



AGENDA

BOARD OF DIRECTORS MEETING
Wednesday, April 28, 2021 – 2pm
West Center Auditorium & Zoom

Directors: Mike Zelenak (President), Nina Campfield (Vice President), Ted Boyett (Secretary), Donna Coon (Treasurer), Mark McIntosh (Assistant Secretary), Randy Howard (Assistant Treasurer), Kathi Bachelor, Carol Crothers, Christine Gallegos, Bart Hillyer, Bev Lawless, Don Weaver Scott Somers (non-voting)

AGENDA TOPIC	PRESENTER	EXHIBIT	ACTION
1. Call to Order / Roll Call – Establish Quorum	Zelenak	Y	
2. Adopt Agenda	Zelenak	Y	Y
3. Consent Agenda	Zelenak	Y	Y
A. Minutes – April 7, 2021; April 14, 2021			
B. Financial Statements – December 2020; January 2021; February 2021; March 2021			
4. Presentation			
A. Quarterly Financial Presentation	Webster		
5. New Business			
A. Accept 2020 Audit Report	Moose	Y	Y
B. Demolition of East Center Pool	Jund	Y	Y
C. Establish Late Fees for Delinquent Accounts	Moose	Y	Y
D. GVR Advertising	Whitman	Y	Y
6. Committee Reports			
A. Audit	Weaver		
B. Board Affairs	Campfield		
C. Fiscal Affairs	Coon		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
F. Planning & Evaluation	Boyett / Campfield		
7. Member Comments			
8. Adjournment			

Informational Reports

Audit Recommendations

2021 Member Assistance Program



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, April 7, 2021 in the West Center Auditorium. The President was in the chair.

Directors Present: Ted Boyett, Nina Campfield, Donna Coon, Carol Crothers, Bart Hillyer (arrived at 2:08pm), Randy Howard, Bev Lawless, Mark McIntosh, Don Weaver, Mike Zelenak, Scott Somers (CEO, non-voting)

Directors Present Electronically: Christine Gallegos

Directors Absent: Kathi Bachelor

Staff Present: Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Recreation Services Director), Randy Cheatham (IT Director), Natalie Whitman (Communications Manager), Karen Miars (Administrative Assistant), Marie Seixas (Meeting Scribe)

Guests: 7 in-house/11 electronically (both include additional staff)

1. Call to Order/Roll Call – Establish Quorum

President Weaver called the meeting to order at 2:00pm MST. Roll was called and a quorum established.

2. Adopt Agenda

MOTION: Zelenak/seconded. Adopt Agenda as presented.

Passed: unanimously

3. Consent Calendar

A. Minutes March 17, 2021

B. Minutes March 31, 2021

MOTION: Zelenak/seconded. Approve March 17 and March 31, 2021 Meeting Minutes as presented.

Passed: Yes – 9; Abstain – 1 (Campfield)

4. New Business

A. Election 2021-22 Officers

i) President

a) Nomination

a. Hillyer – not in attendance

b. Zelenak – will run

b) Uncontested - Appointed

a. Zelenak

ii) Vice-President

- a) Nomination
 - a. Boyett – will run
 - b. Campfield – will run
 - c. Howard – will not run
- b) Election
 - a. Campfield – 9; Boyett – 1

**Director Hillyer arrived at 2:08pm MST.

iii) Secretary

- a) Nomination
 - a. Boyett – will run
 - b. Coon – will not run
 - c. Hillyer – will run
 - d. Lawless – will not run
- b) Election
 - a. Boyett – 9; Hillyer – 2

iv) Treasurer

- a) Nomination
 - a. Coon – will run
 - b. Crothers – will run
 - c. Howard – will not run
- b) Election
 - a. Coon – 9; Crothers – 2

v) Assistant Secretary

- a) Nomination
 - a. Gallegos – will not run
 - b. Hillyer – will run
 - c. Lawless – will not run
 - d. McIntosh – will run
- b) Election
 - a. McIntosh – 9; Hillyer – 2

vi) Assistant Treasurer

- a) Nomination
 - a. Crothers – will run
 - b. Howard – will run
 - c. Lawless – will not run
- b) Election
 - a. Howard – 9; Crothers – 2

B. Strategic Plan Agreement

MOTION: Campfield/seconded. Move to authorize the CEO to enter into an agreement with Zelos, LLC to facilitate the next 5-year strategic plan.

Passed: Yes – 9; No – 2 (Crothers, Hillyer)

CEO Somers requested an addition to the agenda to move into Executive Session at 3:00pm MST for a Zoom meeting with GVR Attorney Wendy Ehrlich regarding the use of video cameras on GVR property.

MOTION: Crothers/seconded. Move into Executive Session in five (5) minutes for Zoom meeting with GVR Attorney Wendy Ehrlich.

Passed: unanimously

5. Member Comments – no member comments received

6. Adjournment

MOTION: Weaver/seconded. Move to adjourn the meeting at 2:31pm MST.

Passed: unanimously



A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, April 14, 2021 in the West Center Auditorium with several directors present electronically. The President being in the chair and the Secretary being present.

Directors Present: Don Weaver (President), Nina Campfield (Vice President), Donna Coon (Treasurer), Kathi Bachelor, Carol Crothers, Bart Hillyer, Bev Lawless, Mike Zelenak, Scott Somers (CEO) (non-voting)

Directors Present Electronically: Ted Boyett (Secretary), Mark McIntosh (Assistant Secretary), Randy Howard (Assistant Treasurer), Christine Gallegos

Staff Present: Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Shelley Freeman (Arts & Entertainment Supervisor), Natalie Whitman (Communications Manager), Karen Miars (Executive Office Administrative Assistant), Marie Seixas (Meeting Scribe)

Guests: 2 in-house/8 electronically (includes additional staff)

1. Call to Order/Roll Call – Establish Quorum

President Weaver called the meeting to order at 8:30am MST. Roll was called and a quorum established.

2. Adopt Agenda

MOTION: Crothers/seconded. Adopt Agenda as presented.

Passed: Yes – 11; Abstain – 1 (Hillyer)

3. New Business

A. Election – President

- a) Nomination
 - a. Hillyer – will run
 - b. Weaver – will not run
 - c. Zelenak – will run
- b) Election
 - a. Zelenak – 9; Hillyer – 3

President Zelenak assumed the meeting and gave a statement.

B. Committee Members Terms – Scott Somers, CEO

CEO Somers presented options for discussion and consideration that support continuity and representation on committees. 1) Establish terms, the number of members for each committee, along with the maximum number of committees a member may serve upon, 2) establish terms and number of members for each committee, or 3) continue the present practice of committee chairs appointing members each year.

CEO Somers asked, rather than the Board trying to come to a decision at this meeting regarding this topic, that the Board charge the Board Affairs Committee to review this process and report back to the Board during the coming year.

MOTION: Crothers/seconded. Motion to charge the Board Affairs Committee to review the process of Board Committee terms, study the Bylaws and CPM mandates in this regard, and meet with and get opinions from members. Board Affairs to bring their findings back to the Board within three months.

Discussion followed.

AMENDMENT TO MOTION: Zelenak/seconded. Move to strike the time limit "within three months" to return to the Board with findings.

Passed: Yes – 9; No – 3 (Bachelor, Crothers, Hillyer)

REVISED MOTION: Crothers/seconded. Motion to charge the Board Affairs Committee to review the process of Board Committee terms, study the Bylaws and CPM mandates in this regard, meet with and get opinions from members, and return to the Board with their findings.

Passed: unanimously

C. Appoint Committee Chairs – President Zelenak

In compliance with Article 7 Section 4-A of the Bylaws of Green Valley Recreation, Inc. as President of the Board of Directors I hereby nominate the following to chair the current Green Valley Recreation, Inc. standing committees:

- Board Affairs – Nina Campfield
- Fiscal Affairs – Donna Coon
- Planning and Evaluation – Ted Boyett and Nina Campfield
- Investments – Bev Lawless
- Nominations and Elections – Mark McIntosh
- Audit – Don Weaver

** Director Bart Hillyer left the meeting at 9:00am MST.

MOTION: Weaver/ seconded. The GVR Board of Directors approve the appointment of 2021-2022 Committee Chairpersons as nominated by the President. Discussion followed.

Passed: Yes -10; No – 1 (Crothers)

4. Member Comments – none

5. Adjournment

MOTION: Howard/seconded. Adjourn the meeting at 9:10am MST.

Passed: unanimously



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for March 31, 2021. 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. Statement of Financial Position

As of Date: March 31, 2021 and Dec 31, 2020

	March 31, 2021	Dec 31, 2020
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	2,040,966	4,558,345
Accounts Receivable	739,260	244,976
Prepaid Expenses	179,099	267,187
Designated Investments (Charles S./SBH)		
Emergency - Fund	1,019,616 (1)	993,416 (15)
MRR - Fund	8,798,951 (2)	7,874,717 (16)
Initiatives - Fund	1,230,158 (3)	1,114,873 (17)
Total Designated Investments (CS/SBK)	11,048,726 (4)	9,983,006 (18)
Undesignated Invest. (JP Morgan)	5,312,504 (5)	2,309,471 (19)
Investments	16,361,230 (6)	12,292,477 (20)
Total Current Assets	19,320,555	17,362,985
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	23,594,789	23,455,093
Sub-Total	41,611,874	41,472,178
Less - Accumulated Depreciation	(23,994,016)	(23,587,197)
Net Fixed Assets	17,617,859 (7)	17,884,981 (21)
Total Assets	36,938,414	35,247,966
LIABILITIES		
Current Liabilities		
Accounts Payable	739,955	781,728
Deferred Dues & Fees	5,215,964	3,685,092
Deferred Programs	8,570	43,933
Compensation Liability	152,355	188,920
Total Current Liabilities	6,116,845	4,699,673
TOTAL NET ASSETS	30,821,569 (8)	30,548,293 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	1,019,616 (9)	993,416 (23)
Maint - Repair - Replacement	8,798,951 (10)	7,874,717 (24)
Initiatives	1,230,158 (11)	1,114,873 (25)
Sub-Total	11,048,726 (12)	9,983,006
Unrestricted Net Assets	19,499,567	20,565,287
Net change Year-to-Date	273,276 (13)	-
Unrestricted Net Assets	19,772,843 (14)	20,565,287
TOTAL NET ASSETS	30,821,569	30,548,293



