



## AGENDA

**BOARD OF DIRECTORS MEETING**  
Wednesday, August 25, 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)

<u>AGENDA TOPIC</u>	<u>PRESENTER</u>	<u>EXHIBIT</u>	<u>ACTION</u>
1. Call to Order / Roll Call – Establish Quorum	Zelenak		
2. Adopt Agenda	Zelenak	Y	Y
3. CEO Report	Somers		
4. Consent Agenda	Zelenak	Y	Y
A. Minutes:			
▪ BOD Work Session Minutes: May 26, 2021			
▪ BOD Work Session Minutes: July 21, 2021			
▪ BOD Regular Meeting Minutes: July 28, 2021			
B. Financial Statements: July 2021			
5. New Business			
A. Consider FAC Recommendation: Transfer 2020 Operations Surplus to Initiatives Reserve	Coon	Y	Y
B. Consider FAC Recommendation: Transfer Funds from Operations to Initiatives Reserve	Coon	Y	Y
C. Create Reserve Account for Pool and Spa Replacement	Coon	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		
7. Member Comments			
8. Adjournment			





A work session of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, May 26, 2021 via Zoom. The President and the Secretary being present.

**Directors Present:** 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 (CEO, non-voting)

**Staff Present:** Cheryl Moose (CFO), David Webster (Director of Accounting), David Jund (Facilities Director), Natalie Whitman (Communications Manager), Dee Schisel (Payroll/HR Specialist), Marie Seixas (Meeting Scribe)

**Guests:** 8 (including additional staff)

**Call to Order:** President Zelenak called the meeting to order at 10:01am MST. Roll was called by Secretary Boyett and a quorum established.

**Agenda Topic: Surplus Formula Calculation**

Susan Vos of Regier Carr & Monroe, LLP, CPAs in Tucson presented recommendations for calculating the year-end surplus/loss for 2020. She recommended using numbers from an approved audit when calculating. Lengthy discussion occurred on going back to 2019 and applying the new formula to calculate the 2019 surplus/loss.

CEO Somers committed to the necessary funds and staff time to develop a calculation for 2019, if Ms. Vos is willing to participate, and to provide an informational final report for the Board to receive the necessary answers and move forward. This information to be posted for members to review as well. The Board was agreeable with his plan.

**Adjourn:** President Zelenak adjourned the meeting at 10:55am MST.





A work session of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, July 21, 2021 via Zoom. The President and the Secretary being present.

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

**Directors Absent:** Bart Hillyer, Randy Howard (Assistant Treasurer)

**Staff Joining Meeting at 10:30am:** Randy Cheatham (IT Director), David Jund (Facilities Director), Cheryl Moose (CFO), Melanie Stephenson (Project Manager), Natalie Whitman (Communications Manager)

**Guest Presenter:** Terrie Glass, Zelos LLC

**Call to Order:** President Zelenak called the meeting to order at 10:00am MST. Roll was called by Secretary Boyett and a quorum established.

**Agenda Topic: GVR Strategic Plan**

Terrie Glass presented the following agenda to assist the Board on the finalization of the Strategic Plan:

- Welcome & Introduction
- Process Comments
- Questions?
- Confirmation – Do goals and objectives align and does this reflect consideration of member input
- Staff Joins
- Review Plan
- Make decisions on wording of Mission and Goals 1, 2, 3 and Objective 5.2

\* K. Bachelor arrived at 10:09am.

Ms. Glass informed the Board that her intent was to do work here today, so at next week's Board meeting the final plan can be presented for a vote. She feels that a very good job has been done in listening to members. She has met with staff for over nine hours during this process and was impressed on how well they work together as a team. CEO Scott Somers was immensely helpful during the process and has excellent interaction with the staff. The success of this organization rests in part on the relationship of the Board with the CEO and senior staff. Discussion followed.

Board members provided Ms. Glass with an overview of the questions they wanted addressed in regards to particular items in the Strategic Plan.

Staff joined the meeting at 10:30am.

Ms. Glass led the discussion reviewing goals, their measures, and objectives as currently written. With input and agreement from Board and staff members, changes were made to the written copy and certain items were explained in more depth for better understanding.

\*\* Break from 11:40-11:50am.

Discussion continued on remaining goal areas. Additional changes were made and some additions were suggested and approved.

Discussion on GVR Mission Statement and why it needs to be changed. Ms. Glass to put the reasoning in writing and forward to the Board.

Once the entire review work is complete, Ms. Glass is to send a final copy to the Board for review prior to the July 28 Board Meeting.

**Adjourn:** President Zelenak adjourned the meeting at 1:37pm MST.

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A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, July 28, 2021 in the West Center Auditorium. The President being in the chair and the Secretary being present.

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

**Directors Absent:** Randy Howard (Assistant Treasurer)

**Staff Present:** Cheryl Moose (CFO), Kris Zubicki (Recreation Services Director), David Webster (Director of Accounting), David Jund (Facilities Director), Natalie Whitman (Communications Manager), Karen Miars (Administrative Assistant), Marie Seixas (Meeting Scribe)

**Guest Presenter:** Terrie Glass, Zelos, LLC

**Visitors:** 39 (includes additional staff)

**1. Call to Order/Roll Call – Establish Quorum**

President Zelenak called the meeting to order at 2:01pm MST. Secretary Boyett called roll; quorum established.

**2. Adopt Agenda**

**MOTION: Boyett/Seconded. Approve the agenda as presented.**

**Passed: unanimously**

**3. CEO Report**

CEO Somers reported on the use of the surplus calculation method for the 2019 and current financial years. This year it is estimated there will be approximately \$3.4 million operating cash available on November 30 (103 days). Transferring cash down to 90 days is being considered; discussions going forward to determine this. Director Coon spoke to this, as Chair of Fiscal Affairs Committee, stating discussions were to begin next week.

**4. Consent Agenda**

**MOTION: Campfield/Seconded. Approve the Consent Agenda as presented:**

- **Minutes: June 23, 2021**
- **Financial Statements: June 2021**

**Passed: unanimously**

**5. New Business**

**A. Approve 5-year Strategic Plan, including Mission/Vision Statements & Goals**

Terrie Glass of Zelos, LLC presented the newly developed GVR 5-year Strategic Plan. She briefly reviewed the revised Mission and Vision Statements and the goals. She thanked the Board of Directors and the GVR staff for their vision and hard work in contributing to the development of this plan.

**MOTION: Boyett/Seconded. Approve and adopt the five-year Strategic Plan as prepared by Zelos, LLC.**

**Passed: unanimously**

CEO Somers thanked the Board for their approval of the new plan and extended special thanks to Terrie Glass for her guidance throughout this process.

**B. Tentative Approval: Purchase or Lease of Canoa Hills Parking Lot**

CEO Somers presented background and chronology on the process of this topic. He recommended several alternative approaches, including perhaps pausing in proceeding with construction to give the Board and staff time to review this situation. He also put forth that today could be a discussion period, moving forward with a final decision at a later date.

**MOTION: Campfield/Seconded. Approve a purchase agreement between GVR and GVR Foundation conveying ownership of the Canoa Hills Clubhouse parking lot to GVR, paying \$11,000 annual for ten years for a total payment of \$110,000 AND approve a lease agreement between GVR and the GVR Foundation that provides approximately 169 sq ft of office space in the Canoa Ranch Center to the GVR Foundation as drafted.**

Lengthy discussion followed.

