894	35%	51,600	23,494
Recreation Contracts	512,803	440,443	72,361	14%	440,443	583,943	143,500	25%	700,731	260,288
Bank & Credit Card Fees	66,259	76,928	(10,669)	(16%)	76,928	83,333	6,405	8%	100,000	23,072
Program	613,635	545,477	68,158	11%	545,477	710,276	164,799	23%	852,331	306,854
Communications	77,996	79,516	(1,520)	(2%)	79,516	85,400	5,884	7%	102,480	22,964
Printing	61,229	64,609	(3,380)	(6%)	64,609	79,811	15,202	19%	96,353	31,744
Advertising	3,734	-	3,734	100%	-	12,500	12,500	100%	15,000	15,000
Communications	142,959	144,125	(1,166)	(1%)	144,125	177,711	33,586	19%	213,833	69,708
Supplies	248,862	220,500	28,362	11%	220,500	371,602	151,103	41%	445,923	225,423
Postage	9,008	15,029	(6,021)	(67%)	15,029	31,033	16,005	52%	37,240	22,211
Dues & Subscriptions	9,157	11,792	(2,635)	(29%)	11,792	5,458	(6,334)	(116%)	6,550	(5,242)
Travel & Entertainment	2,347	8,306	(3,959)	(169%)	6,306	19,500	13,194	68%	23,400	17,094
Other Operating Expense	20,221	83,955	(63,735)	(315%)	83,955	51,795	(32,160)	(62%)	62,154	(21,801)
Operations	289,596	337,582	(47,987)	(17%)	337,582	479,389	141,807	30%	575,267	237,685
Information Technology	68,357	55,739	12,619	18%	55,739	117,625	61,886	53%	141,150	85,411
Professional Fees	221,856	235,854	(13,998)	(6%)	235,854	242,833	6,979	3%	291,400	55,546
Commercial Insurance	191,033	240,688	(49,655)	(26%)	240,688	179,167	(61,522)	(34%)	215,000	(25,688)
Taxes	20,750	20,367	383	2%	20,367	12,250	(8,117)	(66%)	14,700	(5,667)
Provision for Bad Debt	25,085	29,745	(4,660)	(19%)	29,745	20,000	(9,745)	(49%)	24,000	(5,745)
Corporate Expenses	527,082	582,393	(55,311)	(10%)	582,393	571,875	(10,518)	(2%)	686,250	103,857
Expenses	8,224,496	8,642,591	(418,095)	(5%)	8,642,591	8,764,069	121,478	1%	10,517,462	1,874,871
Gross surplus(Rev-Exp)	1,012,986	631,395	(381,591)	(38%)	631,395	801,840	(170,444)	(21%)	961,628	330,232
Unrea. Gain/Loss on Invest.	(268,571)	589,890	858,461		589,890	(15,000)	604,890		(18,000)	(607,890)
Net from Operations	744,415	1,221,285	476,870	39%	1,221,285	786,840	434,446	55%	943,628	(277,658)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: October 31, 2019 and Dec 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserv Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	\$ 1,221,285 ⁽¹⁶⁾	1,221,285	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	(966,323)	-	-	966,323	-
Principal Transfers	0	(103,065)	-	-	(288,400)	391,464
Depreciation	0	1,356,246	(1,356,246)	-	-	-
Purchase of Fixed Assets	0	(1,522,665)	1,522,665	-	-	-
Withdrawals	0	562,438	-	(84,764)	(329,705)	(147,969)
Allocations of Net Change components:						
Investment income	0	(192,290)	-	11,803	133,312	47,175
Investment Expenses	0	53,216	-	(6,339)	(34,817)	(12,060)
Unrealized Gains (Losses) on Market	0	(584,936)	-	110,820	386,030	88,086
Repairs and replacements	0	-	-	-	-	-
Net Change to October 31, 2019	1,221,285 ⁽¹⁶⁾	(176,095)	166,419	31,521	832,744	366,696
Net Assets at, Dec 31, 2018	27,323,492 ⁽¹¹⁾	2,008,795	16,632,511 ⁽¹⁰⁾	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087
Net Assets as at, October 31, 2019	\$ 28,544,778 ⁽⁵⁾	1,832,701	16,798,931 ⁽⁴⁾	836,167 ⁽⁶⁾	6,714,197 ⁽⁷⁾	2,362,783

9,913,147 ⁽¹⁾

Footnotes (1) - (16) page 2 Statement of Financial Position



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Curent Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2018 (at Market)	\$ 10,995,715 ⁽⁹⁾	2,313,529	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087 ⁽¹⁴⁾
Changes since Jan 1, 2018:					
Principal additions	5,584,625	4,226,838	-	966,323	391,464
Investment income	256,714	64,424	11,803	133,312	47,175
Withdrawals	(5,345,013)	(4,494,175)	(84,764)	(618,105)	(147,969)
Investment Expenses	(53,467)	(252)	(6,339)	(34,817)	(12,060)
Net Change for 10 Months	442,860	(203,165)	(79,299)	446,714	278,610
Balance before Market Change at October 31, 2019	11,438,575	2,110,364	725,347	6,328,167	2,274,697
10 months Change in Unrealized Gain/(Loss)	589,890 ⁽¹⁶⁾	4,954	110,820	386,030	88,086
Balance at October 31, 2019 (at Market)	\$ 12,028,465 ⁽³⁾	2,115,318 ⁽²⁾	836,167 ⁽⁶⁾	6,714,197 ⁽⁷⁾	2,362,783 ⁽⁸⁾

Footnotes (1) - (14) page 2 - Statement of Financial Position
 (15) page 3 - Summary Statement of Activities

9,913,147 ⁽¹⁾