Green Valley Recreation, Inc.
Summary Statement of Activities
 YTD Period: 3 month period ending March 31, 2021
 FY Budget Period: Jan 1, 2021 - Dec 31, 2021

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2020 YTD Actual	2021 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	1,687,935	1,736,779	48,844	3%	1,736,779	1,732,529	4,250	0%	6,930,115	5,193,336
LC.Trans., Crd Fees.	249,345	174,624	(74,721)	(30%)	174,624	298,380	(123,756)	(41%)	789,835	615,210
Capital Revenue	663,566	751,632	88,066	13%	751,632	670,099	81,533	12%	2,518,147	1,766,515
Programs	132,505	2,134	(130,371)	(98%)	2,134	136,131	(133,997)	(98%)	260,953	258,819
Instructional	210,597	55,758	(154,840)	(74%)	55,758	24,600	31,158	127%	206,133	150,375
Recreational Revenue	343,102	57,892	(285,211)	(83%)	57,892	160,731	(102,839)	(64%)	467,086	409,194
Investment Income	84,961	69,791	(15,170)	(18%)	69,791	62,917	6,874	11%	286,746	216,955
Advertising Income	47,298	19,278	(28,020)	(59%)	19,278	14,829	4,449	30%	71,257	51,980
Cell Tower Lease Inc.	10,210	10,342	133	1%	10,342	10,089	253	3%	38,378	28,036
Comm. Revenue	57,507	29,620	(27,887)	(48%)	29,620	24,918	4,702	19%	109,635	80,016
Other Income	51,805	16,221	(35,583)	(69%)	16,221	69,331	(53,109)	(77%)	91,433	75,211
Facility Rent	20,817	-	(20,817)	(100%)	-	4,500	(4,500)	(100%)	16,000	16,000
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	72,621	16,221	(56,400)	(78%)	16,221	73,831	(57,609)	(78%)	107,433	91,211
Total Revenue	3,159,038	2,836,559	(322,479)	(10%)	2,836,559	3,023,404	(186,845)	(6%)	11,208,997	8,372,438
Expenses										
Major Proj.-Rep. & Maint.	52,746	95,161	(42,415)	(80%)	95,161	251,381	156,220	62%	598,359	503,198
Facility Maintenance	93,157	36,876	56,281	60%	36,876	98,498	61,622	63%	254,620	217,744
Fees & Assessments	(5,534)	10,280	(15,814)	286%	10,280	6,999	(3,281)	(47%)	42,919	32,639
Utilities	254,042	187,754	66,288	26%	187,754	285,345	97,591	34%	865,734	677,980
Depreciation	429,452	417,253	12,199	3%	417,253	449,038	31,785	7%	1,810,173	1,392,920
Furniture & Equipment	29,251	39,660	(10,409)	(36%)	39,660	42,853	3,193	7%	189,667	150,007
Vehicles	16,656	16,945	(288)	(2%)	16,945	32,879	15,934	48%	70,112	53,167
Facilities & Equipment	869,770	803,929	65,841	8%	803,929	1,166,994	363,065	31%	3,831,584	3,027,655
Wages, Benfts., PR Exp.	1,157,537	1,363,392	(205,855)	(18%)	1,363,392	1,339,053	(24,339)	(2%)	5,384,349	4,020,957
Conferences & Training	8,123	3,585	4,538	56%	3,585	6,974	3,389	49%	45,563	41,978
Personnel	1,165,660	1,366,977	(201,317)	(17%)	1,366,977	1,346,026	(20,950)	(2%)	5,429,912	4,062,935
Food & Catering	11,576	3,929	7,648	66%	3,929	12,249	8,321	68%	50,621	46,692
Recreation Contracts	298,353	52,482	245,871	82%	52,482	149,494	97,011	65%	391,912	339,430
Bank & Credit Card Fees	57,427	35,667	21,760	38%	35,667	63,411	27,744	44%	94,119	58,452
Program	367,357	92,078	275,279	75%	92,078	225,154	133,076	59%	536,652	444,574
Communications	25,120	26,407	(1,287)	(5%)	26,407	28,775	2,368	8%	107,185	80,778
Printing	23,058	16,936	6,122	27%	16,936	23,986	7,050	29%	105,170	88,234
Advertising	630	-	630	100%	-	-	-	0%	-	-
Communications	48,807	43,343	5,464	11%	43,343	52,761	9,418	18%	212,355	169,012
Supplies	56,473	51,917	4,556	8%	51,917	68,474	16,557	24%	264,531	212,614
Postage	7,948	2,228	5,720	72%	2,228	8,890	6,662	75%	18,258	16,030
Dues & Subscriptions	3,403	2,160	1,243	37%	2,160	5,109	2,949	58%	15,558	13,398
Travel & Entertainment	4,768	-	4,768	100%	-	1,679	1,679	100%	14,912	14,912
Other Operating Expense	50,465	15,857	34,608	69%	15,857	45,297	29,440	65%	249,238	233,381
Operations	123,056	72,162	50,895	41%	72,162	129,449	57,287	44%	562,496	490,335
Information Technology	14,314	5,878	8,437	59%	5,878	35,679	29,802	84%	86,509	80,632
Professional Fees	82,997	23,717	59,280	71%	23,717	61,174	37,457	61%	229,577	205,860
Commercial Insurance	79,506	78,415	1,091	1%	78,415	76,745	(1,671)	(2%)	287,000	208,585
Taxes	-	9,826	(9,826)	0%	9,826	10,000	174	2%	20,367	10,541
Provision for Bad Debt	-	49	(49)	0%	49	-	(49)	0%	-	(49)
Corporate Expenses	176,818	117,885	58,933	33%	117,885	183,598	65,713	36%	623,454	505,568
Expenses	2,751,468	2,496,374	255,095	9%	2,496,374	3,103,982	607,608	20%	11,196,452	8,700,079
Gross surplus(Rev-Exp)	407,570	340,185	(67,385)	(17%)	340,185	(80,577)	420,763	(522%)	12,544	(327,641)
Net. Gain/Loss on Invest.	(885,069)	(66,985)	818,084		(66,985)	-	(66,985)		-	66,985
Net from Operations	(477,499)	273,200	750,699	(157%)	273,200	(80,577)	353,778	(439.05%)	12,544	(260,656)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: March 31, 2021 and Dec 31, 2020

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	273,276 (13)	273,276	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,188,885)	-	-	1,048,192	140,693
Depreciation	-	417,253	(417,253)	-	-	-
Disposal of Fixed Assets	-	(10,435)	10,435	-	-	-
Purchase & Contributed Fixed Assets	-	(172,060)	139,696	-	(110,256)	142,620
Withdrawals	-	139,018	-	-	22,253	(161,271)
Allocations of Net Change components:						
Investment income	-	(61,496)	-	3,274	48,491	9,731
Investment Expenses	-	16,337	-	(1,370)	(13,001)	(1,966)
Net Gains (Losses) in Investments	-	61,670	-	24,297	(71,445)	(14,523)
Repairs and replacements	-	-	-	-	-	-
Net Change to March 31, 2021	273,276 (13)	(525,322)	(267,122)	26,201	924,234	115,285
Net Assets at, Dec 31, 2020	30,548,293 (22)	2,680,306	17,884,981 (21)	993,416 (23)	7,874,717 (24)	1,114,873 (25)
Net Assets as at, March 31, 2021	30,821,569 (8)	2,154,985	17,617,859 (7)	1,019,616 (9)	8,798,951 (10)	1,230,158 (11)
		19,772,843 (14)			11,048,726 (12)	

Footnotes refer to Statement of Financial Position and Statement of Activities



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, 2020 (at Market)	12,292,477 ⁽²⁰⁾	2,309,471 ⁽¹⁹⁾	993,416 ⁽¹⁵⁾	7,874,717 ⁽¹⁶⁾	1,114,873 ⁽¹⁷⁾
Changes since Jan 1, 2020:					
Principal additions	4,192,073	3,003,188	-	1,048,192	140,693
Investment income	66,656	5,160	3,274	48,491	9,731
Withdrawals	(106,654)	-	-	(88,003)	(18,651)
Investment Expenses	(16,337)	-	(1,370)	(13,001)	(1,966)
Net Change for 3 Months	4,135,738	3,008,348	1,903	995,679	129,808
Balance before Market Change at March 31, 2021	16,428,215	5,317,819	995,319	8,870,396	1,244,681
3 Months Net Change in Investments Gain/(Loss)	(66,985)	(5,315)	24,297	(71,445)	(14,523)
Balance at March 31, 2021 (at Market)	\$ 16,361,230 ⁽⁶⁾	5,312,504 ⁽⁵⁾	1,019,616.13 ⁽¹⁾	8,798,951 ⁽²⁾	1,230,158 ⁽³⁾

11,048,726 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for February 28, 2021. The four statements

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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. Statement of Financial Position

As of Date: February 28, 2021 and Dec 31, 2020

	February 28, 2021	Dec 31, 2020
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	2,098,389	4,558,345
Accounts Receivable	1,003,947	244,976
Prepaid Expenses	219,685	267,187
Unamortized Deferred Compensation	-	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	1,003,606 (1)	993,416 (15)
MRR - Fund	8,834,925 (2)	7,874,717 (16)
Initiatives - Fund	1,151,504 (3)	1,114,873 (17)
Total Designated Investments (CS/SBK)	10,990,036 (4)	9,983,006 (18)
Undesignated Invest. (JP Morgan)	5,312,816 (5)	2,309,471 (19)
Investments	16,302,852 (6)	12,292,477 (20)
Total Current Assets	19,624,873	17,362,985
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	23,523,211	23,455,093
Sub-Total	41,540,296	41,472,178
Less - Accumulated Depreciation	(23,865,839)	(23,587,197)
Net Fixed Assets	17,674,457 (7)	17,884,981 (21)
Total Assets	37,299,330	35,247,966
LIABILITIES		
Current Liabilities		
Accounts Payable	604,580	781,728
Deferred Dues & Fees	5,795,516	3,685,092
Deferred Programs	18,971	43,933
Compensation Liability	164,543	188,920
Total Current Liabilities	6,583,609	4,699,673
TOTAL NET ASSETS	30,715,720 (8)	30,548,293 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	1,003,606 (9)	993,416 (23)
Maint - Repair - Replacement	8,834,925 (10)	7,874,717 (24)
Initiatives	1,151,504 (11)	1,114,873 (25)
Sub-Total	10,990,036 (12)	9,983,006
Unrestricted Net Assets	19,558,257	20,565,287
Net change Year-to-Date	167,428 (13)	-
Unrestricted Net Assets	19,725,685 (14)	20,565,287
TOTAL NET ASSETS	30,715,720	30,548,293