**Passed: 8 yes / 3 no (Crothers, Gallegos, Hillyer)**

**C. Amend Corporate Policy Manual (CPM): Update GVR Reserve Policy**

Director Coon presented on updates that the Fiscal Affairs and the Board Affairs Committees recommend to be made to the CPM relative to reserve funding and the surplus/deficit calculation.

**MOTION: Coon/Seconded. Approve the recommendation of the Fiscal Affairs Committee and the Board Affairs Committee for changes to be made to the Corporate Policy Manual relative to the Reserve Funding and the Annual Operating Surplus/Deficit Calculation.** Discussion followed.

**Passed: unanimously**

**D. Amend Corporate Policy Manual (CPM): Director Protocols**

Vice President Campfield presented requesting the Board to approve a change to the CPM to provide a protocol for Director requests for information, records and data.

**MOTION: Campfield/Seconded. Amend the Corporate Policy Manual Section VI, Subsection 1 by adding Paragraph J:**

**J. Director Requests for Records/Data/Information**

- 1. Requests by directors for GVR records/data/information must be made in writing, detailing the reason for needing to review the records/data/information, and shall be directed to the CEO.**
- 2. The CEO shall reply to a director's request as follows:**
  - a. If the CEO determines that the time requirement to satisfy the request is nominal and that the information stated in the request relates to a matter under consideration by the Board or a committee, the CEO shall provide the information as soon as practical to all directors.**









# Green Valley Recreation, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying pages are the Financial Reports for July 31, 2021. The four statements are:

### **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: July 31, 2021 and Dec 31, 2020

	July 31, 2021	Dec 31, 2020
	Total	Total
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash/Cash Equivalents	958,795	4,558,345
Accounts Receivable	375,241	244,976
Prepaid Expenses	438,829	267,187
Designated Investments (Charles S./SBH)		
Emergency - Fund	1,115,199 (1)	993,416 (16)
MRR - Fund	8,770,616 (2)	7,874,717 (16)
Initiatives - Fund	1,353,870 (3)	1,114,873 (17)
Total Designated Investments (CS/SBH)	11,239,685 (4)	9,983,006 (18)
Undesignated Invest. (JP Morgan)	5,319,357 (5)	2,309,471 (19)
Investments	16,559,041 (6)	12,292,477 (20)
<b>Total Current Assets</b>	<b>18,331,907</b>	<b>17,362,985</b>
<b>Fixed Assets</b>		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	23,932,137	23,455,093
Sub-Total	41,949,222	41,472,178
Less - Accumulated Depreciation	(24,541,406)	(23,587,197)
<b>Net Fixed Assets</b>	<b>17,407,816 (7)</b>	<b>17,884,981 (21)</b>
<b>Total Assets</b>	<b>35,739,723</b>	<b>35,247,966</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	999,841	781,728
Deferred Dues & Fees	2,893,814	3,685,092
Deferred Programs	9,946	43,933
Compensation Liability	97,507	188,920
<b>Total Current Liabilities</b>	<b>4,001,109</b>	<b>4,699,673</b>
<b>TOTAL NET ASSETS</b>	<b>31,738,614 (8)</b>	<b>30,548,293 (22)</b>
<b>NET ASSETS</b>		
Temporarily Designated:		
Board Designated:		
Emergency	1,115,199 (9)	993,416 (23)
Maint - Repair - Replacement	8,770,616 (10)	7,874,717 (24)
Initiatives	1,353,870 (11)	1,114,873 (25)
Sub-Total	11,239,685 (12)	9,983,006
Unrestricted Net Assets	19,308,608	20,565,287
Net change Year-to-Date	1,190,321 (13)	-
Unrestricted Net Assets	20,498,929 (14)	20,565,287
<b>TOTAL NET ASSETS</b>	<b>31,738,614</b>	<b>30,548,293</b>





## Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 7 month period ending July 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	%		
<b>Revenue</b>										
Member Dues	3,937,526	4,046,299	108,773	3%	4,046,299	4,042,567	3,732	0.1%	6,930,115	2,883,816
LC, Trans., Crd Fees.	392,182	442,636	50,454	13%	442,636	528,527	(85,890)	(16%)	789,835	347,198
Capital Revenue	1,340,543	1,964,202	623,659	47%	1,964,202	1,833,283	130,919	7%	2,518,147	553,945
Programs	122,230	7,373	(114,857)	(94%)	7,373	157,614	(150,242)	(95%)	260,953	253,580
Instructional	209,353	78,840	(130,513)	(62%)	78,840	79,085	(245)	(0%)	206,133	127,293
<b>Recreational Revenue</b>	<b>331,583</b>	<b>86,213</b>	<b>(245,370)</b>	<b>(74%)</b>	<b>86,213</b>	<b>236,699</b>	<b>(150,486)</b>	<b>(64%)</b>	<b>467,086</b>	<b>380,873</b>
<b>Investment Income</b>	<b>171,418</b>	<b>163,002</b>	<b>(8,415)</b>	<b>(5%)</b>	<b>163,002</b>	<b>129,835</b>	<b>33,167</b>	<b>26%</b>	<b>286,746</b>	<b>123,744</b>
Advertising Income	73,781	23,335	(50,446)	(68%)	23,335	35,093	(11,758)	(34%)	71,257	47,922
Cell Tower Lease Inc.	23,822	24,132	309	1%	24,132	19,186	4,946	26%	38,378	14,246
<b>Comm. Revenue</b>	<b>97,603</b>	<b>47,467</b>	<b>(50,136)</b>	<b>(51%)</b>	<b>47,467</b>	<b>54,278</b>	<b>(6,811)</b>	<b>(13%)</b>	<b>109,635</b>	<b>62,168</b>
Other Income	47,221	48,098	876	2%	48,098	79,512	(31,414)	(40%)	91,433	43,335
Facility Rent	21,017	1,410	(19,607)	(93%)	1,410	7,200	(5,790)	(80%)	16,000	14,590
Marketing Events	-	-	-	0%	-	-	-	0%	-	-
In-Kind Contributions	63,913	-	(63,913)	(100%)	-	-	-	0%	-	-
<b>Other Revenue</b>	<b>132,151</b>	<b>49,508</b>	<b>(82,643)</b>	<b>(63%)</b>	<b>49,508</b>	<b>86,712</b>	<b>(37,204)</b>	<b>(43%)</b>	<b>107,433</b>	<b>57,925</b>
<b>Total Revenue</b>	<b>6,403,005</b>	<b>6,799,327</b>	<b>396,322</b>	<b>6%</b>	<b>6,799,327</b>	<b>6,911,901</b>	<b>(112,574)</b>	<b>(2%)</b>	<b>11,208,997</b>	<b>4,409,670</b>
<b>Expenses</b>										
Major Proj.-Rep. & Maint.	163,476	293,633	(130,157)	(80%)	293,633	418,162	124,530	30%	598,359	304,726
Facility Maintenance	274,603	114,205	160,398	58%	114,205	174,704	60,499	35%	254,620	140,415
Fees & Assessments	(1,520)	13,324	(14,843)	977%	13,324	19,360	6,036	31%	42,919	29,595
Utilities	459,032	495,500	(36,468)	(8%)	495,500	555,233	59,734	11%	865,734	370,234
Depreciation	968,867	969,144	(276)	(0%)	969,144	1,072,658	103,514	10%	1,810,173	841,030
Furniture & Equipment	98,263	121,876	(23,614)	(24%)	121,876	125,052	3,176	3%	189,667	67,790
Vehicles	28,501	42,118	(13,617)	(48%)	42,118	47,723	5,605	12%	70,112	27,994
<b>Facilities &amp; Equipment</b>	<b>1,991,222</b>	<b>2,049,799</b>	<b>(58,577)</b>	<b>(3%)</b>	<b>2,049,799</b>	<b>2,412,893</b>	<b>363,093</b>	<b>15%</b>	<b>3,831,584</b>	<b>1,781,784</b>
Wages	1,846,831	2,345,633	(498,802)	(27%)	2,345,633	2,402,374	56,741	2%	4,153,407	1,807,774
Payroll Taxes	137,596	190,729	(53,133)	(39%)	190,729	188,106	(2,623)	(1%)	325,212	134,483
Benefits	550,348	556,049	(5,701)	(1%)	556,049	497,601	(58,448)	(12%)	837,771	281,723
Employee Recognition	4,179	(5,922)	10,101	242%	(5,922)	6,325	12,246	194%	10,842	16,764
Conferences & Training	9,691	5,481	4,210	43%	5,481	34,053	28,571	84%	45,563	40,081
<b>Personnel</b>	<b>2,548,645</b>	<b>3,091,970</b>	<b>(543,325)</b>	<b>(21%)</b>	<b>3,091,970</b>	<b>3,128,458</b>	<b>36,488</b>	<b>1.2%</b>	<b>5,372,795</b>	<b>2,280,825</b>
Food & Catering	14,433	9,980	4,453	31%	9,980	24,170	14,189	59%	50,621	40,640
Recreation Contracts	304,252	81,914	222,338	73%	81,914	208,779	126,865	61%	391,912	309,999
Bank & Credit Card Fees	65,774	41,754	24,020	37%	41,754	71,776	30,022	42%	94,119	52,366
<b>Program</b>	<b>384,458</b>	<b>133,648</b>	<b>250,811</b>	<b>65%</b>	<b>133,648</b>	<b>304,724</b>	<b>171,077</b>	<b>56%</b>	<b>536,652</b>	<b>403,005</b>
Communications	64,403	60,062	4,341	7%	60,062	63,625	3,563	6%	107,185	47,123
Printing	35,509	37,993	(2,485)	(7%)	37,993	51,908	13,915	27%	105,170	67,177
Advertising	630	-	630	100%	-	-	-	0%	-	-
<b>Communications</b>	<b>100,541</b>	<b>98,055</b>	<b>2,486</b>	<b>2%</b>	<b>98,055</b>	<b>115,533</b>	<b>17,478</b>	<b>15%</b>	<b>212,355</b>	<b>114,300</b>
Supplies	102,175	146,148	(43,973)	(43%)	146,148	157,189	11,041	7%	264,531	118,383
Postage	8,450	11,212	(2,762)	(33%)	11,212	10,481	(731)	(7%)	18,258	7,046
Dues & Subscriptions	5,190	5,003	187	4%	5,003	7,295	2,292	31%	15,558	10,555
Travel & Entertainment	4,768	37	4,731	99%	37	5,444	5,406	99%	14,912	14,874
Other Operating Expense	171,286	81,804	89,482	52%	81,804	127,949	46,145	36%	263,646	181,842
<b>Operations</b>	<b>291,868</b>	<b>244,204</b>	<b>47,664</b>	<b>16%</b>	<b>244,204</b>	<b>308,357</b>	<b>64,154</b>	<b>21%</b>	<b>576,904</b>	<b>332,700</b>
Information Technology	36,239	42,386	(6,147)	(17%)	42,386	61,360	18,974	31%	86,509	44,123
Professional Fees	142,397	187,089	(44,692)	(31%)	187,089	151,379	(35,710)	(24%)	272,286	85,197
Commercial Insurance	184,823	182,078	2,745	1%	182,078	170,190	(11,888)	(7%)	287,000	104,922
Taxes	25	10,157	(10,132)	(40,527%)	10,157	10,000	(157)	(2%)	20,367	10,210
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-
<b>Corporate Expenses</b>	<b>363,485</b>	<b>421,711</b>	<b>(58,226)</b>	<b>(16%)</b>	<b>421,711</b>	<b>392,930</b>	<b>(28,781)</b>	<b>(7%)</b>	<b>666,163</b>	<b>244,452</b>
<b>Expenses</b>	<b>5,680,220</b>	<b>6,039,387</b>	<b>(359,167)</b>	<b>(6%)</b>	<b>6,039,387</b>	<b>6,662,895</b>	<b>623,509</b>	<b>9%</b>	<b>11,196,452</b>	<b>5,157,066</b>
Gross surplus(Rev-Exp)	722,785	759,940	37,155	5%	759,940	249,006	510,935	205%	12,544	(747,396)
Net. Gain/Loss on Invest.	161,933	430,305	268,372		430,305	-	430,305		-	(430,305)
<b>Net from Operations</b>	<b>884,719</b>	<b>1,190,245</b>	<b>305,527</b>	<b>35%</b>	<b>1,190,245</b>	<b>249,006</b>	<b>941,240</b>	<b>378%</b>	<b>12,544</b>	<b>(1,177,701)</b>



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

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
<b>Net change in net assets-GVR</b>	1,190,321 (13)	1,190,321	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,381,161)	-	-	1,048,192	332,969
Depreciation	-	969,144	(969,144)	-	-	-
Disposal of Fixed Assets	-	(14,935)	14,935	-	-	-
Purchase & Contributed Fixed Assets	-	(306,712)	477,044	-	(222,514)	52,182
Withdrawals	-	468,013	-	-	(307,013)	(161,001)
Allocations of Net Change components:						
Investment income	-	(124,118)	-	7,412	100,782	15,923
Investment Expenses	-	51,763	-	(4,084)	(42,124)	(5,554)
Net Gains (Losses) in Investments	-	(441,508)	-	118,456	318,575	4,478
Repairs and replacements	-	-	-	-	-	-
<b>Net Change to July 31, 2021</b>	1,190,321 (13)	410,807	(477,165)	121,784	895,898	238,997
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)
<b>Net Assets as at, July 31, 2021</b>	<b>31,738,614 (8)</b>	<b>3,091,113</b>	<b>17,407,816 (7)</b>	<b>1,115,199 (9)</b>	<b>8,770,616 (10)</b>	<b>1,353,870 (11)</b>
		20,498,929 (14)			11,239,685 (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
<b>Balance Dec 31, 2020 (at Market)</b>	12,292,477 <sup>(20)</sup>	2,309,471 <sup>(19)</sup>	993,416 <sup>(15)</sup>	7,874,717 <sup>(16)</sup>	1,114,873 <sup>(17)</sup>
<b>Changes since Jan 1, 2020:</b>					
Principal additions	4,381,161	3,000,000	-	1,048,192	332,969
Investment income	145,206	21,089	7,412	100,782	15,923
Withdrawals	(638,345)	-	-	(529,527)	(108,819)
Investment Expenses	(51,763)	-	(4,084)	(42,124)	(5,554)
<b>Net Change for 7 Months</b>	3,836,259	3,021,089	3,328	577,323	234,519
<b>Balance before Market Change at July 31, 2021</b>	16,128,736	5,330,560	996,744	8,452,041	1,349,392
<b>7 Months Net Change in Investments Gain/(Loss)</b>	430,305	(11,203)	118,456	318,575	4,478
<b>Balance at July 31, 2021 (at Market)</b>	<b>\$ 16,559,041 <sup>(6)</sup></b>	<b>5,319,357 <sup>(5)</sup></b>	<b>1,115,199.45 <sup>(1)</sup></b>	<b>8,770,616 <sup>(2)</sup></b>	<b>1,353,870 <sup>(3)</sup></b>

11,239,685 <sup>(12)</sup>

Footnotes refer to Statement of Financial Position and Statement of Activities







Green Valley Recreation, Inc.

## BOARD OF DIRECTORS REGULAR MEETING

**Prepared By:** David Webster, Interim CFO

**Meeting Date:** August 25, 2021

**Presented By:** Donna Coon, FAC Chair and David Webster    **Consent Agenda:** No

<b>Originating Committee/Department:</b> FAC/Finance
<b>Action Requested:</b> Transfer 2020 Surplus of \$125,871 from the Operations Investment Account to the Initiative Reserve
<b>Goal 4:</b> Cultivate and maintain a sound financial base that generates good value for our members
<b>Background Justification:</b> At the August 17, 2021 meeting, the Fiscal Affairs Committee recommended transferring \$125,871 from the Operating Cash Investment Account to the Initiatives Reserve based on the recently approved Surplus Calculation.  This movement of funds is based on using the recently approved surplus calculation documented in the CPM (Section V FISCAL/ACCOUNTING, subsection 2.C.3.).
<b>Fiscal Impact:</b> If approved, \$125,871 would be transferred from Operations to Initiatives.
<b>Board Options:</b> <ol style="list-style-type: none"> <li>1. Transfer \$125,871 from the Operations Investment Account to the Initiative Reserve Account based on the 2020 surplus calculation.</li> <li>2. Transfer a different amount from the Operations Investment Account to the Initiative Reserve Account.</li> <li>3. Table this discussion and any decision at this time.</li> </ol>
<b>Staff Recommendation:</b> Option #1

**Recommended Motion:**

*The Fiscal Affairs Committee recommends to the board that it authorize staff to transfer the 2020 Operations surplus of \$125,871 to the Initiatives Reserve Account.*

**Attachments:**

1. 2020 Revised Surplus Recommendation



## MEMO

TO: Scott Somers  
 FROM: David Webster  
 DATE: August 9, 2021  
 CC: Donna Coon  
 RE: 2020 Revised Surplus Recommendation

### 2020 SURPLUS

The 2020 surplus calculation was previously reported to be \$380,202. As a result of additional discussions with Susan Voss, that calculation has been revised to \$125,871. The reason the calculated surplus has been reduced is due to Construction in Process of Non-Reserve Capital projects increased by \$254,331 in 2020. This adjustment is discussed in note A of the Voss 2020 Surplus report. This use of Operating cash to fund Non-Reserve Capital projects during the year is deducted to determine the Operating Surplus for 2020. The revised calculation is as follows:

Original Calculated 2020 Operating Surplus	\$ 380,202
Adjustment for Operating Non-Reserve Capital Non-Reserve Capital Projects included in Construction in Process	<u>\$(254,331)</u>
Revised 2020 Operating Surplus	<u>\$ 125,871</u>

GVR staff calculation for the surplus for 2020 is attached and includes references to the Audit, year-end financial reports, and Vos report.

GVR Staff recommends that the Fiscal Affairs Committee approve and forward to the Board of Directors authorization to transfer \$125,871 from Operating Cash to the Initiatives Board Designated Reserve for the 2020 Surplus.



Green Valley Recreation, Inc.



**BOARD OF DIRECTORS  
WORKSESSION and REGULAR MEETING**

**Prepared By:** David Webster, Interim CFO

**Meeting Date:** August 25, 2021

**Presented By:** Donna Coon, FAC Chair and David Webster **Consent Agenda:** No

**Originating Committee/Department:** FAC/Finance

**Action Requested:**

Discuss and adopt formula and recommendation to transfer \$500,000 from Operations to Initiatives.

**Goal 4:** Cultivate and maintain a sound financial base that generates good value for our members

**Background Justification:**

The Fiscal Affairs Committee established an Operating Cash Ad Hoc Committee to identify a proper and appropriate formula for establishing minimum cash needs in the Operations Fund, and for recommending a transfer of funds from Operations to Initiatives above and beyond minimum cash needs. This movement of funds was recommended and approved by the Operating Cash Ad Hoc Committee. It is based on the calculation of 'Average Daily Cash Required' to fund GVR operations for one year and of having 90 days of cash on hand at all times to cover unexpected revenue losses or unexpected expense increases. The ad hoc committee presented its findings and recommendations to the Fiscal Affairs Committee (FAC) on August 17, 2021. The FAC concurred with the recommendations and therefore recommends the Board of Directors adopt the recommended formula and transfers \$500,000 immediately from Operations to Initiatives based on the formula, and an approximately \$238,000 in December 2021 once the actual numbers are identified, for a total transfer from Operations to Initiatives of \$738,000.

If the Board agrees with the intent of the recommended formula, then the Fiscal Affairs Committee (FAC) will develop the recommended policy language for the Corporate Policy Manual for future Board consideration.

**Fiscal Impact:**

If approved, \$500,000 would be transferred from Operations to Initiatives.

**Board Options:**

1. Adopt the recommended formula and direct staff to transfer \$500,000 from Operations to Initiatives.
2. Send this item back to the FAC to develop a different formula and transfer of funds for the Board to consider at a future meeting.
3. Table this discussion and any decision at this time.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

*I move to adopt the recommended formula and the motion of the Fiscal Affairs Committee to transfer \$500,000 from Operating Cash to the Initiatives Board Designated Reserve.*

**Attachments:**

1. Operating Cash Investment Maximization Report
2. GVR Projection of Operating Cash



GREEN VALLEY RECREATION, INC.

**MEMO**

TO: Scott Somers  
 FROM: David Webster  
 DATE: August 18, 2021  
 CC: Bev Lawless – Investment Committee  
 RE: Operating Cash Investment Maximization

The following discussion of maximizing our return on investments for our Operating Cash includes a detailed analysis of how GVR calculates the Average Daily Cash Requirements for the operations of the organization based on recent updates developed and approved by the Fiscal Affairs Committee.:

Budgeted Total Expenses for 2021	\$11,196,453
Less Non-Cash Depreciation	-\$ 1,810,173
Less Expenses paid by MRR	-\$ 259,034
Plus, Non-Reserve Capital Purchases	\$ 205,000
Reserve Funding from Operations:	
Maintenance Repair & Repl.	\$ 1,048,192
Maintenance Rep. & Repl. MAR	\$ 169,553
Initiatives	<u>\$ 507,317</u>
Total Cash Required to Operate GVR	\$11,057,306
Cash Transfer of MRR in January for	
One Time Funding	\$ (1,048,192)
Total Adjusted Net Cash Required	\$10,009,114
Number of Days per Year	<u>/ 365</u>
Average Daily Cash Required	\$ 27,422





Of course, on any given day, the cash requirements will vary considerably. The above method is the best practice for determining cash needs to establish benchmarks for establishing minimum cash requirements.