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 2 month period ending February 28, 2021

FY Budget Period: Jan 1, 2021 - Dec 31, 2021

	PRIOR YEAR COMPARISON				%	BUDGET COMPARISON				%	Fiscal Year Budget	Remaining FY Budget
	2020 YTD Actual	2021 YTD Actual	Year to Year Variance			YTD Actual	YTD Budget	YTD Variance				
Revenue												
Member Dues	1,126,835	1,158,116	31,281	3%	1,158,116	1,155,019	3,097	0%	6,930,115	5,771,999		
LC, Trans., Crd Fees.	184,798	106,267	(78,532)	(42%)	106,267	223,255	(116,988)	(52%)	789,835	683,568		
Capital Revenue	381,038	424,431	43,393	11%	424,431	373,371	51,060	14%	2,518,147	2,093,716		
Programs	92,511	2,134	(90,377)	(98%)	2,134	83,650	(81,516)	(97%)	260,953	258,819		
Instructional	167,970	38,303	(129,667)	(77%)	38,303	16,850	21,453	127%	206,133	167,830		
Recreational Revenue	260,481	40,437	(220,044)	(84%)	40,437	100,500	(60,063)	(60%)	467,086	426,649		
Investment Income	57,759	48,559	(9,199)	(16%)	48,559	28,607	19,953	70%	286,746	238,187		
Advertising Income	44,366	14,583	(29,783)	(67%)	14,583	10,879	3,704	34%	71,257	56,675		
Cell Tower Lease Inc.	6,806	6,895	88	1%	6,895	6,720	175	3%	38,378	31,483		
Comm. Revenue	51,172	21,477	(29,695)	(58%)	21,477	17,598	3,879	22%	109,635	88,158		
Other Income	45,713	10,481	(35,232)	(77%)	10,481	66,056	(55,575)	(84%)	91,433	80,952		
Facility Rent	17,432	-	(17,432)	(100%)	-	2,000	(2,000)	(100%)	16,000	16,000		
Marketing Events	-	-	-	0%	-	-	-	0%	-	-		
In-Kind Contributions	-	-	-	0%	-	-	-	0%	-	-		
Other Revenue	63,144	10,481	(52,663)	(83%)	10,481	68,056	(57,575)	(85%)	107,433	96,952		
Total Revenue	2,125,227	1,809,769	(315,457)	(15%)	1,809,769	1,966,406	(156,637)	(8%)	11,208,997	9,399,228		
Expenses												
Major Proj.-Rep. & Maint.	38,910	32,518	6,392	16%	32,518	148,524	116,006	78%	598,359	565,841		
Facility Maintenance	37,694	22,563	15,131	40%	22,563	74,358	51,794	70%	254,620	232,057		
Fees & Assessments	(5,657)	3,440	(9,097)	161%	3,440	3,008	(432)	(14%)	42,919	39,479		
Utilities	174,739	109,616	65,123	37%	109,616	191,581	81,965	43%	865,734	756,118		
Depreciation	275,759	278,642	(2,883)	(1%)	278,642	296,497	17,856	6%	1,810,173	1,531,531		
Furniture & Equipment	24,321	31,323	(7,002)	(29%)	31,323	30,591	(732)	(2%)	189,667	158,344		
Vehicles	12,754	10,544	2,210	17%	10,544	9,051	(1,493)	(16%)	70,112	59,568		
Facilities & Equipment	558,520	488,646	69,874	13%	488,646	753,611	264,965	35%	3,831,584	3,342,938		
Wages, Benfts., PR Exp.	742,799	879,272	(136,473)	(18%)	879,272	876,901	(2,371)	(0%)	5,384,349	4,505,077		
Conferences & Training	3,253	-	3,253	100%	-	1,998	1,998	100%	45,563	45,563		
Personnel	746,052	879,272	(133,220)	(18%)	879,272	878,899	(373)	(0%)	5,429,912	4,550,640		
Food & Catering	5,732	893	4,839	84%	893	6,564	5,671	86%	50,621	49,728		
Recreation Contracts	203,914	22,197	181,717	89%	22,197	93,498	71,301	76%	391,912	369,716		
Bank & Credit Card Fees	50,971	32,919	18,051	35%	32,919	56,347	23,428	42%	94,119	61,200		
Program	260,617	56,009	204,608	79%	56,009	156,409	100,400	64%	536,652	480,643		
Communications	15,805	16,470	(664)	(4%)	16,470	17,570	1,100	6%	107,185	90,715		
Printing	4,581	14,548	(9,967)	(218%)	14,548	19,616	5,069	26%	105,170	90,622		
Advertising	-	-	-	0%	-	-	-	0%	-	-		
Communications	20,387	31,017	(10,631)	(52%)	31,017	37,186	6,169	17%	212,355	181,338		
Supplies	40,481	33,687	6,794	17%	33,687	42,041	8,354	20%	264,531	230,844		
Postage	1,456	751	705	48%	751	7,660	6,908	90%	18,258	17,506		
Dues & Subscriptions	2,739	1,761	977	36%	1,761	4,037	2,276	56%	15,558	13,796		
Travel & Entertainment	4,468	-	4,468	100%	-	1,113	1,113	100%	14,912	14,912		
Other Operating Expense	45,915	9,070	36,845	80%	9,070	33,687	24,617	73%	249,238	240,168		
Operations	95,059	45,270	49,789	52%	45,270	88,538	43,268	49%	562,496	517,227		
Information Technology	9,311	3,768	5,542	60%	3,768	23,963	20,195	84%	86,509	82,741		
Professional Fees	55,747	16,838	38,909	70%	16,838	42,107	25,269	60%	229,577	212,739		
Commercial Insurance	54,240	52,764	1,476	3%	52,764	53,383	618	1%	287,000	234,236		
Taxes	-	9,826	(9,826)	0%	9,826	10,000	174	2%	20,367	10,541		
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-		
Corporate Expenses	119,297	83,196	36,101	30%	83,196	129,453	46,257	36%	623,454	540,257		
Expenses	1,799,931	1,583,410	216,521	12%	1,583,410	2,044,096	460,686	23%	11,196,452	9,613,043		
Gross surplus(Rev-Exp)	325,295	226,359	(98,936)	(30%)	226,359	(77,690)	304,049	(391%)	12,544	(213,815)		
Net. Gain/Loss on Invest.	(125,883)	(58,932)	66,951		(58,932)	-	(58,932)		-	58,932		
Net from Operations	199,413	167,428	(31,985)	(16%)	167,428	(77,690)	245,117	(315.51%)	12,544	(154,883)		



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: February 28, 2021 and Dec 31, 2020

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	167,428 (13)	167,428	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,103,369)	-	-	1,048,192	55,177
Depreciation	-	278,642	(278,642)	-	-	-
Purchase & Contributed Fixed Assets	-	(180,458)	68,118	-	(32,261)	144,600
Withdrawals	-	172,161	-	-	(11,612)	(160,549)
Allocations of Net Change components:						
Investment income	-	(37,239)	-	1,971	28,256	7,012
Investment Expenses	-	16,337	-	(1,370)	(13,001)	(1,966)
Net Gains (Losses) in Investments	-	57,420	-	9,590	(59,367)	(7,643)
Repairs and replacements	-	-	-	-	-	-
Net Change to February 28, 2021	167,428 (13)	(629,078)	(210,524)	10,191	960,208	36,631
Net Assets at, Dec 31, 2020	30,548,293 (22)	2,680,306	17,884,981 (21)	993,416 (23)	7,874,717 (24)	1,114,873 (25)
Net Assets as at, February 28, 2021	30,715,720 (8)	2,051,228	17,674,457 (7)	1,003,606 (9)	8,834,925 (10)	1,151,504 (11)
		19,725,685 (14)			10,990,036 (12)	

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2020 (at Market)	12,292,477 (20)	2,309,471 (19)	993,416 (15)	7,874,717 (16)	1,114,873 (17)
Changes since Jan 1, 2020:					
Principal additions	4,106,557	3,003,188	-	1,048,192	55,177
Investment income	38,908	1,669	1,971	28,256	7,012
Withdrawals	(59,822)	-	-	(43,873)	(15,949)
Investment Expenses	(16,337)	-	(1,370)	(13,001)	(1,966)
Net Change for 2 Months	4,069,306	3,004,857	600	1,019,575	44,274
Balance before Market Change at February 28, 2021	16,361,783	5,314,328	994,016	8,894,293	1,159,147
2 Months Net Change in Investments Gain/(Loss)	(58,932)	(1,512)	9,590	(59,367)	(7,643)
Balance at February 28, 2021 (at Market)	\$ 16,302,852 (6)	5,312,816 (5)	1,003,606.30 (1)	8,834,925 (2)	1,151,504 (3)

10,990,036 (12)

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for January 31, 2021. 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. Statement of Financial Position