Please note that the preceding calculation does not include reserve investment expenses or income relating to reserve accounts. This calculation is for the cash required to operate GVR and fund the reserves only.

Furthermore, for calculating Days Cash on Hand, we reduce the operating cash available by the PACF liability amount because operating cash is required when Members submit a claim for this refund. There are always other liabilities such as trade accounts payables that exist on any given day but we do not adjust for these because they are part of normal operating activities and we typically have terms such as 30 days net. We believe that the PACF liability is a unique Member driven cash liability that we want to include and assume immediate cash availability when analyzing our operating cash available that fits within our conservative principals of providing a sound financial base for our Members.

GVR applies this Average Daily Cash needs to the industry standard minimum of 90 to 120 days cash on hand to establish a range of cash that is in the Comfort Zone for Operating Cash that can be found on item E on the attached graph. The calculation is as follows:

$$\begin{array}{lcl} 90 \text{ Days X } \$27,422 & = & \$2,500,000 \text{ (rounded)} \\ 120 \text{ Days X } \$27,422 & = & \$3,300,000 \text{ (rounded)} \end{array}$$

The attached Operating Cash graph is a general illustration of the typical cash cycle experienced by GVR. The peak balance of total available cash of approximately \$7,300,000 is found in January and the low point of around \$2,600,000 occurs in November.





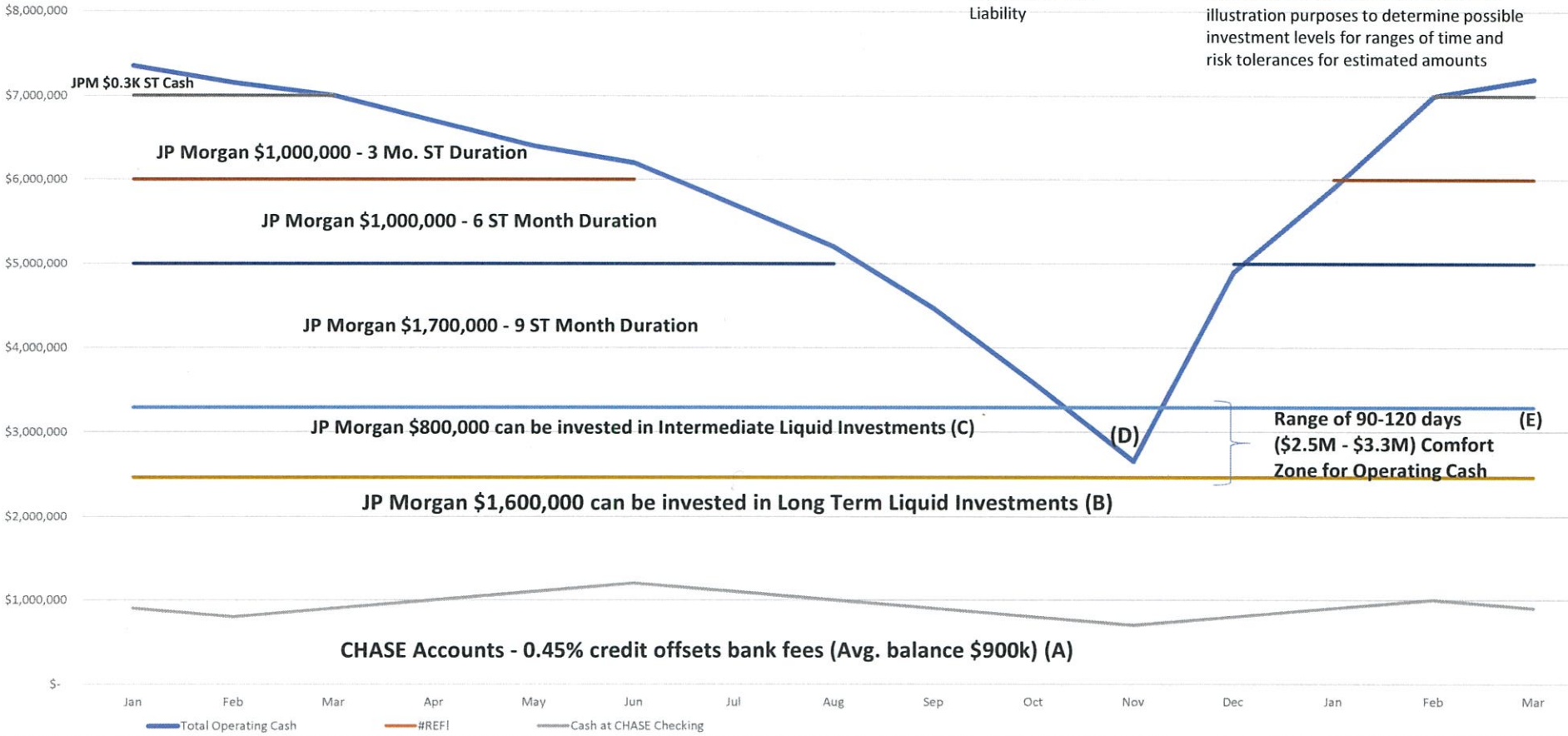
- GVR maintains an average of about \$900,000 in our CHASE Demand accounts that earn a 0.45% credit that offsets bank fees that be found on item A.
- There is approximately \$1,600,000 invested at JP Morgan that represents the amount between the average CHASE balance of \$900,000 and the minimum of 90 days of \$2,500,000 and is identified as item B. These funds can be invested with a longer term and higher risk tolerance.
- The amount between the minimum of \$2,000,000 and \$3,300,000 upper end of the Comfort Zone for minimum Cash Balances is identified as the band labeled item C. The Operating Cash balance is projected to dip well into this level and is identified as item D. This \$800,000 cash zone C has a more intermediate term and lower risk tolerance.
- The Operating Cash levels above the \$3,300,000 minimum level are identified in Short Term bands that total \$4,000,000 that will be used within 1-month, 3-month, 6-month or 9-month periods.

Again, this is a very generalized illustration that appropriately describes the Operating Cash cycle of GVR. With the Surplus Formula in place, and a Zero-Surplus Budget strategy, this cycle should theoretically be a stable repeatable general pattern. Of course, there are circumstances that will cause this pattern to vary such as significant changes in Receivables or Payables and other economic factors that impact Operating Cash. The purpose of this illustration is to help the Investment Committee determine the appropriate investment strategies for GVR's Operating Cash.

# Operating Cash

Operating Cash is adjusted for PACF Liability

The cash balance amounts in this graph are rounded estimated balances and are for illustration purposes to determine possible investment levels for ranges of time and risk tolerances for estimated amounts



GVR  
Projection of Operating Cash  
Nov-21

Total Budget Expenses For 2021		\$ 11,196,453
Less Non-Cash Depreciation		\$ (1,810,173)
Less Expenses Paid by MRR Reserve		\$ (259,034)
Non Reserve Capital Purchases		\$ 205,000
Reserve Funding From Revenues:		
Maintenance Repair & Repl.	\$ 1,048,192	
MRR / MAR	\$ 169,553	
Initiatives	\$ 507,315	
TOTAL		\$ 1,725,060
Total Cash Required to Fund GVR For Fiscal Year		\$ 11,057,306
Cash Transfer of MRR in January for One Time		\$ (1,048,192)
Total Cash Required		\$ 10,009,114
Days Per Year		365
Daily Average Cash Required		\$ 27,422

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Operating Cash Balance Projected		
November 2021	\$ 3,517,961	
Less PACF Allowance	\$ (312,340)	
Net Cash Available For Operating Funds		\$ 3,205,621
Daily Average Cash Required		\$ 27,422
Number of Days of Operating Cash Available		117
Minimum Number of Days	90	
Daily Average Cash Required	\$ 27,422	
Minimum Cash Required	\$ 2,468,001	
Projected Net Cash Available		\$ 3,205,621
<b>Projected Operating Cash Above the Minimum</b>	<b>\$ 737,620</b>	
Estimate Transfer August 2021	\$ (500,000)	
Estimated Balance to Be Transferred After Books Closed in December 2021		\$ 237,620

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Green Valley Recreation, Inc.