As of Date: January 31, 2021 and Dec 31, 2020

	January 31, 2021	Dec 31, 2020
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	2,248,056	4,558,345
Accounts Receivable	1,143,266	244,976
Prepaid Expenses	242,536	267,187
Unamortized Deferred Compensation	-	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	988,411 (1)	993,416 (15)
MRR - Fund	8,862,484 (2)	7,874,717 (16)
Initiatives - Fund	1,166,400 (3)	1,114,873 (17)
Total Designated Investments (CS/SBK)	11,017,294 (4)	9,983,006 (18)
Undesignated Invest. (JP Morgan)	5,312,561 (5)	2,309,471 (19)
Investments	16,329,855 (6)	12,292,477 (20)
Total Current Assets	19,963,713	17,362,985
Fixed Assets		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	23,478,601	23,455,093
Sub-Total	41,495,686	41,472,178
Less - Accumulated Depreciation	(23,726,580)	(23,587,197)
Net Fixed Assets	17,769,106 (7)	17,884,981 (21)
Total Assets	37,732,818	35,247,966
LIABILITIES		
Current Liabilities		
Accounts Payable	533,179	781,728
Deferred Dues & Fees	6,375,067	3,685,092
Deferred Programs	28,663	43,933
Compensation Liability	176,731	188,920
Total Current Liabilities	7,113,641	4,699,673
TOTAL NET ASSETS	30,619,177 (8)	30,548,293 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	988,411 (9)	993,416 (23)
Maint - Repair - Replacement	8,862,484 (10)	7,874,717 (24)
Initiatives	1,166,400 (11)	1,114,873 (25)
Sub-Total	11,017,294 (12)	9,983,006
Unrestricted Net Assets	19,530,999	20,565,287
Net change Year-to-Date	70,884 (13)	-
Unrestricted Net Assets	19,601,883 (14)	20,565,287
TOTAL NET ASSETS	30,619,177	30,548,293



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 1 month period ending January 31, 2021

FY Budget Period: Jan 1, 2021 - Dec 31, 2021

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2020 YTD Actual	2021 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	563,634	579,170	15,537	3%	579,170	577,510	1,661	0%	6,930,115	6,350,944
LC, Trans., Crd Fees.	120,301	52,778	(67,523)	(56%)	52,778	167,217	(114,439)	(68%)	789,835	737,057
Capital Revenue	195,444	204,081	8,637	4%	204,081	206,554	(2,473)	(1%)	2,518,147	2,314,066
Programs	26,448	1,518	(24,930)	(94%)	1,518	38,800	(37,282)	(96%)	260,953	259,435
Instructional	100,432	20,588	(79,844)	(80%)	20,588	8,350	12,238	147%	206,133	185,545
Recreational Revenue	126,880	22,106	(104,774)	(83%)	22,106	47,150	(25,044)	(53%)	467,086	444,980
Investment Income	26,675	18,728	(7,947)	(30%)	18,728	6,047	12,681	210%	286,746	268,018
Advertising Income	21,157	10,598	(10,559)	(50%)	10,598	6,556	4,042	62%	71,257	60,660
Cell Tower Lease Inc.	3,403	3,447	44	1%	3,447	3,360	88	3%	38,378	34,931
Comm. Revenue	24,560	14,045	(10,514)	(43%)	14,045	9,916	4,129	42%	109,635	95,590
Other Income	13,763	8,787	(4,976)	(36%)	8,787	13,423	(4,636)	(35%)	91,433	82,646
Facility Rent	9,354	-	(9,354)	(100%)	-	1,000	(1,000)	(100%)	16,000	16,000
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	-	-	-	0%	-	-	-	0%	-	-
Other Revenue	23,117	8,787	(14,330)	(62%)	8,787	14,423	(5,636)	(39%)	107,433	98,646
Total Revenue	1,080,611	899,696	(180,915)	(17%)	899,696	1,028,816	(129,120)	(13%)	11,208,997	10,309,301
Expenses										
Major Proj.-Rep. & Maint.	21,125	14,482	6,643	31%	14,482	45,851	31,370	68%	598,359	583,877
Facility Maintenance	12,561	14,604	(2,043)	(16%)	14,604	65,199	50,594	78%	254,620	240,016
Fees & Assessments	669	3,410	(2,741)	(410%)	3,410	2,243	(1,167)	(52%)	42,919	39,509
Utilities	92,260	36,868	55,392	60%	36,868	100,125	63,257	63%	865,734	828,866
Depreciation	137,880	139,383	(1,503)	(1%)	139,383	148,338	8,955	6%	1,810,173	1,670,791
Furniture & Equipment	9,823	11,430	(1,607)	(16%)	11,430	12,051	621	5%	189,667	178,237
Vehicles	6,429	6,401	27	0%	6,401	4,363	(2,038)	(47%)	70,112	63,711
Facilities & Equipment	280,745	226,577	54,168	19%	226,577	378,170	151,593	40%	3,831,584	3,605,006
Wages, Benfts., PR Exp.	351,782	464,075	(112,294)	(32%)	464,075	460,256	(3,819)	(1%)	5,384,349	4,920,274
Conferences & Training	1,460	-	1,460	100%	-	1,914	1,914	100%	45,563	45,563
Personnel	353,242	464,075	(110,834)	(31%)	464,075	462,170	(1,906)	(0%)	5,429,912	4,965,836
Food & Catering	2,951	473	2,478	84%	473	3,948	3,476	88%	50,621	50,148
Recreation Contracts	88,982	8,067	80,915	91%	8,067	44,083	36,016	82%	391,912	383,846
Bank & Credit Card Fees	29,117	21,007	8,110	28%	21,007	15,957	(5,050)	(32%)	94,119	73,112
Program	121,050	29,547	91,503	76%	29,547	63,988	34,441	54%	536,652	507,105
Communications	8,047	7,727	319	4%	7,727	8,855	1,128	13%	107,185	99,458
Printing	372	150	222	60%	150	9,116	8,966	98%	105,170	105,020
Advertising	-	-	-	0%	-	-	-	0%	-	-
Communications	8,419	7,877	542	6%	7,877	17,971	10,094	56%	212,355	204,478
Supplies	21,924	14,591	7,333	33%	14,591	28,385	13,794	49%	264,531	249,940
Postage	253	419	(166)	(65%)	419	5,646	5,227	93%	18,258	17,839
Dues & Subscriptions	1,735	446	1,289	74%	446	2,289	1,843	81%	15,558	15,112
Travel & Entertainment	-	-	-	0%	-	500	500	100%	14,912	14,912
Other Operating Expense	26,548	4,018	22,531	85%	4,018	30,892	26,874	87%	249,238	245,220
Operations	50,460	19,473	30,987	61%	19,473	67,712	48,239	71%	562,496	543,023
Information Technology	4,357	1,625	2,733	63%	1,625	12,128	10,503	87%	86,509	84,885
Professional Fees	29,180	1,911	27,269	93%	1,911	19,737	17,826	90%	229,577	227,666
Commercial Insurance	25,266	27,113	(1,847)	(7%)	27,113	27,040	(73)	(0%)	287,000	259,887
Taxes	-	9,826	(9,826)	0%	9,826	-	(9,826)	0%	20,367	10,541
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
Corporate Expenses	58,804	40,475	18,329	31%	40,475	58,905	18,430	31%	623,454	582,979
Expenses	872,720	788,025	84,695	10%	788,025	1,048,917	260,892	25%	11,196,452	10,408,427
Gross surplus(Rev-Exp)	207,891	111,671	(96,220)	(46%)	111,671	(20,101)	131,772	(656%)	12,544	(99,127)
Net. Gain/Loss on Invest.	57,657	(40,787)	(98,444)		(40,787)	-	(40,787)		-	40,787
Net from Operations	265,548	70,884	(194,664)	(73%)	70,884	(20,101)	90,985	(452.64%)	12,544	(58,340)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
 As of Date: January 31, 2021 and Dec 31, 2020

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	70,884 (13)	70,884	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,103,369)	-	-	1,048,192	55,177
Depreciation	-	139,383	(139,383)	-	-	-
Purchase & Contributed Fixed Assets	-	(177,920)	23,508	-	(5,909)	160,321
Withdrawals	-	173,373	-	-	(12,102)	(161,271)
Allocations of Net Change components:						
Investment income	-	(8,424)	-	847	4,837	2,740
Investment Expenses	-	16,337	-	(1,370)	(13,001)	(1,966)
Net Gains (Losses) in Investments	-	42,207	-	(4,482)	(34,250)	(3,475)
Repairs and replacements	-	-	-	-	-	-
Net Change to January 31, 2021	70,884 (13)	(847,529)	(115,875)	(5,005)	987,766	51,527
Net Assets at, Dec 31, 2020	30,548,293 (22)	2,680,306	17,884,981 (21)	993,416 (23)	7,874,717 (24)	1,114,873 (25)
Net Assets as at, January 31, 2021	30,619,177 (8)	1,832,777	17,769,106 (7)	988,411 (9)	8,862,484 (10)	1,166,400 (11)
		19,601,883 (14)			11,017,294 (12)	

Footnotes refer to Statement of Financial Position and Statement of Activities



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

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2020 (at Market)	12,292,477 ⁽²⁰⁾	2,309,471 ⁽¹⁹⁾	993,416 ⁽¹⁵⁾	7,874,717 ⁽¹⁶⁾	1,114,873 ⁽¹⁷⁾
Changes since Jan 1, 2020:					
Principal additions	4,103,369	3,000,000	-	1,048,192	55,177
Investment income	10,093	1,669	847	4,837	2,740
Withdrawals	(18,961)	-	-	(18,012)	(949)
Investment Expenses	(16,337)	-	(1,370)	(13,001)	(1,966)
Net Change for 1 Months	4,078,164	3,001,669	(523)	1,022,017	55,002
Balance before Market Change at January 31, 2021	16,370,642	5,311,140	992,892	8,896,734	1,169,875
1 Months Net Change in Investments Gain/(Loss)	(40,787)	1,421	(4,482)	(34,250)	(3,475)
Balance at January 31, 2021 (at Market)	\$ 16,329,855 ⁽⁶⁾	5,312,561 ⁽⁵⁾	988,410.61 ⁽¹⁾	8,862,484 ⁽²⁾	1,166,400 ⁽³⁾

11,017,294 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for December 31, 2020. The four

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.

Statement of Financial Position

As of Date: December 31, 2020 and Dec 31, 2019

	December 31, 2020	Dec 31, 2019
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	4,558,345	2,505,270
Accounts Receivable	244,976	221,922
Prepaid Expenses	267,187	313,753
Unamortized Deferred Compensation	-	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	993,416 (1)	880,329 (15)
MRR - Fund	7,874,717 (2)	7,055,756 (16)
Initiatives - Fund	1,114,873 (3)	2,500,602 (17)
Total Designated Investments (CS/SBK)	9,983,006 (4)	10,436,687 (18)
Undesignated Invest. (JP Morgan)	2,309,471 (5)	3,274,640 (19)
Investments	12,292,477 (6)	13,711,327 (20)
Total Current Assets	17,362,985	16,752,273
Fixed Assets		
Contributed Fixed Assets	18,017,085	17,593,785
Purchased fixed Assets	23,455,093	21,995,051
Sub-Total	41,472,178	39,588,836
Less - Accumulated Depreciation	(23,587,197)	(21,918,638)
Net Fixed Assets	17,884,981 (7)	17,670,198 (21)
Total Assets	35,247,966	34,422,471
LIABILITIES		
Current Liabilities		
Accounts Payable	781,728	494,370
Deferred Dues & Fees	3,685,092	4,331,532
Deferred Programs	43,933	285,935
Compensation Liability	188,920	-
Total Current Liabilities	4,699,673	5,111,837
TOTAL NET ASSETS	30,548,293 (8)	29,310,635 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	993,416 (9)	880,329 (23)
Maint - Repair - Replacement	7,874,717 (10)	7,055,756 (24)
Initiatives	1,114,873 (11)	2,500,602 (25)
Sub-Total	9,983,006 (12)	10,436,687
Unrestricted Net Assets	19,327,629	18,873,948
Net change Year-to-Date	1,237,658 (13)	-
Unrestricted Net Assets	20,565,287 (14)	18,873,948
TOTAL NET ASSETS	30,548,293	29,310,635



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 12 month period ending December 31, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 2020

	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON			%	Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance			
Revenue										
Member Dues	6,712,673	6,748,910	36,237	1%	6,748,910	6,717,125	31,785	0%	6,717,125	(31,785)
LC, Trans., Crd Fees.	777,911	611,398	(166,514)	(21%)	611,398	618,000	(6,602)	(1%)	618,000	6,602
Capital Revenue	2,423,079	2,533,963	110,884	5%	2,533,963	2,535,200	(1,237)	(0%)	2,535,200	1,237
Programs	251,200	124,728	(126,473)	(50%)	124,728	336,000	(211,272)	(63%)	336,000	211,272
Instructional	408,797	253,846	(154,951)	(38%)	253,846	460,000	(206,154)	(45%)	460,000	206,154
Recreational Revenue	659,997	378,573	(281,424)	(43%)	378,573	796,000	(417,427)	(52%)	796,000	417,427
Investment Income	355,625	288,038	(67,587)	(19%)	288,038	377,651	(89,612)	(24%)	377,651	89,612
Advertising Income	129,559	122,893	(6,665)	(5%)	122,893	110,000	12,893	12%	110,000	(12,893)
Cell Tower Lease Inc.	38,378	41,059	2,681	7%	41,059	36,000	5,059	14%	36,000	(5,059)
Comm. Revenue	167,937	163,952	(3,984)	(2%)	163,952	146,000	17,952	12%	146,000	(17,952)
Other Income	91,492	49,147	(42,345)	(46%)	49,147	100,500	(51,353)	(51%)	100,500	51,353
Facility Rent	72,017	28,427	(43,591)	(61%)	28,427	100,000	(71,573)	(72%)	100,000	71,573
Marketing Events	-	-	-	0%	-	3,000	(3,000)	(100%)	3,000	3,000
In-Kind Contributions	359,387	63,913	(295,474)	(82%)	63,913	-	63,913	0%	-	(63,913)
Other Revenue	522,896	141,486	(381,410)	(73%)	141,486	203,500	(62,014)	(30%)	203,500	62,014
Total Revenue	11,620,118	10,866,321	(753,797)	(6%)	10,866,321	11,393,476	(527,155)	(5%)	11,393,476	527,155
Expenses										
Major Proj.-Rep. & Maint.	597,466	299,982	297,484	50%	299,982	265,148	(34,834)	(13%)	265,148	(34,834)
Facility Maintenance	160,960	371,289	(210,329)	(131%)	371,289	704,554	333,265	47%	704,554	333,265
Fees & Assessments	37,629	23,011	14,617	39%	23,011	78,716	55,705	71%	78,716	55,705
Utilities	871,509	719,908	151,601	17%	719,908	892,031	172,123	19%	892,031	172,123
Depreciation	1,603,077	1,668,559	(65,482)	(4%)	1,668,559	1,869,644	201,084	11%	1,869,644	201,084
Furniture & Equipment	255,750	190,685	65,066	25%	190,685	264,764	74,079	28%	264,764	74,079
Vehicles	67,644	66,385	1,259	2%	66,385	73,624	7,239	10%	73,624	7,239
Facilities & Equipment	3,594,036	3,339,819	254,217	7%	3,339,819	4,148,481	808,662	19%	4,148,481	808,662
Wages, Benfts., PR Exp.	4,713,352	5,121,924	(408,572)	(9%)	5,121,924	4,616,520	(505,403)	(11%)	4,616,520	(505,403)
Conferences & Training	38,318	30,028	8,290	22%	30,028	88,000	57,972	66%	88,000	57,972
Personnel	4,751,669	5,151,952	(400,283)	(8%)	5,151,952	4,704,520	(447,431)	(10%)	4,704,520	(447,431)
Food & Catering	37,374	24,689	12,685	34%	24,689	45,031	20,342	45%	45,031	20,342
Recreation Contracts	556,121	351,530	204,591	37%	351,530	632,750	281,220	44%	632,750	281,220
Bank & Credit Card Fees	94,119	73,900	20,219	21%	73,900	96,146	22,246	23%	96,146	22,246
Program	687,614	450,120	237,495	35%	450,120	773,927	323,807	42%	773,927	323,807
Communications	94,690	110,007	(15,317)	(16%)	110,007	104,149	(5,857)	(6%)	104,149	(5,857)
Printing	94,837	67,094	27,743	29%	67,094	94,497	27,403	29%	94,497	27,403
Advertising	-	630	(630)	0%	630	5,000	4,370	87%	5,000	4,370
Communications	189,526	177,731	11,796	6%	177,731	203,646	25,916	13%	203,646	25,916
Supplies	251,979	212,688	39,290	16%	212,688	344,127	131,438	38%	344,127	131,438
Postage	15,965	14,300	1,665	10%	14,300	18,500	4,200	23%	18,500	4,200
Dues & Subscriptions	12,820	9,886	2,934	23%	9,886	8,102	(1,784)	(22%)	8,102	(1,784)
Travel & Entertainment	8,065	7,746	319	4%	7,746	16,580	8,834	53%	16,580	8,834
Other Operating Expense	91,557	287,571	(196,014)	(214%)	287,571	178,260	(109,311)	(61%)	178,260	(109,311)
Operations	380,386	532,191	(151,806)	(40%)	532,191	565,568	33,377	6%	565,568	33,377
Information Technology	64,849	81,983	(17,134)	(26%)	81,983	114,900	32,917	29%	114,900	32,917
Professional Fees	293,818	211,219	82,599	28%	211,219	311,749	100,530	32%	311,749	100,530
Commercial Insurance	273,075	304,699	(31,624)	(12%)	304,699	280,000	(24,699)	(9%)	280,000	(24,699)
Taxes	20,367	11,870	8,497	42%	11,870	18,000	6,130	34%	18,000	6,130
Provision for Bad Debt	33,925	-	33,925	100%	-	24,000	24,000	100%	24,000	24,000
Corporate Expenses	686,034	609,771	76,262	11%	609,771	748,649	138,878	19%	748,649	138,878
Expenses	10,289,265	10,261,584	27,681	0%	10,261,584	11,144,791	883,207	8%	11,144,791	883,207
Gross surplus(Rev-Exp)	1,330,853	604,738	(726,116)	(55%)	604,738	248,685	356,053	143%	248,685	(356,053)
Net. Gain/Loss on Invest.	724,387	632,921	(91,466)		632,921	-	632,921		-	(632,921)
Net from Operations	2,055,240	1,237,658	(817,582)	(40%)	1,237,658	248,685	988,973	398%	248,685	(988,973)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: December 31, 2020 and Dec 31, 2019

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	1,237,658 (13)	1,237,658	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,497,215)	-	-	1,005,942	491,273
Depreciation	-	1,668,559	(1,668,559)	-	-	-
Purchase & Contributed Fixed Assets	-	(525,922)	1,883,342	-	(384,449)	(972,971)
Withdrawals	-	1,580,076	-	(15,000)	(557,396)	(1,007,680)
Allocations of Net Change components:						
Investment income	-	(251,731)	-	15,508	191,858	44,366
Investment Expenses	-	65,265	-	(4,552)	(47,418)	(13,295)
Net Gains (Losses) in Investments	-	(800,133)	-	117,130	610,425	72,578
Repairs and replacements	-	-	-	-	-	-
Net Change to December 31, 2020	1,237,658 (13)	1,476,557	214,783	113,086	818,962	(1,385,729)
Net Assets at, Dec 31, 2019	29,310,635 (22)	1,203,749	17,670,198 (21)	880,329 (23)	7,055,756 (24)	2,500,602 (25)
Net Assets as at, December 31, 2020	30,548,293 (8)	2,680,306	17,884,981 (7)	993,416 (9)	7,874,717 (10)	1,114,873 (11)
		20,565,287 (14)		9,983,006 (12)		

Footnotes refer to Statement of Financial Position and Statement of Activities



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, 2019 (at Market)	13,711,327 (20)	3,274,640 (19)	880,329 (15)	7,055,756 (16)	2,500,602 (17)
Changes since Jan 1, 2019:					
Principal additions	3,489,522	1,992,307	-	1,005,942	491,273
Investment income	297,118	45,386	15,508	191,858	44,366
Withdrawals	(5,773,146)	(2,835,650)	(15,000)	(941,845)	(1,980,651)
Investment Expenses	(65,265)	-	(4,552)	(47,418)	(13,295)
Net Change for 12 Months	(2,051,771)	(797,956)	(4,044)	208,537	(1,458,307)
Balance before Market Change at December 31, 2020	11,659,557	2,476,684	876,285	7,264,292	1,042,295
12 Months Net Change in Investments Gain/(Loss)	632,921 (26)	(167,213)	117,130	610,425	72,578
Balance at December 31, 2020 (at Market)	\$ 12,292,477 (6)	2,309,471 (5)	993,415.63 (1)	7,874,717 (2)	1,114,873 (3)

9,983,006 (12)

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.
Board of Directors Meeting

Prepared By: Cheryl Moose, CFO

Meeting Date: 4/28/2021

Presented By: Cheryl Moose, CFO

Consent Agenda: No

Originating Committee / Department: Finance
Action Requested: Accept the 2020 audit report
Strategic Focus Area: NA
Background Justification: Each year GVR has its financial information audited by an outside independent audit firm in order to ensure that our statements are prepared according to Generally Accepted Accounting Principles as we are required to do. For 2020, this audit was completed with the results being an unqualified opinion (the best you can get) with no findings.
Fiscal Impact: NA
Board Options: 1) To accept the 2020 audit report prepared by HBL. 2) To not accept the 2020 audit report prepared by HBL.
Staff Recommendation: Option #1
Recommended Motion: <i>I move to accept the 2020 audit report as prepared by HBL.</i>
Attachments: Hard copy of the audit report will be distributed at the meeting.