**BOARD OF DIRECTORS  
REGULAR MEETING**

**Prepared By:** David Webster, Interim CFO

**Meeting Date:** August 25, 2021

**Presented By:** Donna Coon, FAC Chair and David Webster **Consent Agenda:** No

<p><b>Originating Committee/Department:</b> FAC/Finance</p>
<p><b>Action Requested:</b> Create an MRR part B reserve account for pool and spa replacement and eliminate the recently approved Major Asset Replacement Fund (MAR).</p>
<p><b>Goal 4:</b> Cultivate and maintain a sound financial base that generates good value for our members</p>
<p><b>Background Justification:</b> At the August 17, 2021 meeting, the Fiscal Affairs Committee reviewed the options presented by the Browning Reserve company for adding pool and spa replacement to the MRR reserve. This report is attached.  After discussion, the committee determined the best option would be to create a Part B to the existing MRR reserve. This would not impact the requirements for funding the MRR reserve (see CPM Section V FISCAL/ACCOUNTING, subsection 2.C.2.) or the IPS for the MRR reserve.</p>
<p><b>Fiscal Impact:</b> Determining annual funding for MRR-B would be part of the annual budget process.</p>
<p><b>Board Options:</b></p> <ol style="list-style-type: none"> <li>1. Create an MRR part B reserve account for pool and spa replacement and eliminate the recently approved Major Asset Replacement Fund (MAR).</li> <li>2. Maintain the Major Asset Replacement Fund (MAR).</li> <li>3. Utilize the Initiatives Reserve Fund for pool and spa replacement.</li> <li>4. Table this decision at this time.</li> </ol>
<p><b>Staff Recommendation:</b> Option #1</p>

**Recommended Motion:**

*The Fiscal Affairs Committee recommends to the board that it authorize staff to create a separate Major Pool and Spa Replacement account as part B of the existing MRR reserve, and I move to eliminate the recently approved Major Asset Replacement Fund (MAR).*

**Attachments:**

1. Browning Reserve report for adding pool and spa replacement to the MRR reserve



**RESERVE STUDY**

Update w/o Site Visit Review

**Green Valley Recreation Cap Account**

Initial Draft

Published - August 08, 2021

Prepared for the 2022 Fiscal Year

**Browning Reserve Group**

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# Green Valley Recreation Cap Account

Initial Draft

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**Section II**  
 Green Valley Recreation Cap Account  
**30 Year Expense Forecast - Detailed**  
 Initial Draft  
 Prepared for the 2022 Fiscal Year

Reserve Component	Current		Life																
	Replacement	Useful /		Cost	Remaining	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>00020 - West Social Center (WC)</b>																			
<b>12000 - Pool</b>																			
144 - Structural Replacement of Pool 250 If WC Pool & Spa Area	1,250,000	60	15																
Total 12000 - Pool	1,250,000																		
Total [West Social Center (WC)] Expenditures Inflated @ 2.50%																			
<b>00030 - East Social Center (EC)</b>																			
<b>12000 - Pool</b>																			
142 - Structural Replacement of Pool 165 If EC Pool Re-build	750,000	60	1				768,750												
Total 12000 - Pool	750,000						768,750												
Total [East Social Center (EC)] Expenditures Inflated @ 2.50%																			
<b>00040 - Las Campanas (LC)</b>																			
<b>12000 - Pool</b>																			
144 - Structural Replacement of Pool 264 LC Pool & Spa Area	1,056,000	60	36																
Total 12000 - Pool	1,056,000																		
Total [Las Campanas (LC)] Expenditures Inflated @ 2.50%																			
<b>00050 - Desert Hills (DH)</b>																			
<b>12000 - Pool</b>																			
146 - Structural Replacement of Pool 260 If DH Pool & Spa Area	1,040,000	60	20																
Total 12000 - Pool	1,040,000																		
Total [Desert Hills (DH)] Expenditures Inflated @ 2.50%																			
<b>00060 - Canoa Hills (CH)</b>																			
<b>12000 - Pool</b>																			
148 - Structural Replacement of Pool 274 CH Pool & Spa Area	1,096,000	60	29																
Total 12000 - Pool	1,096,000																		
Total [Canoa Hills (CH)] Expenditures Inflated @ 2.50%																			
<b>00070 - Santa Rita Springs (SRS)</b>																			
<b>12000 - Pool</b>																			
150 - Structural Replacement of Pool 240 SR Pool & Spa Area	960,000	60	35																
Total 12000 - Pool	960,000																		

Reserve Component	Current Replacement Cost	Life Useful / Remaining	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total [Santa Rita Springs (SRS)] Expenditures Inflated @ 2.50%																	
<b>00080 - Canoa Ranch (CR)</b>																	
<b>12000 - Pool</b>																	
152 - Structural Replacement of Pool 256 CR Pool & Spa Area	1,024,000	60 47															
Total 12000 - Pool	1,024,000																
Total [Canoa Ranch (CR)] Expenditures Inflated @ 2.50%																	
<b>00090 - Abrego South (AS)</b>																	
<b>12000 - Pool</b>																	
154 - Structural Replacement of Pool 170 AS Pool & Spa Area	680,000	60 13															937,388
Total 12000 - Pool	680,000																937,388
Total [Abrego South (AS)] Expenditures Inflated @ 2.50%																	
<b>00100 - Continental Vistas (CV)</b>																	
<b>12000 - Pool</b>																	
156 - Structural Replacement of Pool 180 CV Pool & Spa Area	720,000	60 18															
Total 12000 - Pool	720,000																
Total [Continental Vistas (CV)] Expenditures Inflated @ 2.50%																	
<b>00110 - Madera Vista (MV)</b>																	
<b>12000 - Pool</b>																	
160 - Structural Replacement of Pool 156 MV Pool & Spa Area	624,000	60 23															
Total 12000 - Pool	624,000																
Total [Madera Vista (MV)] Expenditures Inflated @ 2.50%																	
<b>00120 - Casa Paloma I (CPI)</b>																	
<b>12000 - Pool</b>																	
162 - Structural Replacement of Pool 200 CPI Pool & Spa Area	800,000	40 12															1,075,911
Total 12000 - Pool	800,000																1,075,911
Total [Casa Paloma I (CPI)] Expenditures Inflated @ 2.50%																	
<b>00130 - Casa Paloma II (CPII)</b>																	
<b>12000 - Pool</b>																	
166 - Structural Replacement of Pool 180 CPII Pool & Spa Area	720,000	60 15															
Total 12000 - Pool	720,000																
Total [Casa Paloma II (CPII)] Expenditures Inflated @ 2.50%																	
<b>00140 - Abrego North (AN)</b>																	
<b>12000 - Pool</b>																	
140 - Structural Replacement of Pool 230 If Albrego N	506,000	60 17															
Total 12000 - Pool	506,000																