Green Valley Recreation, Inc.
Board of Directors Meeting

Prepared By: David Jund, Facilities Director **Meeting Date:** April 28, 2021

Presented By: David Jund, Facilities Director **Consent Agenda:** No

Originating Committee / Department: Facilities Department
Action Requested: Direct staff to pursue demolition and removal of the East Center pool/spa and deck.
Strategic Plan Focus Area: GVR Services
Background Justification: In regard to the East Center Pool Replacement Project, conducting demolition and removal of the East Center pool/spa and deck during the development phase of construction drawings and permitting, GVR will be able to: <ul style="list-style-type: none">• Save on total costs of the project• Show progress to the members• Have access to the soils currently beneath the vessel• Have the soils undergo further geotechnical evaluation• Have a geotechnical evaluation report to aid bidding pool contractors in developing their proposals
Fiscal Impact: Request for proposals were sent to 3 demolition contractors. To date, only Penhall Company has submitted a proposal for \$72,000. It has been estimated by AquaDesign International, that by subcontracting the demolition service, GVR may save approximately \$28,000 on the total East Center Pool Replacement Project.
Board Options: <ol style="list-style-type: none">1. Direct staff to proceed with demolition and removal of the East Center pool/spa and deck with Penhall Company at cost not to exceed \$75,000.2. Direct staff to incorporate the demolition and removal of the pool/spa and deck as part of the contract with the selected certified pool contractor executing the East Center pool replacement.3. Provide alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion:

I move to direct staff to proceed with demolition and removal of the East Center pool/spa and deck with Penhall Company at a cost not to exceed \$75,000.

Attachments:

Quote from Penhall Company



Concrete Sawing, Drilling, Scanning and Breaking

PROPOSAL

Date:	4-20-2021	Phone:	520-625-3440
Attention:	David Jund	Fax:	
Company:	Green Valley Recreation	Email:	djund@gvrec.org
Re:	Green Valley East Rec Center Pool and Spa demo		

Thank you for the opportunity to submit this proposal for your consideration. I have listed below a scope of work outlining what is included in the quoted price. Please feel free to contact me with any questions. **Penhall Company** proposes to furnish labor and equipment to:

Saw, demo and haul off;

- Entire pool and spa, pool deck
- Site wall surrounding pool area
- Associated landscaping along site wall

DESCRIPTION	LENGTH (SF)	WIDTH	THICKNESS	SF	AMOUNT
Total					\$72,000.00

GPR Scanning of the concrete is recommended and is available from Penhall for an additional charge of \$175.00/hr. Hourly rate will be charged for all time on site and travel from and to our local branch office. Orientation, badging and drug testing, parking fees, permitting, utility location, call before you dig, temporary walls and barricades, bonding, liquidated damages, retainage, layout, cleaning and power washing are all excluded. The price is based on one mobilization only and continuous, clear and unobstructed access to the work. If the scope changes or quantity, dimensions or thickness exceed those qualified herein, additional charges will apply. The Proposal Price does not include sales tax, use tax, excise tax, business tax, or other similar taxes or duties. Customer shall pay all such taxes in addition to the Proposal Price, or, alternatively, shall provide Penhall with acceptable proof of tax exemption. Customer understands and agrees that Penhall's Standard Terms and Conditions (which are available on Penhall's website (www.penhall.com/us/standard-terms-conditions) or by request) are incorporated by reference into this Proposal and shall apply, in addition to the terms of this Proposal, to all transactions between Customer and Penhall related to this Proposal.

PROPOSAL IS BASED ON THE EXCLUSIONS AND CONDITIONS BELOW. PLEASE READ CAREFULLY

Additional charges will apply with change of conditions.

- Proposal expires after 90 days if not accepted in the same period.
- Night, weekend and holiday work will incur additional charges.
- Penhall Company is not responsible for any water damage that may occur.
- Final grading/compacting by others.
- One mobilization is included. Additional mobs may incur an additional charge. \$600.00 each.
- Covering of holes and openings for safety purposes is excluded.
- Layout, access, protecting public from harm's way, shoring and bracing, traffic control and barricades, and locating, cutting, capping and protection of utilities is excluded.

Please sign and e-mail to broman@penhall.com upon acceptance. A signed proposal is required prior to Penhall mobilization.

Accepted by:		Submitted by:	Brad E. Roman
Title:			for Penhall Company, Inc.
Company:		Cell Number:	520-730-6782
Date:		Date:	4-20-2021



Green Valley Recreation, Inc.
Board of Directors Meeting

Prepared By: Cheryl Moose, CFO

Meeting Date: 4/28/21

Presented By: Cheryl Moose, CFO

Consent Agenda: No

Originating Committee / Department: Finance
Action Requested: Approve assessing late fees on member accounts in the amount of \$20 per month for the year 2021.
Strategic Plan Goal: NA
Background Justification: GVR has historically had a late fee of \$20 per month that is approved annually during the budget process. For the 2021 budget year, this fee was inadvertently left off of the approved Fee Schedule for Board approval.
Fiscal Impact: Not imposing late fees will have a negative effect on GVR's revenue during 2021. Late Fee revenue is usually about \$75,000. GVR is currently under budget in late fees of approximately \$60,000.
Board Options: <ol style="list-style-type: none">1) Approve a \$20 late fee per month on delinquent member accounts beginning May 2021.2) Approve a monthly late fee in a different amount on delinquent member accounts beginning May 2021.3) Do not approve any late fees on delinquent member accounts in 2021.
Staff Recommendation: Option #1
Recommended Motion: <i>I move to approve assessing late fees on delinquent member accounts in the amount of \$20 per month for the year 2021 beginning in May 2021.</i>
Attachments:



Green Valley Recreation, Inc.
Board of Directors Meeting

Prepared By: Natalie Whitman,
Communications Manager

Meeting Date: 4/28/21

Presented By: Natalie Whitman,
Communications Manager

Consent Agenda: No

Originating Committee / Department: Communications

Action Requested: Determine whether or not to continue GVR's current advertising program.

Strategic Plan Focus Area: Revenue generation

Background Justification:

In a March 17, 2021 Work Session, the Board discussed an analysis of the GVR advertising program and directed staff to look into retaining some elements of the program, namely sponsorships by relevant businesses (ie. a Penn tennis sponsorship and associated banners on the court fences) and other sports court banner advertising.

GVR's approximately six year-old program was initiated to generate non-dues revenue to support operations. Over the past four years, average net profits of the full program are estimated at \$28,224. Currently, sports court banner revenues represent approximately \$6,600 of total program income.

In seven of nine "Chat with the CEO" meetings, members expressed a need for improved communications from GVR.

Pros of the program:

- Modest revenue stream
- Some trades have been valuable: KGVY provides informative radio spots in exchange for a sports court banner and an eblast banner
- Possibly supporting community businesses by providing an affordable advertising option

Cons:

-Banner ads on the website and in the eblast distract from the content and invite members to leave GVR's informational and marketing materials to view other business's marketing materials. In the eblast, the addition of banner ads pushes information of interest to members down the page.

-Repeated advertising of this nature may be perceived as endorsement of certain businesses.

-The *GVR Now!* print publication has become primarily an advertising channel, with meaningful GVR-related content as a secondary consideration. Agreements with advertisers constrain GVR's flexibility with the production schedule and the amount of content we might prefer to publish from month to month.

-A large number of staff are involved: sales, accounting, graphic design, communications, IT, customer service, and facilities. The accumulated opportunity cost is significant.

-The sports court banner portion of the program generates little income

Fiscal Impact: See attached marketing analysis prepared by Finance Department.

Board Options:

1. Curtail current program. Continue select trades with high value (namely, with KGVY). Revisit sponsorship possibilities at a later date.
2. Direct the CEO to allocate staffing resources to continue the program.

Staff Recommendation:

Option #1

Recommended Motion:

I motion to discontinue GVR's current advertising program but direct staff to revisit sponsorship possibilities at a later date when higher-priority, member-requested communications improvements have been established.