Reserve Component	Current Replacement Cost	Life Useful / Remaining	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			Total [Abrego North (AN)] Expenditures Inflated @ 2.50%														
Total Expenditures Inflated @ 2.50%			0	768,750	0	0	0	0	0	0	0	0	0	0	1,075,911	937,388	0
Total Current Replacement Cost	11,226,000																

Reserve Component	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>00020 - West Social Center (WC)</b>															
<b>12000 - Pool</b>															
144 - Structural Replacement of Pool 250 If WC Pool & Spa Area	1,810,373														
Total 12000 - Pool	1,810,373														
Total [West Social Center (WC)] Expenditures Inflated @ 2.50%	1,810,373														
<b>00030 - East Social Center (EC)</b>															
<b>12000 - Pool</b>															
142 - Structural Replacement of Pool 165 If EC Pool Re-build															
Total 12000 - Pool															
Total [East Social Center (EC)] Expenditures Inflated @ 2.50%															
<b>00040 - Las Campanas (LC)</b>															
<b>12000 - Pool</b>															
144 - Structural Replacement of Pool 264 LC Pool & Spa Area															
Total 12000 - Pool															
Total [Las Campanas (LC)] Expenditures Inflated @ 2.50%															
<b>00050 - Desert Hills (DH)</b>															
<b>12000 - Pool</b>															
146 - Structural Replacement of Pool 260 If DH Pool & Spa Area						1,704,161									
Total 12000 - Pool						1,704,161									
Total [Desert Hills (DH)] Expenditures Inflated @ 2.50%						1,704,161									
<b>00060 - Canoa Hills (CH)</b>															
<b>12000 - Pool</b>															
148 - Structural Replacement of Pool 274 CH Pool & Spa Area															2,242,863
Total 12000 - Pool															2,242,863
Total [Canoa Hills (CH)] Expenditures Inflated @ 2.50%															2,242,863
<b>00070 - Santa Rita Springs (SRS)</b>															
<b>12000 - Pool</b>															
150 - Structural Replacement of Pool 240 SR Pool & Spa Area															
Total 12000 - Pool															
Total [Santa Rita Springs (SRS)] Expenditures Inflated @ 2.50%															
<b>00080 - Canoa Ranch (CR)</b>															
<b>12000 - Pool</b>															
152 - Structural Replacement of Pool 256 CR Pool & Spa Area															
Total 12000 - Pool															
Total [Canoa Ranch (CR)] Expenditures Inflated @ 2.50%															

Reserve Component	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>00090 - Abrego South (AS)</b>															
<b>12000 - Pool</b>															
154 - Structural Replacement of Pool 170 AS Pool & Spa Area															
Total 12000 - Pool															
Total [Abrego South (AS)] Expenditures Inflated @ 2.50%															
<b>00100 - Continental Vistas (CV)</b>															
<b>12000 - Pool</b>															
156 - Structural Replacement of Pool 180 CV Pool & Spa Area				1,122,954											
Total 12000 - Pool				1,122,954											
Total [Continental Vistas (CV)] Expenditures Inflated @ 2.50%				1,122,954											
<b>00110 - Madera Vista (MV)</b>															
<b>12000 - Pool</b>															
160 - Structural Replacement of Pool 156 MV Pool & Spa Area									1,101,117						
Total 12000 - Pool									1,101,117						
Total [Madera Vista (MV)] Expenditures Inflated @ 2.50%									1,101,117						
<b>00120 - Casa Paloma I (CPI)</b>															
<b>12000 - Pool</b>															
162 - Structural Replacement of Pool 200 CPI Pool & Spa Area															
Total 12000 - Pool															
Total [Casa Paloma I (CPI)] Expenditures Inflated @ 2.50%															
<b>00130 - Casa Paloma II (CPII)</b>															
<b>12000 - Pool</b>															
166 - Structural Replacement of Pool 180 CPII Pool & Spa Area				1,042,775											
Total 12000 - Pool				1,042,775											
Total [Casa Paloma II (CPII)] Expenditures Inflated @ 2.50%				1,042,775											
<b>00140 - Abrego North (AN)</b>															
<b>12000 - Pool</b>															
140 - Structural Replacement of Pool 230 If Albrego N				769,939											
Total 12000 - Pool				769,939											
Total [Abrego North (AN)] Expenditures Inflated @ 2.50%				769,939											
<b>Total Expenditures Inflated @ 2.50%</b>	<b>2,853,147</b>	<b>0</b>	<b>769,939</b>	<b>1,122,954</b>	<b>0</b>	<b>1,704,161</b>	<b>0</b>	<b>0</b>	<b>1,101,117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,242,863</b>

**30 Year Reserve Funding Plan Cash Flow Method**

Initial Draft

Prepared for the 2022 Fiscal Year

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Beginning Balance</b>	0	0	300,847	615,984	945,921	1,291,184	1,652,314	2,029,872	2,424,434	2,836,596
<b>Inflated Expenditures @ 2.5%</b>	0	768,750	0	0	0	0	0	0	0	0
<b>Reserve Contribution</b>	0	297,500	304,938	312,561	320,375	328,384	336,594	345,009	353,634	362,475
<i>Lots/year @ 13610</i>	0.00	21.86	22.41	22.97	23.54	24.13	24.73	25.35	25.98	26.63
<i>Percentage Increase</i>		0.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	768,750 <sup>1</sup>	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	0	3,347	10,200	17,376	24,887	32,746	40,964	49,553	58,528	67,901
<b>Ending Balance</b>	0	300,847	615,984	945,921	1,291,184	1,652,314	2,029,872	2,424,434	2,836,596	3,266,972

1) The plan assumes the pool structure replacement at EC, is being done with capital funds already on hand.

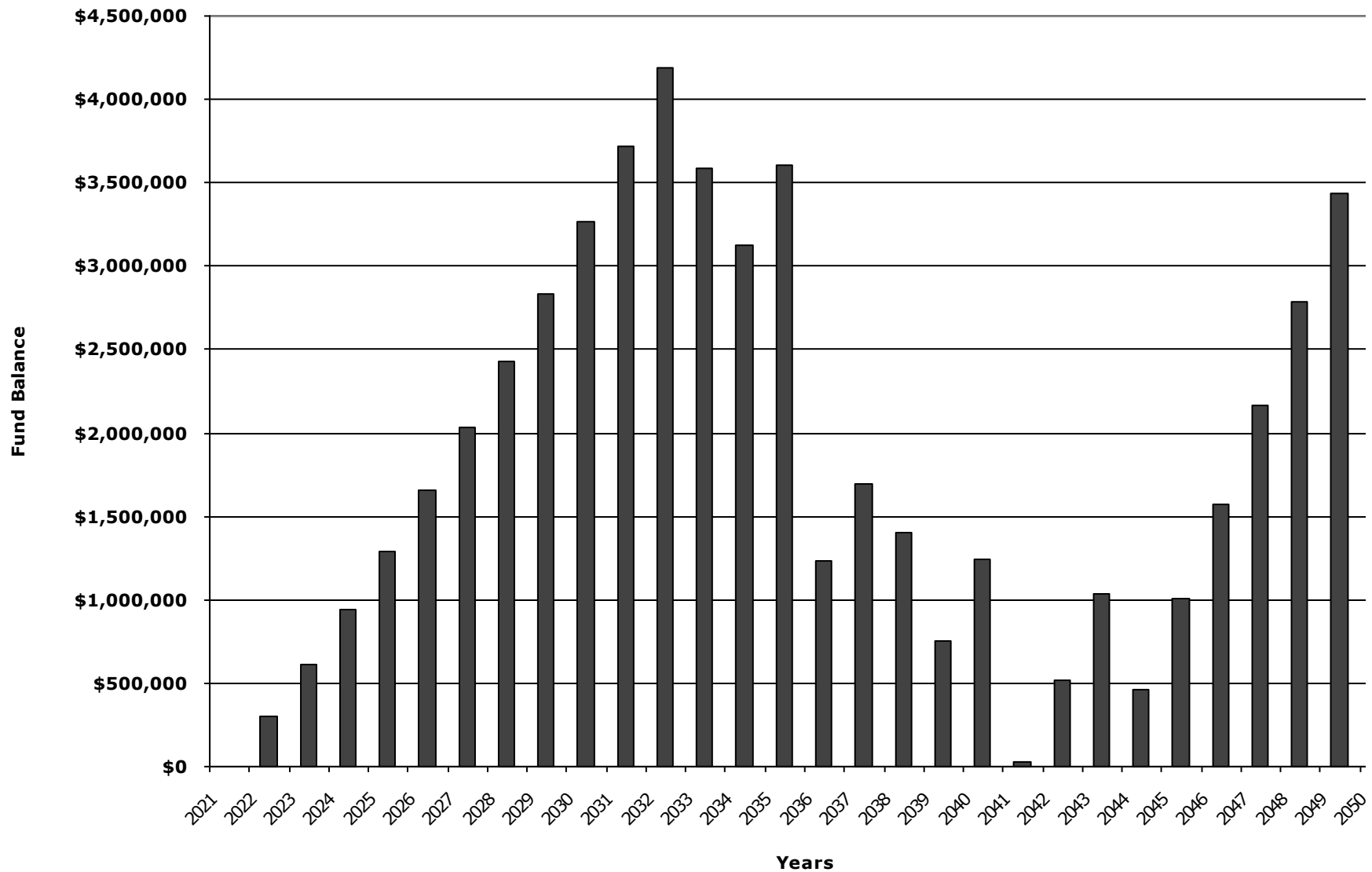
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>Beginning Balance</b>	3,266,972	3,716,196	4,184,920	3,585,803	3,123,156	3,608,149	1,229,177	1,692,551	1,398,643	752,301
<b>Inflated Expenditures @ 2.5%</b>	0	0	1,075,911	937,388	0	2,853,147	0	769,939	1,122,954	0
<b>Reserve Contribution</b>	371,537	380,825	390,346	400,105	410,108	420,361	430,870	441,642	452,683	464,000
<i>Lots/year @ 13610</i>	27.30	27.98	28.68	29.40	30.13	30.89	31.66	32.45	33.26	34.09
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	77,687	87,899	86,448	74,636	74,885	53,815	32,504	34,389	23,929	22,147
<b>Ending Balance</b>	3,716,196	4,184,920	3,585,803	3,123,156	3,608,149	1,229,177	1,692,551	1,398,643	752,301	1,238,448

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>Beginning Balance</b>	1,238,448	23,930	517,443	1,034,384	462,084	1,003,360	1,570,086	2,163,167	2,783,536	3,432,156
<b>Inflated Expenditures @ 2.5%</b>	1,704,161	0	0	1,101,117	0	0	0	0	0	2,242,863
<b>Reserve Contribution</b>	475,600	487,490	499,677	512,169	524,973	538,097	551,549	565,338	579,471	593,958
<i>Lots/year @ 13610</i>	34.94	35.82	36.71	37.63	38.57	39.54	40.53	41.54	42.58	43.64
<i>Percentage Increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	14,044	6,023	17,264	16,648	16,303	28,629	41,532	55,031	69,149	58,673
<b>Ending Balance</b>	23,930	517,443	1,034,384	462,084	1,003,360	1,570,086	2,163,167	2,783,536	3,432,156	1,841,924

**30 Year Reserve Funding Plan Cash Flow Method - Ending Balances**

Initial Draft

Prepared for the 2022 Fiscal Year





**30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded**

Initial Draft

Prepared for the 2022 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2021	0	6,862,967	0.0%	0	0	0	0	0
2022	0	7,233,152	4.2%	768,750	297,500	768,750	3,347	300,847
2023	300,847	6,829,588	9.0%	0	304,938	0	10,200	615,984
2024	615,984	7,208,993	13.1%	0	312,561	0	17,376	945,921
2025	945,921	7,603,100	17.0%	0	320,375	0	24,887	1,291,184
2026	1,291,184	8,012,407	20.6%	0	328,384	0	32,746	1,652,314
2027	1,652,314	8,437,427	24.1%	0	336,594	0	40,964	2,029,872
2028	2,029,872	8,878,690	27.3%	0	345,009	0	49,553	2,424,434
2029	2,424,434	9,336,743	30.4%	0	353,634	0	58,528	2,836,596
2030	2,836,596	9,812,150	33.3%	0	362,475	0	67,901	3,266,972
2031	3,266,972	10,305,491	36.1%	0	371,537	0	77,687	3,716,196
2032	3,716,196	10,817,367	38.7%	0	380,825	0	87,899	4,184,920
2033	4,184,920	11,348,396	31.6%	1,075,911	390,346	0	86,448	3,585,803
2034	3,585,803	10,796,407	28.9%	937,388	400,105	0	74,636	3,123,156
2035	3,123,156	10,379,282	34.8%	0	410,108	0	74,885	3,608,149
2036	3,608,149	10,919,396	11.3%	2,853,147	420,361	0	53,815	1,229,177
2037	1,229,177	8,555,552	19.8%	0	430,870	0	32,504	1,692,551
2038	1,692,551	9,064,280	15.4%	769,939	441,642	0	34,389	1,398,643
2039	1,398,643	8,803,910	8.5%	1,122,954	452,683	0	23,929	752,301
2040	752,301	8,182,744	15.1%	0	464,000	0	22,147	1,238,448
2041	1,238,448	8,704,822	0.3%	1,704,161	475,600	0	14,044	23,930
2042	23,930	7,501,125	6.9%	0	487,490	0	6,023	517,443
2043	517,443	8,022,236	12.9%	0	499,677	0	17,264	1,034,384
2044	1,034,384	8,564,714	5.4%	1,101,117	512,169	0	16,648	462,084
2045	462,084	8,000,658	12.5%	0	524,973	0	16,303	1,003,360
2046	1,003,360	8,559,907	18.3%	0	538,097	0	28,629	1,570,086
2047	1,570,086	9,142,118	23.7%	0	551,549	0	41,532	2,163,167
2048	2,163,167	9,748,090	28.6%	0	565,338	0	55,031	2,783,536
2049	2,783,536	10,378,646	33.1%	0	579,471	0	69,149	3,432,156
2050	3,432,156	11,034,638	16.7%	2,242,863	593,958	0	58,673	1,841,924