Attachments:

Marketing analysis

GVR
Marketing Department Analysis

	2016	2017	2018	2019	2020	5 Year Total	5 Year Average	4 Year Average	Comment
Advertising Revenue (4091)	\$ 30,870	\$ 59,550	\$ 108,861	\$ 129,559	\$ 123,872	\$ 452,712	\$ 90,542	\$ 105,461	
Printing Costs			\$ 16,063	\$ 35,563	\$ 31,050	\$ 82,676	\$ 16,535	\$ 27,559	FULL COST OF PRINTING GVRNOW (if Advertising is eliminated, does the GVRNow cost disappear?)
Other Advertising Costs					\$ 326	\$ 326	\$ 65	\$ 326	
Professional Fees	\$ 434	\$ 673	\$ 19,818	\$ 51,500	\$ 29,539	\$ 101,965	\$ 20,393	\$ 25,383	LYNDA CAMPBELL COMMISSIONS
Wages & Benefits	\$ 29,644	\$ 19,694	\$ 4,724	\$ 4,820	\$ 17,471	\$ 76,353	\$ 15,271	\$ 11,677	ALL POSITIONS, FOLLOWING STAFF:
Other Expenses	\$ 2,132	\$ 4,650	\$ 23,299	\$ 10,433	\$ 7,770	\$ 48,284	\$ 9,657	\$ 11,538	CC FEES, CELL, A RIBLETT MILEAGE, S FREEMAN OTHER PRINTING M GARCIA M CHAPDELAIN B RIVETT
Expenses	\$ 32,210	\$ 25,017	\$ 63,904	\$ 102,317	\$ 86,156	\$ 309,604	\$ 61,921	\$ 69,349	
Direct Profit (Loss)	\$ (1,340)	\$ 34,533	\$ 44,957	\$ 27,242	\$ 37,716	\$ 143,108	\$ 28,622	\$ 36,112	
Plus Savings for Average Cost to publish in GV News	\$ 2,803	\$ 2,845	\$ 2,888	\$ 2,931	\$ 2,975	\$ 14,442	\$ 2,888	\$ 2,910	Estimate based on HISTORICAL cost to place insert in GV News many years ago
Total Direct Profit	\$ 1,463	\$ 37,378	\$ 47,845	\$ 30,173	\$ 40,691	\$ 157,549	\$ 31,510	\$ 39,022	

This is a marginal analysis to determine the bottom line effect that Marketing activities have on GVR

No Fixed Overhead has been applied above,
Examples of Overhead items not included:

GVR Now, non advertising labor	3,159	estimated non direct overhead
Accounting Overhead (AP Checks, Deposit processing, general bookkeeping)	1,123	estimated non direct overhead
Business Insurance	1,818	estimated non direct overhead
Office supplies (minimal)	240	estimated non direct overhead
Office space costs (minimal)	2,000	estimated non direct overhead
Other Administrative Labor (Management, Administration Allocation)	2,457	estimated non direct overhead
Total Estimated Non Direct Advertising Costs	<u>10,797</u>	

Net Profit to GVR after allocating Non Direct Costs \$ 28,224



MEMO

TO: Scott Somers
FROM: David Webster
DATE: April 28, 2021
CC: Cheryl Moose
RE: GVR Auditor Recommendation Informational Report

The following is an informational review of all recommendations received from the GVR Auditor resulting from the 2019 and 2020 Audit Management Recommendation Letters. The letters are attached and referenced. All recommendations have been implemented except for the fraud risk policy that is to be adopted by the Board of Directors (page 9)

Review of 2019 Audit Report regarding the Management Recommendation letter (pages 2-6) previously reviewed with Audit Committee on Nov. 24, 2020:

- 1) Cash Disbursements
 - a. Check signature stamp is now prohibited for check signing. (item 1 page 2).
 - b. Accountant II does not mail the checks. (item 4 page 4).
- 2) Cash Receipts (item 2).
 - a. Auditor recommended that mail opened by two people (item 2 page 3). This has been implemented. (see item 8. a.)
 - b. A mail Cash receipts log listing receipts is prepared daily and mail processors initial the log (item 2 page3).
 - c. Accountant III software rights to delete transactions has been removed item 2 page 3).
- 3) Journal Entries (item 3)
 - a. A summary journal entry report is signed off by CFO and an individual not subordinate to CFO (item 3 page 3).
- 4) Bank Reconciliations (item 5)
 - a. Bank reconciliations are printed out and Accounting Manager signs off to document the review of bank reconciliations (page 4).
 - b. Bank statements are opened and initialed by someone other than preparer of bank reconciliations (page 4).





- 5) Credit Card (item 6)
 - a. GVR follows credit card policies identifying types of purchases that should be made using credit cards (item 6 page 5).
- 6) Board Matters
 - a. Auditor recommends that the board implement a fraud risk assessment and monitoring program requiring that risks be evaluated annually. The Auditors discussed this with the Audit Committee. Staff will prepare a recommendation (item 7 and 10 pages 5 and 6).
 - b. The current Board does provide minutes of executive sessions. These minutes are sealed and secured. (item 8 page 5).
- 7) Payroll
 - a. Payroll reports are printed out and the CFO signs off on printed payroll reports. These reports are confidential and will be destroyed after the annual audit. (item 9 page 5).

Review of 2020 Audit Report regarding the Management Recommendation letter (pages 7-8) received Mar. 9, 2021:

- 8) Cash Receipts
 - a. Auditor recommends that two people open the mail together and that both individuals initial the cash log as evidence of dual custody during the process. (page 7). The Recreation Department is now committing staff time to allow for an additional staff member to be present when the daily mail is opened (see 2019 review item 2. a. page 3).
 - b. Original cash receipts log is now matched to the deposits per bank statement and evidenced by initialing by the Director of Accounting (page 7) .

Review of 2020 Audit Report Memorandum titled Other Recommendations (pages 9-10) received Mar. 29, 2021:

- 9) Board Matters
 - a. The Board has not drafted nor adopted a fraud risk policy. Staff will prepare a recommendation. This is a **repeat comment**. Item 10 page 6 and (item 1 page 9).
- 10) Payroll
 - a. Three employees files did not have direct evidence of approved rate. HR Manager is now printing out separate approval forms for each employee (item 2 page 9).



GREEN VALLEY RECREATION, INC.

11) Cash Receipts

- a. Two deposits were found to not have been deposited in a timely manner. All deposits are required to be deposited daily or as soon as possible. (item 3 page 9).

12) Cash Disbursements

- a. Two Accounts Payable checks were issued in the AP system with the same number. One check had a zero amount and the other had the correct amount. This was an attempt by the Accounts Payable staff to correct a printing error and save check stock. Staff has been instructed to void the entire check run when these errors occur and reprint the entire check run.

13) Cash

- a. Outstanding Accounts Payable checks were outstanding that were greater than 180 days. GVR is now investigating, voiding, and issuing a stop payment on checks each month for checks that are 180 days or greater outstanding. (item 5 page 10).



Boards of Directors and Audit Committee
Green Valley Recreation, Inc. and GVR Foundation
Green Valley, Arizona

In planning and performing our audit of the consolidated financial statements of Green Valley Recreation, Inc. (GVR) and GVR Foundation (the Foundation), collectively referred to as the Organization, as of and for the year ended **December 31, 2019**, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in **GVR's** internal controls to be material weaknesses:

Cash disbursements

1. During our review of the internal controls surrounding cash disbursements, we noted that GVR has a check signature stamp with the signature of a Board Member. During the Organization's 2017 audit, the predecessor auditor noted that the signature stamp was being used by the same person who prepares and mails checks. The predecessor auditor recommended that the signature stamp be used by GVR's Controller instead, in order to create a segregation of duties, and that recommendation was implemented by GVR.

However, use of a signature stamp by anyone other than the person whose signature is borne on the stamp carries an inherent increase in the risk of fraud. By selecting only certain individuals to have signing authority for the company's accounts, the company has vested responsibility for oversight of its cash in those individuals alone. Permitting anyone, regardless of position, to use the signature stamp of another person circumvents these reasonable monitoring and oversight activities and in effect gives anyone with physical access to the stamp the ability to control the company's assets. We recommend that the signature stamp, and any other signature stamps that may exist, be destroyed immediately. We further recommend that **GVR implement a policy prohibiting the use of a signature stamp for signing checks**, for memorializing an individual's required authorization on any document, or for any purpose whatsoever.

1. a.

Material weaknesses, continued

Cash receipts

2. During our review of internal controls surrounding cash receipts, we noted the following:

- When a company receives payments for revenues that are expected and have been invoiced and recorded as accounts receivable, such as member dues, the risk that funds could be misappropriated or lost prior to being deposited is mitigated by the fact that checks that were cashed but not applied to the customer's account would be identified when the company contacts the customer about the overdue balance. However, when a company receives payments that are not expected, such as program revenue or access card fees, there are no mitigating controls to detect the loss.

2. a.
2. b.

In order to mitigate the risk of misappropriation of cash receipts, we recommend that all mail be opened by two people together, separating member dues payments from funds received for all other purposes, and they contemporaneously complete a cash receipts log listing all non-member dues funds received, with both individuals initialing or signing the log as evidence of dual custody during the process. We further recommend that the original log be maintained by a person who has no access to checks and cash awaiting deposit, and that the original log be reconciled to deposits per the bank statement by someone independent of the cash receipts process.

- When payments are made in person, the Customer Service Representative issues a receipt for payment created by the CLASS software to the payer. The payment and reports are then given to the Accountant III, who enters the payments into the cash receipts log and records the deposit. However, the Accountant III has software rights that allow her to delete transactions from the CLASS database. To create an appropriate segregation of duties and mitigate the risk that misappropriation of assets could be concealed by deleting transactions from the system, we recommend that the logical access of the Accountant III be modified to exclude the ability to delete transactions.

2. c.

Journal entries

3. GVR staff posted journal entries as needed to maintain the accounting records of the GVR. However, there was no independent review of these entries performed. In order to prevent or detect any possible inappropriate or inaccurate modifications to the general ledger or concealment of fraud made through journal entries, we recommend that the CFO prepare a summary report from the accounting software of all journal entries, along with the support for the entries, monthly, that she review the documentation to ensure accuracy in calculation of the entry and that the entry is consistent with the support provided. We further recommend that entries posted by the CFO be likewise reviewed and approved by an individual who is not subordinate to the CFO. We lastly recommend that evidence of review and approval of entries be documented and maintained.

3. a.

We also became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency of **GVR**. The recommendations are as follows:

Cash disbursements

4. During our review of the internal controls surrounding cash disbursements, we noted the following:

- 1. b. • Signed checks are returned to the Accountant II for mailing. As the Accountant II is responsible for both accounts payable and printing checks, this presents an inadequate segregation of duties. We recommend that the Accounting Manager either mail the checks himself after meeting with the board, or have a staff person outside of the accounting department mail the signed checks to the recipients.
- One reason given for the need for a check signature stamp is that all checks, per GVR's bylaws, require two signatures, and there are instances in which two signers cannot be located on a timely basis to meet obligations to vendors. In such a case, the dual signature requirement for all checks has increased the risk of fraud rather than decreasing the risk as the policy intended, by requiring staff to implement a work-around to ensure continuing operations while still adhering to the policy as written. Other than this side effect of creating an incentive to engage in inappropriate use of a signature stamp, there is no inherent detriment to a dual signature policy. However, as there is no mechanism in place at financial institutions to prevent the bank from honoring a check that is not in compliance with the entity's policies regarding signatures there is also no actual protection provided by the requirement. The Board may therefore wish to consider whether continuation of this policy serves its system of internal controls.

If GVR believes the dual requirement to have continued merit, we recommend that the Board contemplate how to ensure that all checks can be signed on a sufficiently timely basis to meet its obligations to protect vendor relationships and prevent late fees or cessation of the provision of goods or services. The GVR may consider expanding its base of authorized signers or may implement other strategies to assure availability of signers as required.

Bank reconciliations

5. During our review of internal controls surrounding bank reconciliations, we noted the following:

- 4. a. • Although the Accounting Manager reviews the reconciliation after it is prepared by the Financial Analyst, there is no documentation of this process. We recommend that the Accounting Manager initial the printed reconciliation as evidence of his review and approval.
- 4. b. • The Financial Analyst downloads cash account activity from the bank's website at the beginning of the month to prepare the bank reconciliation. When the paper statement is received in the mail several days later, it is opened during the customary mail-opening process and provided to the Financial Analyst, who reviews it to ensure it is consistent with the downloaded data used to prepare the reconciliation. The paper statement is then provided to the accounting Manager for use in review of the bank reconciliation. To better segregate duties, we recommend that the Accounting Manager receive the bank statement unopened, and that he initial the bank statements as evidence that the statement was received independent from the activities used to prepare the reconciliation.

GVR other matters, continued

Credit cards

6. We noted that the volume and dollar amount of credit card purchases made by GVR was high compared to entities of similar size and function. This was a deliberate decision made by management to maximize the earnings for GVR through the credit card's cash back program. During our audit, we reviewed documentation for all credit card purchases reported on four monthly statements and found no transactions that were unsupported or appeared not to be legitimate business expenses.

5. a. However, to improve the monitoring of purchases of GVR, we recommend that GVR consider establishing policies identifying the types of purchases that are customarily paid via credit card, for which it is permissible to continue to make purchases using existing procedures and approval forms, and alternatively identify types of purchases that are traditionally invoiced and paid via check, which will require enhanced approval to pay the invoice via credit card.

Board matters

6. a. 7. We noted that the Board has not implemented a fraud risk assessment and monitoring program. Although the provisions of the Sarbanes-Oxley Act (the Act) do not apply specifically to nonprofit organizations, the legislation from the Act requires public companies to perform a self-assessment of the company's risks. This includes identifying fraud risks and taking appropriate action to reduce or eliminate the risks by identifying the process, controls and other procedures needed to mitigate the identified fraud risk. We recommend that the Board implement such a policy requiring that at least annually the risks in GVR be evaluated, that appropriate procedures be implemented to mitigate the identified risks, that the review be documented and that such documentation be retained.

6. b. 8. During our audit, it was indicated to us that the Board refused to provide minutes of executive sessions for inclusion in GVR's sealed archives. As best practice for good governance, we recommend that contemporaneous minutes be kept of these meetings and remitted to GVR for inclusion in archives. The presented minutes may be sealed for confidentiality.

Payroll

7. a. 9. During our review of internal controls surrounding payroll, we noted the HR manager processes payroll, and that the CFO receives the payroll reports directly from ADP by email and reviews them for accuracy. However, there is no documentation of this review and approval. In order to mitigate the risk that payroll transactions could be inappropriately modified or fictitious employees could be created, review of the payroll reports by an individual independent of the payroll processing function is a critical element of segregation of duties, and we recommend that the CFO initial or sign the payroll report to document her review and approval of the payroll as processed.

We lastly became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency of **the Foundation**. The recommendations are as follows:

Board matters

10. We noted that the Foundation's Board has not implemented the following policies in writing:

N/A

- **Fraud risk assessment and monitoring program**. See recommendation 7 above for GVR for more information on the purpose of the program. We recommend that the Foundation's Board also implement such a policy.
- Spending policy – The State of Arizona's Management of Charitable Funds Act requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. In accordance with the Act, we recommend that the Board of the Foundation formalize their spending policy in writing.
- Gift acceptance policy – Some gifts may result in more inconvenience and expense than the benefit to a company. A written gift acceptance policy can help manage the expectations of donors, and also serve as guidance for board and staff members. We recommend the Board of the Foundation develop a policy for determining whether or not to accept certain types of gifts.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of this matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Audit Committee and the Boards of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

HBL CPAs, P.C.

HBL CPAs, P.C.

April 8, 2020



Certified Public Accountants

Board of Directors and Audit Committee
Green Valley Recreation, Inc.
Green Valley, Arizona

In planning and performing our audit of the financial statements of Green Valley Recreation, Inc. (GVR) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered GVR's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GVR's internal control. Accordingly, we do not express an opinion on the effectiveness of GVR's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in GVR's internal controls to be material weaknesses:

Cash receipts

When a company receives payments for revenues that are expected and have been invoiced and recorded as accounts receivable, such as member dues, the risk that funds could be misappropriated or lost prior to being deposited is mitigated by the fact that checks that were cashed but not applied to the customer's account would be identified when the company contacts the customer about the overdue balance. However, when a company receives payments that are not expected, such as program revenue or access card fees, there are no mitigating controls to detect the loss. During our review of internal controls surrounding cash receipts, we noted the following:

- 8. a. There was no evidence of dual custody of cash receipts during the mail-opening process. In order to mitigate the risk of misappropriation of cash receipts, we recommend that **all mail be opened by two people together**, separating member dues payments from funds received for all other purposes, and that they contemporaneously complete a cash receipts log listing all non-member dues funds received, with both individuals initialing or signing the log as evidence of dual custody during the process. This is a repeat comment.
- 8. b. There was additionally no evidence that the cash receipts log was reconciled to the actual deposits on the bank statement. We recommend that the original log be maintained by a person who has no access to checks and cash awaiting deposit, and that the **original log be reconciled to deposits** per the bank statement by an individual independent of the cash receipts process. This is a repeat comment.

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We also became aware of certain matters that are opportunities for strengthening the internal controls and the operating efficiency of GVR. The recommendations have been communicated to you in a separate memo dated March 30, 2021.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Audit Committee and the Board of Directors, and others within GVR, and is not intended to be and should not be used by anyone other than these specified parties.

HBL CPAs, P.C.

HBL CPAs, P.C.

March 30, 2021



Memorandum

To: Management of Green Valley Recreation, Inc.

From: HBL CPAs, P.C.

Re: Other recommendations

Date: March 30, 2021

In planning and performing our audit of the financial statements of Green Valley Recreation, Inc. (GVR) as of and for the year ended **December 31, 2020** in accordance with auditing standards generally accepted in the United States of America, we considered GVR's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the GVR's internal control. Accordingly, we do not express an opinion on the effectiveness of the GVR's internal control.

We identified two deficiencies in internal control that we consider to be material weaknesses. We have communicated those deficiencies to you in a separate letter dated March 30, 2021. Additionally, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This memo does not affect our report dated March 30, 2021 on the financial statements of Green Valley Recreation, Inc. The recommendations are as follows:

Board Matters

9. a. 1. During our review of internal controls, we noted that the **board had not drafted nor adopted a fraud risk policy or policy framework** to facilitate an annual assessment and evaluation of the risk to GVR due to fraud. We recommend that the board adopt a fraud risk assessment policy that requires an annual assessment and subsequent report to the board. This is a repeat comment.

Payroll

10. a. 2. During our tests of internal controls over payroll, we noted that **three employee files** out of 40 tested were **without direct evidence of their approved rate of pay**. It was represented to us that standard pay rate forms were adopted in 2020. However, the employees in question were hired and terminated before the end of the probationary period, at which time the status change would be completed for the transition to full employment. We recommend that all employee files contain approved documentation of the employee's pay rate as of the date of hire and for any subsequent changes.

Cash receipts

11. a. 3. During our testing of 25 cash receipts that were received in person at the main locations and non-member dues received through the mail, we noted **two deposits** that were **not deposited until up to 30 days after receipt**. These receipts go through a different deposit process from member dues and similar payments that are posted to accounts receivable. To mitigate the risk of misappropriation or accidental loss of payments received and awaiting deposit, we recommend that such non-member dues cash receipts be deposited on a timely basis.

Cash disbursements

- 12.a. 4. During our procedures for voided checks to verify the integrity of the check register, we found two checks that had been issued with the same check number. One check was written for \$0 and the other for \$126. We recommend that misprinted checks be voided, defaced and maintained, and that checks subsequently written to replace the misprint be reissued with a unique check number.

Cash

- 13.a. 5. During our audit, we found that \$6,358 in checks were outstanding in excess of 180 days. We recommend that GVR adopt policies and procedures to identify uncashed checks at 90 days after issuance and investigate the reason the check has not been cashed. We recommend that such investigation be documented, and that checks that remain outstanding for an extended period of time be remanded to the state in accordance with laws and regulations regarding unclaimed property.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing these recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, Audit Committee, and others within GVR, and is not intended to be and should not be used by anyone other than these specified parties.



MEMORANDUM

TO: Board of Directors

FROM: Cheryl Moose, CFO

DATE: April 28, 2021

RE: 2020 Member Assistance Program Report

Report of 2021 Member Assistance Program

- 83 applications received
- 39 first time applicants
- 3 members withdrew their applications
- 9 applicants denied (did not meet eligibility criteria)
- 65 applicants received full award \$505.00
- 6 applicants received partial award of \$252.50
- Total 2021 awards \$33,835.00